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20/10/2021

KEPPEL
pp 02012-02065

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INDEPENDENT COMMISSION AGAINST CORRUPTION

THE HONOURABLE RUTH McCOLL AO
COMMISSIONER

PUBLIC HEARING

OPERATION KEPPEL

Reference: Operation E17/0144

TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON WEDNESDAY 20 OCTOBER, 2021

AT 10.00AM

Any person who publishes any part of this transcript in any way and to any person contrary to a Commission direction against publication commits an offence against section 112(2) of the Independent Commission Against Corruption Act 1988.

This transcript has been prepared in accordance with conventions used in the Supreme Court.

THE COMMISSIONER: Yes, Mr Robertson.

MR ROBERTSON: Commissioner, shortly I'll call Mr Nigel Blunden. He'll be appearing by way of remote means. I'll then call Mr Baird. I won't get to Mr Baird before about 11.30am. I expect to be finished with both Mr Blunden and Mr Baird by lunchtime, and then the suggestion, as I've already indicated, is to call Mr Hanger tomorrow morning from 9.30am.

10 THE COMMISSIONER: Yes, thank you, Mr Robertson.

MR ROBERTSON: I call Nigel Blunden.

THE COMMISSIONER: Mr Blunden, I take it you wish to make an oath?

MR BLUNDEN: Yes, I do.

THE COMMISSIONER: Very well.

THE COMMISSIONER: Thank you. Ms Edwards, have you explained to Mr Blunden his rights and obligations as a witness?

MS EDWARDS: I have, Commissioner. And he does seek a section 38 declaration, Commissioner.

10 THE COMMISSIONER: Thank you. Mr Blunden, I'm about to make an explanation to you about the section 38 declaration to which Ms Edwards has referred. Could you listen very carefully, and then I'll make the declaration.---Yes.

As a witness, you must answer all questions truthfully and produce any item described in your summons or required by me to be produced. You may object to answering a question or producing an item. The effect of any objection is that although you must still answer the question or produce the item, your answer or the item produced cannot be used against you in any
20 civil proceedings or, subject to two exceptions, in any criminal or disciplinary proceedings. The first exception is that this protection does not prevent your evidence from being used against you in a prosecution for an offence under the Independent Commission Against Corruption Act, including an offence of giving false or misleading evidence, for which the penalty can be imprisonment for up to five years. The second exception only applies to New South Wales public officials, and I don't understand you to be one any longer. Is that the case, Mr Blunden?---Just I, just at the end I think you asked me if I was a public official anymore?

30 I said I did not believe you were a public official anymore and I asked for your confirmation that that assumption is correct.---Correct, yes.

Thank you. I can make a declaration that all answers given by you and all items produced by you will be regarded as having been given or produced on objection. This means you do not have to object with respect to each answer or the production of each item. I'll now make the section 38 declaration, Mr Blunden. Pursuant to section 38 of the Independent Commission Against Corruption Act, I declare that all answers given by this
40 witness and all documents and things produced by him during the course of his evidence at this public inquiry are to be regarded as having been given or produced on objection and there is no need for him to make objection in respect of any particular answer given or document or thing produced.

DIRECTION AS TO OBJECTIONS BY WITNESS: PURSUANT TO SECTION 38 OF THE INDEPENDENT COMMISSION AGAINST CORRUPTION ACT, I DECLARE THAT ALL ANSWERS GIVEN BY THIS WITNESS AND ALL DOCUMENTS AND THINGS

PRODUCED BY HIM DURING THE COURSE OF HIS EVIDENCE AT THIS PUBLIC INQUIRY ARE TO BE REGARDED AS HAVING BEEN GIVEN OR PRODUCED ON OBJECTION AND THERE IS NO NEED FOR HIM TO MAKE OBJECTION IN RESPECT OF ANY PARTICULAR ANSWER GIVEN OR DOCUMENT OR THING PRODUCED.

10 THE COMMISSIONER: Do you understand that, Mr Blunden?---I do, Commissioner.

Thank you. Thank you. Yes, Mr Robertson.

MR ROBERTSON: Mr Blunden, can you see and hear me clearly?---Yes, I can.

If at any point you can't hear or see me clearly, just let me know, please.---I shall.

20 Can you state your full name, please?---Nigel Balford Blunden.

You were the Director of Strategy in the office of Premier Baird from about April of 2014 to January 2017, is that right?---That's correct, yes.

And when we use the word "strategy" in that title, I take that to be a reference to political strategy, is that right?---Political strategy and parliamentary strategy.

30 And so it would involve at least overseeing the political strategy of the government of the day, is that right?---That's correct.

Managing parliamentary affairs?---Yes.

Working with the political arm of, in particular, the Liberal Party?
---Correct, yes.

And at least to some extent dealing with members of parliament?---That's right.

40 In that latter role, I take it that the Parliamentary Liaison Office would also provide significant assistance in dealing with members of parliament?
---Yes, that's true.

But obviously enough, when dealing with the political strategy of government, one aspect of that is dealing with members of parliament with a view to confirming their support for the views of the executive government of the day, is that right?---Yes, that's correct.

I take it in that role you have at least a working knowledge of the machinery of government, including things like Cabinet processes?---Yes, correct.

Similarly in relation to the processes of committees of Cabinet?---Yes, correct.

You're now the Head of Government Affairs at HammondCare, is that right?---I currently am an employee of the Department of Health in Canberra. I left HammondCare in June.

10

And that's a consulting role, in effect, to the Federal Government, is that right?---No, I'm an employee of the Department of Health.

You're aware that this Commission is investigating grant funding that was promised and/or awarded to the Australian Clay Target Association in 2016-2017?---Yes, I'm aware of that.

20

When did you first become aware that the Australian Clay Target Association was seeking funding from the NSW Government?---I think just about five, I think from recollection around mid-to-late 2016.

And what were the circumstances in which you became aware of that attempt, or at least proposal, to obtain funding?---The, the then Member for Wagga, Mr Maguire, I think had a, briefly mentioned to me that there was an opportunity for an international shooting event in Wagga and that part of that would be an opportunity to look at upgrading or spending additional funds on the existing facility there, from my memory.

30

And so when you say opportunity, was Mr Maguire communicating to you, as you understood it, a suggestion that in the event that some funding is available and a facility can be built, then there's some additional event that may be able to be won by the clay target facility? Is that the gist of what you're talking about?---I don't think, from my recollection, I don't think he linked the two. It was a very brief conversation I think, from memory, in Parliament House.

40

But I'm just trying to understand your use of the word "opportunity". Was it an opportunity, at least as you understood it, in the sense of saying, well, in the event that funding is available, this is an event that could be secured as opposed to this is an event that has already been secured but it would be good to have money to be able to build a facility. Put another way, as you understood it, was it a must have for the event or was it a nice to have for the event?---Well, the latter.

And in terms of the discussion with Mr Maguire, what's your best recollection as to how that arose? Was that an oral discussion, was it? ---That's my, that's my memory, yes. I, I, as I say, I think in, in the halls of Parliament House.

So, in effect, Mr Maguire was seeking to lobby you for support for this potential opportunity, to use your phrase?---I think he raised it as a, as an issue and, yeah. As I say, that's my recollection that he raised it very briefly.

And doing the best you can in terms of timing, did you say towards the end of 2016? Was that your - - -?---I believe so, yeah.

10 And so at that point in time, Ms Berejiklian was the Treasurer. Is that right?---That's true.

So after Mr Maguire raising this matter with you, what's your next recollection of any involvement in relation to funding sought or promised or awarded to the Australian Clay Target Association?---I think towards the end of 2016, there was, there was some conversations or correspondence between the Office of the Minister for Sport, the then Minister for Sport and perhaps the Treasurer's Office as to a proposal that was being put forward for this funding.

20

When you say "the then Minister for Sport", you're referring to Minister Ayres, I take it?---That's correct.

To try and assist you with some timing around these events, can we go, please, to page 40 of volume 26.2. And I think Mr Blunden is using a fairly small device, so we'll zoom in relatively significantly. We'll start at the top of the email chain, please, so if we can zoom in to the very top of the email chain, which, I'm going to show you the end of the chain and then we'll go down. Can you see that, Mr - - -

30

THE COMMISSIONER: Can you see that clearly, Mr Blunden?---Yes, I can, Commissioner.

MR ROBERTSON: So you can see there, I take it, an email from you to a Mr Pearl, P-e-a-r-l, and a Mr Hall?---Yes.

Mr Hall was the chief of staff to Minister Ayres as at 6 December, 2016. Is that right?---Correct.

40 What about Mr Pearl? What was Mr Pearl's role as at 6 December, 2016? ---I, I don't know his exact title but he worked in the Office of the Treasurer.

And if you have a look at the text of your email, can you read that text? It starts with the word "Gents" or do you need us to zoom in a little bit more? ---No, no, I can read that.

It says, “Gents – are we aware of this one? News to me. Seems like a lot of dollars, dollars, dollars.” Do you see that there?---Correct.

And we’ll just scan down the page, so I can show you the context. There’s an email from Mr Broadhead, who is described as the Principal Policy Officer Skills within the Department of Premier and Cabinet, and then it says, “Nigel, DPC understands that Minister Ayres has agreed with the Treasurer that the attached draft submission be listed for ERC on 14 December, 2016.” Do you see that there?---I do.

10

Then it said, “I wanted to confirm that the Premier’s Office,” which must be a reference to Premier Baird’s office, “was aware of the item and whether there are any specific views.” Do you see that there?---Correct.

Now, does that assist you in terms of timing as to your knowledge and understanding of what I’m calling the ACTA proposal? Was this the first time that you’d heard about it or was this the - - -?---In a formal – sorry. In a formal proposal, yes, but any mention of it previously had not mentioned the quantum of funding or specifics. This was the first I’d heard of a submission being put to the ERC.

20

And so is this right? Doing the best you can, there was some mention in the corridors, as it were, perhaps in Parliament House, from Mr Maguire directly to you regarding the ACTA proposal but it didn’t turn into any written documents of which you are aware until you received this email from Mr Broadhead of 6 December, 2016?---Yes, that’s, that’s my recollection, this is the first formal document.

30

There may have been other documents floating around, as it were, but in terms of coming to your knowledge, doing the best you can, it was 6 December, 2016, 8.20am in the email that we can see on the page?---Yeah. Yes, yeah, given this was five years ago, that’s my recollection that this is the first of a, a formal ERC proposal.

40

And does that answer indicate the extent of your knowledge as to what Premier Baird’s office generally knew, by which I mean at least so far as you were aware, was the first advice to Premier Baird’s office in relation to this proposal the correspondence from Mr Broadhead of 6 December, 2016?---I believe so. As well as my role, I was the sports adviser to the then Premier and a proposal like this I would have thought would come through me and that was the first that I can recall of it coming to our office.

In effect, are you saying that although you obviously can’t exclude the possibility that other people were given information that wasn’t drawn to your attention, in all likelihood as a matter of practice, it would be drawn to your attention rather than anyone else in the office’s attention because one of your roles was as sports adviser?---Potentially, yes, potentially. That would be my understanding and that would be my expectation.

If you have a look at the first paragraph of Mr Broadhead's email, he's informing you that DPC – I take it that you understand that to be a reference to the Department of Premier and Cabinet?---Yes.

“I understand that Minister Ayres has agreed with the Treasurer that the attached draft submission be lifted for the ERC on 14 December, 2016.” Do you see that there?---Yes, I do.

10 So is it a fairly typical time frame in your experience to have a draft ERC submission being provided to the Premier's Office on a date like 6 December and then it being considered by the ERC a handful of days later on 14 December, 2016?---It seemed quite tight. From my understanding, and I didn't work closely with the Economic Review Committee of Cabinet, my recollection is that we had a fairly strict policy of a 14-day period in which the lodgement of a submission, a brief, a document, would be two weeks prior to the meeting. That's what I recall from back in 2016. And that's, and to elaborate on that, that was to allow all relevant agencies to have sufficient time to import into a proposal.

20 And so is it right that one of the matters that would occur, at least as a matter of practice in relation to submissions to Cabinet and to committees of Cabinet, the process of interagency consultation so that those agencies can comment on the particular proposals?---That's correct. That was the usual practice.

Now, I take it that that was the usual practice, although from time to time it may be necessary to amend it because of the exigencies of the particular case at least in your experience?---Yeah. I, I can't think of an exception that, when it didn't occur. I, I, that's not to say, and I'm sure it is possible, 30 that here were but you could, a minister would be entitled to make a case to fast-track a proposal but I can't think of an example in which that occurred or where that occurred.

When you say “to make a case”, make a case to who? As you understood it, in whose gift was the Expenditure Review Committee agenda, who got to decide what was on the agenda or not on the agenda?---The Treasurer was the chair of the ERC but I suspect that you would also, if you wished to truncate the process, also get the, the views of the Premier as well 40 ultimately.

But to, in effect, truncate the process, at least as you understood at the time that you worked in Premier Baird's office, one needed either the Treasurer to put an item on the agenda in a truncated form or possibly as the senior minister, the Premier?---That's my understanding, yes.

I take it on a day-to-day basis though it was the Treasurer who took responsibility for the ERC agenda, rather than the Premier?---Yes, that's right.

But obviously enough, if the Premier, as the senior minister, wants something on the agenda, well that's what's going to happen, correct? ---Correct.

10 I take it, at least as a matter of political reality, in your experience if a particular proposal is seen to be supported by a senior minister, such as the Premier, in all likelihood that's likely to engender the support of other members of the Cabinet committee or the Cabinet? It will depend on the circumstances but it would at least be a significant factor.---Government tends to work that way, yes.

And when you say "government tends to work that way", you would give a similar response in relation to a senior minister like the Treasurer. Is that right?---As the chair of the ERC I'd suspect that would be the case, yes.

20 That would, at least in your experience of someone responsible for political strategy, the support of the Treasurer in relation to an ERC item would likely as a matter of reality be a significant factor affecting whether a particular proposal engenders support or not in the ERC committee room as it were?---Yes, the, the chair, it would, it would be helpful if the chair of the ERC supported the proposal that the committee was considering.

30 Is it a little bit more than helpful? It's likely, at least in your experience, to be a significant matter?---I think that there were discussions at ERC that were quite robust. The way that we managed government was that scrutiny was put across all expenditure of public money. We wanted to make sure it was value for money. That there were feasibility or benefit-cost ratios put against projects. There was robust discussion on a number of issues. I don't think anything was rubberstamped.

40 We talked a little while ago about the potential truncation of the process. You've indicated that as you recall there was at least ordinarily a period of time, say a couple of weeks, to deal with things like interagency consultation. I take it that in your experience at the very least there would need to be a pretty good reason to truncate that process. It's not something that would just happen as of course. The Minister for Sport wants something on the agenda. Within a truncated process it doesn't just happen. At least in your experience it's something that would need a pretty good reason to truncate a process of that kind.---I think we ran an office that was quite accommodating to hear ministers make their case. That if there was a reason to truncate, shorten the period of time that we would hear that and make a judgement on it.

But at the very least the minister would need to justify that there's a sufficient reason for, to use your term, truncating the process.---Yes, that's correct.

Can we go back, please, to page 40, volume 26.2. I'll just draw your attention to the second paragraph of the email from Mr Broadhead. It says, "The submission seeks \$5.5 million to assist the Australian Clay Target Association upgrade, the Wagga Wagga clay target shooting facility in time for the 2018 World Down the Line Championships and for ongoing regional benefits." Do you see that there?---Yes, I do.

And then it says, "There are some concerns regarding the business case and planning so it is proposed that the funding be contingent upon firmer market-based costing and project planning." Do you see that there?---Yes, I do.

And then if we just then scan up the page. So that was an email of 8.20am. Your response is fairly quick, 9.30am. Do we take it from that that your immediate reaction was that this was quite a lot of money, quite a lot of dollars, dollars, dollars in particular in circumstances where there was concerns regarding business case and planning? Is that how we read your email back to Mr Pearl and Mr Hall?---We, we applied the same approach to a multi-billion dollar transport infrastructure project as we would to the funding of a new school or hospital or \$5.5 million for a shooting club, that rigorous benefit-cost ratios needed to run across it to ensure that it was feasible and that it was a wise, appropriate expenditure of public funds.

As at 6 December, 2016 as you understood it, were there rigorous business benefit-to-cost ratios that had been analysed in relation to the ACTA project?---From my recollection there was a, a business case as such that had been I believe done by the proponent of the project, somebody who was involved in either the design or construction of it. We, from my knowledge of BCRs and business cases, it was something that we would have expected to have been done independently through the Treasury or perhaps Infrastructure NSW.

And so is this right, there are agencies within the NSW Government, or at least there were at the time that you were Director of Strategy for Premier Baird, who have a specialty in preparing business-to-cost ratios in relation to projects?

THE COMMISSIONER: Mr Robertson, I don't know if this has happened to everybody, and I'm not sure if Mr Blunden is still, well, I can see he's still here, but he's not on – my screen's gone blank like yesterday.

THE WITNESS: I can still hear you and see the screens from the Commission.

THE COMMISSIONER: Okay, thank you, Mr Blunden.

MR ROBERTSON: I might just pause for a moment. I suspect I'm seeing the same thing that you are, Commissioner. That's now fixed on my screen, I think.

THE COMMISSIONER: Okay. We just have a slight problem with the technology, Mr Blunden, but we seem to have solved it.---Okay.

10 MR ROBERTSON: I'm sorry, Mr Blunden, are you able to repeat your last answer?---I think I was about to respond to a question about, from you, Mr Robertson, around whether there were agencies within government that conducted business cases. And from my recollection and knowledge working there, I think a lot of that was done through Infrastructure NSW. In the, to put it in context, 2016 was a very busy time in infrastructure spending, as it still is today in New South Wales off the back of the, the lease of the electricity network, and there were a lot of projects that were being measured up – light rail, Sydney Metro, new schools, hospitals, WestConnex and others – that business cases, BCRs would be developed to
20 ensure that they were appropriately, the appropriate spending was being conducted.

Now, when you refer to the lease of the electricity network, you're referring to what's sometimes colloquially referred to as the poles and wires matter? ---That's correct.

And is it right that, in relation to the money that came from that lease, and in relation to certain other projects that are sometimes referred to as asset recycling, there was a special fund established, referred to as the Restart
30 NSW Fund?---That's correct.

Is it also right that there were special conditions put in place in an Act of Parliament, called the Restart NSW Act, dealing with what money goes into that fund and how money goes out of that fund?---I would have thought so. I, I don't know, but I, I'm sure that there would have been conditions around how the money was put in. I believe a third of the asset recycling money from poles and wires was put into Restart and there would be conditions upon how it was spent and where it was to be spent.

40 But at the very least you've got a recollection of there being, in effect, special rules dealing with the circumstances in which money could be paid out of the Restart NSW Fund, is that right?---Yeah, that's correct.

And is this right, one of the relevant rules was that money couldn't be paid out without a recommendation from Infrastructure NSW?---I, I, it, it's quite possible that that's the case. I, I can't remember that specific one, but I would expect that there would be a recommendation from the agency holding the money to spend that money.

But at least one of the things that would have been expected in the ordinary course, in your experience within the Baird Government, that before spending a substantial amount of money – perhaps in the millions, perhaps in the tens of millions, perhaps more – there would be some evidence of a business-to-cost ratio of 1 or more than 1?---1 was the number. I think some events or some projects are well above 1. There are some also that get approved below 1, depending upon what impact and what benefit they may have to the state as a whole. But around 1 was the number that we would generally work towards.

But at least the idea is that if the state is going to spend money – in other words incur a cost – then the benefit to the state should be at least, at least generally speaking, should be at least equal to or greater, greater than the cost, the benefit greater than the cost in other words?---On, on most occasions, yeah.

So that's the kind of thing that you would have expected in your time as Director of Strategy in relation to a project, even a project in the single millions of dollars like the Australian Clay Target Association proposal. Is that right? Some demonstration of a business-to-cost ratio of 1 or more than 1.---To show that there was a benefit to the community and where we're spending money wisely and, yes.

And in one of your previous answers you referred to a couple of different concepts. I just want to make sure that we're clear about those different concepts. One, you referred to a business case, so I take it that's a, in effect a proposal that identifies the money that's proposed to be spent and some potential benefits and matters of that kind. Is that the general nature of a business case, at least as you understood it?---That, that's the general nature, yes.

But is this right, there's then a related but slightly different concept, where one might take the business case and perform an analysis to come up with a benefit-to-cost ratio?---I'm not an expert in this field, field, but that's my understanding, that a benefit-cost-ratio or a return on investment would give a more detailed analysis of the benefits.

But I think you said before, at least as you understood it in your time in NSW Government, there were experts within government in relation to that particular area, namely in preparing benefit-to-cost ratio analyses?---That's my understanding, yes.

Commissioner, I tender the email that I showed a moment ago, being an email from Mr Blunden to Mr Pearl and Mr Hall, 6 December, 2016, 9.30am, page 40, volume 26.2.

THE COMMISSIONER: Exhibit 416.

**#EXH-416 – EMAIL FROM NIGEL BLUNDEN TO JOSHUA PEARL
AND CHRIS HALL REGARDING ERC SUBMISSION ACTA
WAGGA WAGGA DATED 3 DECEMBER 2016 AT 9.30 AM**

MR ROBERTSON: Mr Blunden, I appreciate this is difficult to do, given
the small screen, but if you wouldn't mind trying to keep up your voice ever
10 so slightly just to make it a little bit easier to be picked up at our end. I
appreciate that's a difficult exercise.---No, no. I'll, I'll try to, thank you.

Now, I've shown you your email to Mr Pearl and Mr Hall, 6 December,
2016, 9.30am. Can you recall what occurred next in relation to your
involvement in the ACTA project, in particular whether there was any
response from Mr Hall or Mr Pearl in response to your email?---I can't
remember specifically whether I received a response.

Let me try and assist this way. If we go to page 88 of volume 26.2. So just
20 to get the context, we might zoom in just a little bit more to help Mr
Blunden. You'll see the 9.30am email towards the bottom of the page that
I've already shown you. Then we see a response from Mr Hall, chief of
staff to Minister Ayres. "Yes, we are aware of this. Wagga Wagga is
pushing the barrow on this." Do you see that there?---I do.

What did you understand Mr Hall to be saying when he says "Wagga
Wagga is pushing the barrow on this"?---That the member for Wagga, Mr
Maguire, was advocating for this project.

30 But why, as you understood it at the time, was that a substantial factor or
significant factor in relation to this particular ERC submission?---Members
of parliament are elected to advocate for their electorates and the
constituents that vote them in and a project – Mr Maguire had every right to,
to advocate for funding for this. It was the role of people like myself in the
Premier's Office or other advisers in other offices to ensure that the
appropriate scrutiny was placed on them, on the projects I mean.

40 But Mr Hall's email, at least on one view of it, seems to be suggesting that
there's some significance in the fact that Wagga Wagga is pushing the
barrow on this, as distinct from some other local member. Is that how you
read it or do you just read it as just a bit of information that it happens to be
Wagga Wagga as distinct from other electorate?---There was a habit of,
within government at the time, there were quite a number of members of
parliament who were known by their electorate names. Quite often
someone would say Wagga Wagga and you would know that was Daryl
Maguire. They may mention the name of some other electorates and you
would know that they're referring to the member there as well.

But I'm asking a slightly different question. At least on one view of Mr Hall's email, and you may well not read it this way, you might read it in another way, he's attributing some significance to the fact that Wagga Wagga is pushing the barrow on this as distinct from the member for some other electorate other than Wagga Wagga. Is that how you read it or do you just read it simply as a bit of information?---No. I, I read it as the local member is pushing the barrow in the, the words of that email.

10 Now, Mr Hall, at this point in time, is chief of staff to Minister Ayres, is that right?---That's correct, yes.

Minister Ayres as Minister for Sport wasn't on the Expenditure Review Committee at that point in time, is that right?---I believe he sat on the ERC, no.

But as a minister, as least as you understood the procedure, at the time that you were Director of Strategy, he was entitled to be a proponent minister in relation to a submission to Cabinet or a committee of Cabinet, correct?
---That's correct.

20

At that point in time, Mr Maguire was not a minister and therefore was not able himself to put forward a submission to Cabinet or a committee of Cabinet. Is that right?---That's my understanding, yes.

In relation to the second sentence where it says, "Wagga Wagga is pushing the barrow on this," did you at the time infer from that that Mr Hall is suggesting that Minister Ayres is, in effect, putting it forward because Wagga Wagga, the Member for Wagga Wagga, is pushing the barrow on this as distinct from necessarily having the full support of the Minister for Sport?
30

MS CALLAN: I object.

MR ROBERTSON: Or is that putting it too high?

MS CALLAN: I object as to how this witness can give a meaningful answer to that question as to - - -

40 THE COMMISSIONER: Well, he can give his understanding of a document, Ms Callan.

MS CALLAN: Yes.

THE COMMISSIONER: I think that's all he's being asked to do.

MS CALLAN: If that's all he's being asked to do.

MR ROBERTSON: I'll withdraw the question and put it a bit more precisely. If we put that document back on the screen, please. Second sentence of the email. This is page 88. Mr Blunden, I just want to understand what your understanding of this email was because it becomes part of a context to your responses that I'll show you in a moment. In relation to the second sentence, "Wagga Wagga is pushing the barrow on this," as I understood your evidence before, at least as you read Mr Hall's email, he was simply indicating that to you by way of a note or information rather than attributing any particular significance to the fact that it was the Member for Wagga Wagga as distinct from some other member for another electorate. Is that right?---That's correct, yes.

And as you read that second sentence, did you read that as suggesting by Mr Hall, who of course was the chief of staff to Minister Ayres, that in effect the minister's office was acting as a conduit to something that the Member for Wagga Wagga was pushing the barrow on? Or is that putting it too far as to the inferences or understanding that you drew from that sentence?---I, I, from that sentence, the Member for Wagga would need to come through the Sports Minister's office for a proposal for funding through the Office of Sport and that this was the minister's office putting forward to me that the local member was advocating for this and that we should send it to ERC and let them decide. That's how I interpret the two lines on that email.

Does that mean, in effect, at least as you interpret it, Minister Ayres' office is becoming, in effect, the conduit, to use my term at least, at least put it to the ERC and let them decide but without necessarily putting Mr Hall, at least Mr Hall's support in front of the project or behind the project?

THE COMMISSIONER: Mr Hall or Mr Ayres?

MR ROBERTSON: Well, Mr Hall in the first instance or possibly Minister Ayres.

THE WITNESS: I don't think I, I don't think I read that into it. I think I, I, the, the minister, the proposal as it came forward was sponsored by the Office of Sport and I don't think it indicates support or otherwise for the project but it should be put to the committee for them to decide.

MR ROBERTSON: So at least as you saw it at the time, it was a proposal that had the support of the Minister for Sport's Office and, indeed, the minister himself?---Well, the proposal had been developed by that office just right.

And indeed the Minister for Sport was the proponent minister so was at least putting some support behind the project. Correct?---Well, correct. Funding for a sports project would be, the proponent would have been a Sports Minister just like in another portfolio, that portfolio minister would sponsor or be a proponent for that brief.

I tender the email from Mr Hall to Mr Blunden and Mr Pearl 6 December, 2016, 9.40am.

THE COMMISSIONER: Exhibit 417.

10 **#EXH-417 – EMAIL CHAIN BETWEEN CHRIS HALL, NIGEL
BLUNDEN AND JOSHUA PEARL REGARDING WAGGA WAGGA
CLAY TARGET SHOOTING FACILITY UPGRADE DATED 6
DECEMBER 2016 AT 9.40 AM**

MR ROBERTSON: Now, do you recall, Mr Blunden, whether you provided any response to that communication from Mr Hall?---Quite possibly I did, but I can't remember a specific email.

20 Well, let's go to page 91, volume 26.2. We might go to page 92 first. There's two emails that are at least email stamped at the same time. So you'll see there, towards the bottom of the page, "Wagga Wagga is pushing the barrow on this." Now, you then appear to respond about 35 minutes later. You'll see there there's two emails marked at 10.15am. Do you see that there, Mr Blunden?---I can see that.

Now, your email though says, "Let's hold this one till the business case is finalised and do it once. DPC will go back to agencies. Thanks." See that there?---I do, yes.

30 So is this right, your view, at least as at 10.15am on 6 December, 2016, was that the proposal in relation to ACTA shouldn't go before the ERC. Instead, the business case should be finalised so that it's done once, rather than going to the ERC and then further steps having to be taken.---That would be the prudent approach, that we have a fully rigorous business case against the proposal to put to committee of Cabinet.

40 And so is it right that, at least in the ordinary course, as you understood the position working in Premier Baird's government and Premier Baird's office, that things like finalising a business case would ordinarily be done in advance of a matter getting before Cabinet or a committee of Cabinet rather than after it had already been there?---I can't be sure that that was the case all the time, but that would, that was my understanding, that you would do this prior to consideration of the committee.

At least as a matter of general practice, that would be the course taken in your experience as a person working in Premier Baird's office, is that right?---Yes. Yes, that's right.

And can we just have up on the screen Exhibit 378, just to try and put some structure around the answer that you've just given and some previous answers today. What I'm going to show you is a diagram that shows, or is at least purported to show, the current Cabinet process in terms of Cabinet submissions and the like, a document made publicly available by the current government. Exhibit 378. Now, is that large enough for you to see, Mr Blunden?---Could it be zoomed, could you zoom in a little bit, please?

10 If we could zoom on the left-hand side of the document, please.---I can read that, thank you.

And if you just have a look, so you'll see this diagram's got two sections, in effect. There's an "In eCabinet" section above the red line. Can you see that?---Yes, I can.

And then down underneath the red line an "Outside eCabinet", you see that?---Yes.

20 eCabinet is the electronic document management system that deals with Cabinet submissions and submissions to committees of Cabinet, correct?
---That's correct.

That's something that has special rules in terms of who's allowed to access the documents and that system and who is not?---I believe so. From memory, it was fairly tightly controlled who could access the system or lodge documents into it.

30 And if you have a look at the box on the bottom left-hand corner, the one that has a fairly dark blue background and white text, it says, "Pre-draft policy planning, project management, research, data collection, analysis, impact assessment, targeted consultation." Do you see that there?---Yes, I do.

And can you see that that is indicated, at least on this diagram, as happening prior to what's referred to as the "draft submission stage"?---I can see that, yes.

40 Now, is this diagram consistent with the practice within the Baird Government as you recall it? Namely, at least as a matter of ordinary practice, and appreciating there may well be exceptions to it, but at least as a matter of ordinary practice, things like policy planning, project management, research, data collection and analysis, impact assessment, targeted consultation, et cetera, would happen before a draft or final submission of a submission to Cabinet or a committee of Cabinet?---I can't remember, Mr Robertson, a document like this when I worked in the NSW Government, but I suspect that there was something similar, but it does reflect the common practice that we take to submissions that came to ERC for consideration.

And so in effect that was what you were suggesting on 6 December, 2016. Let's do the kind of planning, including business case preparation, of the kind that would be done in the ordinary course, rather than getting it to the ERC in a more what I think you described as truncated approach. Have I got that right?---That's correct.

10 And we go back, and if you just have a look at the time frame. See those lighter blue boxes with black text? We might just zoom in a little bit more. It says, "Draft submission stage, comments on draft minimum five days. Final submission stage, coordinated comments minimum two days. Lodgement, minimum six days before the meeting." Do you see all of those there?---I do, yes.

20 Is it consistent with your recollection as to the practice in your time working in Premier Baird's government to have a kind of process of the kind that we're referring to here? You might not recall whether it was five days, seven days or anything in between, but at least a staged process that involves interagency comments before anything gets before a, before the Cabinet or a committee of Cabinet?---That's correct. To allow other agencies adequate time to, to comment on a proposal. Some, some proposals would have one or two agencies but there are many projects that would have multiple agencies all requiring input to a, a submission.

And so can we go back, please, to page 92 of volume 26.2. So you're saying to Mr Hall and Mr Pearl, "Let's hold this one until the business case is finalised and do it once. DPC will go back to agencies. Thanks." Do you see that there?---I do, yes.

30 And it seems that Mr Hall hit send on an email at almost the same time or perhaps a few seconds or, perhaps a few seconds earlier, sorry, a few seconds later, "We have the business case." Do you see that one there?---I do, yes.

Now, your indication that we should "hold this one until the business case is finalised", I take it what you're suggesting is we hold this one in the sense that it shouldn't be on the ERC agenda until the business case is finalised. Is that what you're seeking to communicate?---That's correct.

40 And is that what ultimately happened as you recall it?---From my, from my recollection it somehow got onto the ERC agenda sometime between there, 6 December and I think the meeting was on the 14th.

Can you recall how that, in effect, change occurred? We've got your email from the Premier's Office saying, "Let's hold this one", whereas as I think you've just indicated your understanding is that the matter ultimately wasn't held and it in fact did find itself onto the agenda and indeed was dealt with on 14 December?---I, I can't recall specifically how that occurred, no.

I tender the email chain ending with the email from Mr Hall to Mr Blunden and Mr Pearl, 6 December, 2016, 10.15am, pages 92 and 93 of volume 26.2.

THE COMMISSIONER: Exhibit 418.

10 **#EXH-418 – EMAIL CHAIN BETWEEN CHRIS HALL, NIGEL
BLUNDEN AND JOSHUA PEARL REGARDING WAGGA WAGGA
CLAY TARGET SHOOTING FACILITY UPGRADE DATED 6
DECEMBER 2016 AT 10.15AM**

MR ROBERTSON: Let me see if this document assists Mr Blunden. Page 125, volume 26.2 and go to the next day. I'll show you an email from Mr Landrigan, Policy Adviser in the Office of Minister Ayres, to you. And if we zoom in to the top half of the page, can you see an email there 7 December, 2016, 5.54pm?---I do, yes. Yes, I do.

20 And you see it talks about "submission seeks approval or allocation" et cetera and a series of dot points. Do you see that there?---I do, yes.

Do you recall receiving this particular email?---It's five years ago, Mr Robertson, but I, yes, I, I can't recall specifically receiving this but I don't dispute that I did.

30 And then scan a little bit further down the page. Can you see there in bold text it says, "Due to the urgency with the championships in March 2018." Do you see that there?---I do, yes.

And so as at 7 December, 2016, when you received this email, was it your understanding that the ACTA proposal was what I described before as a must-have, we need this money in order to secure championships in March 2018, or was a nice-to-have in the sense that we've already secured it but we prefer to have a nice facility there when it's on?---My understanding was that the event was going to happen regardless of the funding.

40 And that was always your understanding from start to end, as it were, is that right?---I believe so, yes.

I tender the document on the screen, 7 December, 2016, 5.24pm, page 125, volume 26.2.

THE COMMISSIONER: Exhibit 419.

**#EXH-419 – EMAIL FROM MARC LANDRIGAN TO NIGEL
BLUNDEN DATED 7 DECEMBER 2016 AT 5.24 PM REGARDING
AUSTRALIAN CLAY TARGET SUBMISSION**

MR ROBERTSON: Can we then go to page 167 of volume 26.2, which is also Exhibit 389? We're going to 8 December, 2016. And this is not an email to which you're a party, Mr Blunden, but I'm showing it to you to try and get some timing around the events you and I have been discussing. So
10 you can see, 8 December, 2016, Mr Landrigan, who was the same gentleman who sent you the email that I showed you before of 7 December to some individuals within the Office of Sport, not copied to you, but 8 December, "I am advised that the PO is happy for this to progress." See that there?---I do, yes.

PO is government speak for Premier's Office, is that right?---That's right.

Are you able to assist why it appears that on 6 December, 2016, you were indicating to Minister Ayres' office and to Treasurer Berejiklian's office
20 that "We should hold this one until the business case is finalised" but a couple of days later the position of the Premier's Office, as in Premier Baird's office, seems to be that the Premier's Office is happy for this to progress?---Look, reflecting on that, I would be, I would be speculating. I'm not, I'm not aware of what may have happened in those couple of days to get this email response, well not, not that it was sent to me.

So at least sitting there now, you don't have a recollection of how it was that at least your view as at 6 December, 2016, was let's hold this one until a business case is finalised but yet - - -?---Let's finalise the business case, put
30 the proper rigour to the project and then consider it.

So that was certainly your view as at 6 December, 2016, correct?---That's, that's correct.

That view didn't ultimately become the one that was adopted in the sense of doing that sort of rigour before the matter gets before the ERC, correct?---I beg – sorry, Mr Robertson, could you repeat that?

As I understood what you said before, your view, at least as at 6 December,
40 2016, is that a level of rigour should be adopted to the business-case process before any matter was put for consideration by the Expenditure Review Committee, is that right?---Yes, that's right.

It seems though that by 8 December, 2016, the position of the Premier's Office at least was to not take the approach that you thought was the appropriate approach as at 6 December, 2016, but rather for what's here described as the ACTA Wagga Wagga bid to progress?---That appears to be what occurred.

And my question is whether you have any recollection as to how it was that, despite your view as the adviser in relation to sport, that that view didn't ultimately be the one that was adopted by the Premier's Office?---I, I can't answer that, Mr Robertson, I'm not sure.

10 In terms of that question as to who would make the call on something like that, as in whether the Premier's Office is happy for it to progress or not, who would be making that decision? Is that the Premier himself or is that you as the sports adviser?---I, I can't directly remember any conversation I had with my then boss about this. I suspect it would be the adviser not the Premier.

So does it follow from that that it's, what, likely that it was you who ultimately came to the view that the Premier's Office is happy for it to progress in the sense of it being before the ERC?---It is possible, yes. I, but I, as I say, this is five years ago. I can't, I can't remember if that's the - - -

20 So it may have been you, it may have been the Premier himself, you're not able to assist one way or the other, is that right?---I, I suspect more likely myself but as I say, this is some time ago and I, I, I can't recall.

Do you recall whether you gave any written or oral advice to Premier Baird as to this particular proposal, what's here described as the ACTA Wagga Wagga bid?---Yes, I did.

30 And what was the nature of that? Was that oral advice or written advice or both?---It was, yeah, it was written advice and it outlined questions around the urgency of the proposal, the lack of, in my view that there was an inadequate business case or BCR put against it and that we should ask for it to be further developed before this was considered.

Is it right to say that the advice that you gave in relation to the issue to Premier Baird was fairly forthright advice?---Forthright, robust, yes.

40 Was it just written advice that you provided to the Premier or was there some oral advice, as well?---My recollection is I, yes, there was a written piece of advice. And, as I said before, I can't remember a specific conversation with him. I can't remember the advice coming back to me after putting it on top of the brief, yes.

Can we go then to what I think is that advice. Can we go to volume 26.12, page 293. Can we use the redacted version of that on the screen, please? Redacted version page 293, volume 26.12. Zoom to the top of the page. Is this the written advice to which you were referring before, Mr Blunden? ---That's correct.

And the title is Wagga Clay Target Shooting (Nigel). See that there?
---That's correct.

And it says, "As Joel Goodson famously said, 'Sometimes you've got to say WTF.'" Correct?---That's correct, Mr Robertson. Yes.

Joel Goodson, as in the Tom Cruise character from the movie Risky Business. Is that right?---Yes.

10 It says, "This minute asks for \$5 million for the Australian Clay Target Association to develop a large clubhouse and conference facility in Wagga." Do you see that there?---Yes, I do. Would it be possible to zoom in a little bit more?

Let's zoom in, please. The first two dot points if we can. Is that a bit better?---Yeah, I can see those now. Thank you. Yes, I can.

20 Have a look at the second main dot point. "The estimated total cost of the upgrade is \$6.7 million, the shooter dudes have graciously put up \$1.2 million." See that there?---Yes, I do.

And then if you look at the third hollow dot point. "It's to be known as the Maguire International Shooting Centre of Excellence." See that there?
---Yes, I do.

I take it you're saying that in jest?---That's correct. I have a way of speaking and, to those who know me, and I word things in a manner that I think my boss at the time understood.

30 But what was underlying that form of jest was the fact that as you understood it, it was Mr Maguire who was, to use someone else's phrase, pushing the barrow on this one?---He was the local member and he was the person advocating for funding for the upgrade of the existing facility, yes.

At least, the principal advocate within government, as you understood it, was Mr Maguire. Correct?---Yes, that's correct.

40 The proponent minister was Minister Ayres because there had to be a minister who was the proponent of the Cabinet submission. Correct?
---That's right. An MP couldn't put something directly, I said.

At least the principal advocate within government, at least as you understood it, was Mr Maguire. Correct?---That's right.

And then if you have a look at the third dot point, it's referring to the claims made in the business case, we'll just zoom in to the third dot point, and saying, "Increased tourism accounts for 97 per cent of the forecast benefits (so it's suss)." See that there?---I do.

“Business case has not been subject to any independent review.” See that?
---Yes, I do.

And the third one, “There’s no feasibility study.” See that?---Yes, I do.

10 Was that a significant factor in your mind as to whether, at least in your view, the ACTA submission should be supported or not within the ERC, namely whether or not there was a feasibility study?---Yes, from my, my recollection and going back to what I said earlier, I, I, I understood and I remember seeing a business case, as such, done by the proponent of the development, I think the designer or the construction company, but what we required was an independent business case that would judge it with a bit more scrutiny and rigour.

20 And is it right that, at least in your experience working in the Baird Government, a kind of independent analysis of the kind that you’ve identified would be ordinarily expected in relation to a building grant program in, say, the millions of dollars, if not more?---Yes, that’s true.

Do you happen to know whether any government agency made any recommendation or suggestion that there should be a feasibility study before the ERC made any decision as to whether or not to allocate money for this project?---It’s quite possible that another agency did, but I, I can’t recall that.

30 And then you say, “The capital costs haven’t been market tested.” And then we’ll have to zoom out a little bit so you can see the whole dot point. “Cost, revenue and demand are based on Clay Shooters and Wagga Council’s numbers. They claim the new centre will be used at other times for conferences, et cetera.” See that there?---Yes, I do.

And if you look at the next dot point, it refers to operating and maintenance costs. See that there?---Yes.

40 And was that another one of the concerns that you had in relation to this proposal?---From my reading of this proposal, it asks for a capital piece of expenditure, an item of expenditure, but it made no reference to recurrent costs, the year-to-year operation of the venue.

And so is in effect what you’re drawing attention to, obviously enough you can build a building, but once you’ve built a building, you need some money to do things such as turn the lights on and to keep the building in, in sufficient condition to be able to use? Maintenance costs, in other words. ---Absolutely. That’s, that’s correct, yes.

And if we then scan down the page a little bit more, I just want to see the next couple of paragraphs. That’s all for now. We’ll just zoom up a little

bit. We'll come back to the recommendation. You then say, "They should go away and test the assumptions, verify the business case and then come back when it's solid." Do you see that there?---Yes, I do.

10 And so do we take it from that that at the time of this document – and I can indicate it appears from the metadata that this Commission has access to that it was prepared on or about, or at least finalised on or about 12 December, 2016, so a couple of days after the last email that I showed you and a couple of days before the meeting of the 14th. As at the date of this document, I take it that it remained your view that the Office of Sport as the proponent agency and the Minister for Sport as the proponent minister should go away in the sense of not put it before the ERC, test the assumptions, verify the business case and then come back to the ERC when it's solid?---I think I've been fairly direct in that sentence there. Yes, that's my view.

That was your view at the time of preparing this advice to Premier Baird, correct?---That's right.

20 But then have a look at the next paragraph in parentheses and italicised. "This was suggested and it was taken off the agenda, but Daryl fired up and Gladys put it back on." Do you see that there?---I do, yes.

30 Now, does that assist you in your recollection as to the question I asked you a little while ago about how it was that, on 6 December, 2016, your suggestion to Mr Hall from Minister Ayres' office and to Mr Pearl from Treasurer Berejiklian's office was to hold this one? Yet it seems a couple of days later the idea of holding it went by the wayside, as it were. Does that assist at all?---That, that may be an explanation for how it ultimately ended on the agenda.

When you say this was suggested, I take it you're referring to this being suggested by you.---That's correct, yes.

And it was taken off the agenda. Do you recall who or how it was taken off the agenda?---I don't know who specifically would have done that.

40 But is that something, at least as you recall it, that was done within the Premier's Office – as in, in effect, the Premier giving a direction that it be taken off the agenda – or a suggestion to the Treasurer's Office or perhaps in some other way?---I can't remember either of the people mentioned in the italics raising it with me, but that feedback was sent back to me after this took place.

So when you say "that feedback", what feedback are you referring to now? ---Well, referred to the second part of that sentence, that it was relayed to me that perhaps the member was unhappy and that ultimately it was back on the agenda.

It was relayed to you by who, if you recall?---I can't remember back then, sorry, Mr Robertson. This is some time ago.

So when you say "Daryl fired up" is that Daryl fired up, to you in effect, picked up the phone to you or approached you? Or are you referring to it coming to your knowledge in some other way that Daryl fired up?---I think the latter in that I can't recall a specific conversation with the member but that the, perhaps his displeasure was relayed to me.

10

In what way did Daryl fire up or otherwise indicate his displeasure as you recalled it?---I suspect that is a phrase that I have used to say "was unhappy". I could have used those words.

But indicated that unhappiness in what fashion, at least as it was reported to you or as you understood it from information given to you?---From my recollection, that he expressed some concern that it wasn't on the agenda and that it was urgently needed to be on the agenda.

20 To who?---I can't remember precisely who.

Not to you, at least, directly?---I don't think – it's possible directly but I, I don't believe it was, and it was relayed to me that the member was unhappy.

Not to anyone else in the Premier's Office, at least so far as you can recall? ---No, not that I can recall.

30 But subject to excluding those possibilities, or at least indicating that they are unlikely possibilities, are you able to assist in indicating your recollection of how it was that Daryl fired up or indicated his displeasure? ---No, I, I can't recall how, how it was done but it was relayed to me, it's my recollection that he was unhappy that the proposal had been taken off the agenda.

And then you go on to say, "And Gladys put it back on." Do you see that there?---Yes.

40 How did you become aware that Gladys put it back on?---That I had seen it back on the agenda for the ERC meeting on 14 December.

And so is this right, so far as you understood the position, at some time between 6 December, 2016, when this proposal first came to your notice, and the date of this document, which seems to be 12 December, 2016, the ACTA matter went off the agenda, Mr Maguire fired up, expressed his displeasure, and it then got back on the agenda. Is that a fair summary of your understanding of the position?---It is, yes.

And is this right, none of this was, at least so far as you can recall it, done directly with you in the sense, for example, Mr Maguire's not firing up to you, Ms Berejiklian's not speaking to you about it, this is information that you were getting from other sources that you now recall?---It is, it is possible but, no, I, I don't recall it being directly to me from either of those two people mentioned.

10 Doing the best you can, and appreciating it was some time ago, your best recollection is that this is something that's happening elsewhere within government but the advice as to the outcome of it is coming back to you in some way?---That's, that's my recollection, yes.

Are you able to assist as to how it came back to you?---I, I, from memory, that it was back on the agenda for 14 December.

I take it that your communications in relation to issue of this kind would usually be at the ministerial adviser to the ministerial adviser level, is that right?---Yes, that's, that's correct.

20 So for example, we saw in the email chain of 6 December, 2016, you're sending emails to and receiving emails directly back from senior advisers within Minister Ayres' office and Treasurer Berejiklian's office, is that right?---That's correct. From time to time you may speak to an MP or a minister directly, but most of the work was done adviser to adviser, yeah.

And so at least one possibility, and appreciating that your recollection is not clear on the matter, at least one possibility is this is information that is coming to you via either the Treasurer's Office or the Minister for Sport's Office?---Potentially, yes.

30 If we can then scan a little bit further down the page, please, we then see recommendation. Now, we've redacted part of your recommendation. If that causes any particular difficulty in your recollection, let me know and I can show you at least aspects of it. "Recommendation oppose. Gladys and Ayres want it." See that there?---Yes.

How do you know that Gladys wanted it?---Her office had put it on the agenda.

40 So you drew the inference from the fact that Treasurer Berejiklian's office had put that matter on the agenda or indeed had put it back on the agenda after Daryl had fired up that Ms Berejiklian supported this proposal. Is that right?---Her office supported it.

Well, here you say, "Gladys want it." Do we read that as Gladys as in Ms Berejiklian?---My, sorry. Yes. My recollection of writing this recommendation is that that's a reference to offices as much as the individuals (not transcribable)

As much as - - -?---staff, to this stage I'd dealt with the staff in the Office of the Treasurer and the Sports Minister. It's a way I, it's the way I write things and advice to the then Premier.

But as much as or including, by which I mean was your understanding of the position that Ms Berejiklian herself and her office wanted it or are you using the word "Gladys" as shorthand for Ms Berejiklian's office?---I think more for her office - - -

10

And so - - -?--- - - - in that they had been the people I'd dealt with to this stage in this, this proposal.

But why were you able to draw the inference? Why did you draw the inference at least that Ms Berejiklian's office – I withdraw that. I'll ask it in two stages. When you say "Gladys wants it", that's a reference to the substance of the proposal I take it, it's not just a reference to the procedural question of whether or not it gets on the agenda?---I'm not sure given this is some time ago but I, I think it's more about this being put back on the agenda as the, as the line above that says it was on, taken off but now it's back on the agenda for the consideration of ERC.

20

But have a look at the context here. You're giving a recommendation to Premier Baird as to what to do in relation to this proposal and you're saying oppose. Presumably you're saying oppose it in the ERC room as it were. ---Correct. Yes, that's right.

But immediately afterwards you're indicating that Ms Berejiklian wants it. That has to be a reference, doesn't it, to wants it in the sense of wants the substance of it? Thinks that this particular proposal is a good idea. Isn't that how we read that advice?---Oh, it is possible. Yeah, it is quite possible but given the time frame I'm not sure.

30

Well, that's the more likely way to read it, don't you agree, as the author of this document?---That would be a fair assumption.

And then it says, "Gladys and Ayres wants it." See that there?---That's true. Yes, I can see that.

40

How did you know that Ayres wanted it?---As the proponent minister it would be unlikely to put something forward to ERC if you weren't advocating for it.

And so at least insofar as this sentence is referring to Minister Ayres, you're referring to the substance of the proposal not merely the procedure of getting it on the agenda. Correct?---I think that a proponent minister with a funding proposal to ERC would support the proposal as a whole not just the fact of getting it onto the agenda.

Not much good getting on the agenda and then for it to be rejected.

---Correct.

In fact that would be worse. You potentially go backwards. Do you agree?

---That's true, yeah.

10 And the reference to Ayres, is that a reference to Minister Ayres himself or is that a reference, is that shorthand reference for something else?---That's a shorthand reference to his office. I can't recall speaking directly to the minister about this. It was more to the people mentioned in the previous emails that you showed me.

THE COMMISSIONER: Do I understand, Mr Blunden, that although as you've said you understood these references were in effect to Ms Berejiklian's and Mr Ayres' offices that those offices would be reflecting the views of their respective ministers?---That's a fair assessment, yes.

20 MR ROBERTSON: Just pardon me for a moment, Mr Blunden. If you then have a look at the next sentence. You say, "No doubt they'd done a sweetheart deal with Daryl." Do you see that there?---I do.

What did you mean by "a sweetheart deal with Daryl"?---I meant no inference of, of anything improper there. I, I can't recall exactly why I used that phrase.

30 Well, improper or not, what's the nature of the deal that you're referring to?---There was a sense of frustration that it was quite clear that procedures that we wanted to follow in the office around having appropriate feasibility studies, business cases, BCRs supporting proposals, and that this one seemed to keep coming up despite our requests being listened to.

So you're in effect frustrated that what you would regard as principles of sound economic management weren't being adopted in relation to this particular proposal?---That's correct.

40 And that's what you're seeking to communicate to Premier Baird after the comma, where it says "but this goes against all of the principles of sound economic management", correct?---That's true.

The particular principle of sound economic management that you have in mind is ensuring that before public money is spent, there's a sufficient analysis to indicate the level of the benefit to the state by the state spending money, is that right?---That's true. To spend taxpayers' money wisely.

And that's why you've talked a number of times this morning about things like business cases and benefit-to-cost ratios. That's what those things are

trying to demonstrate. If the state spends a dollar, are we going to get a benefit of a dollar, 50 cents or perhaps \$2?---That's true. But as I said before also, I believe that there are some projects that are approved with BCRs of below 1. But generally speaking, you'd like to return a dollar and a cent for each dollar spent.

10 But at the very least, where a proposal has a BCR of less than 1, there would ordinarily, at least in the view of the Baird Government, as you understood at the time, need to be some good reason for taking that course. For example, there might be some benefits that aren't necessarily picked up in a formal BCR analysis.---Correct.

The BCR below 1 isn't something you just ignore. It's a factor that you might take into account and then decide, well, ordinarily, you would expect to, expect benefits of more than a dollar from spending a dollar, but here is a special reason as to why we should adopt this particular proposal. Is that right?---That's correct. I think that the ERC was open to hearing arguments for why a project should proceed with a business case or a BCR below 1.

20 But you at least agree, don't you, that whilst the ERC in Premier Baird's tenure may have been prepared to endorse a project of that kind, one with a BCR of less than 1, there would ordinarily need to be some appropriate reason for taking that course. It's not something just to be ignored, it's something to be overcome.---Yeah, you'd need an appropriate reason and some arguments backing it up.

30 But at the very least, before coming to that view, you would at least want an analysis as to what the, a rigorous analysis to use your term before, as to what the BCR actually was?---Yes, that's true.

And not just a rigorous one, but an independent one, for example, one that is performed independent of the proponent of the particular project?---I support that, yeah, I'd agree with that.

And then you go on to say, "At the very least let's target our marginal seats, not one of our safest." See that there?---Yes.

40 At least as at 2016, the electorate of Wagga Wagga would have been regarded as a safe seat for the Coalition, correct?---Correct. It was then.

Not anymore because it's now a seat in respect of which there's an independent member, correct?---That's, that's correct, yes.

What are you seeking to communicate to Premier Baird by that sentence I've just read, "At the very least let's target our marginal seats"?---Look, my, my overwhelming concern was the, about the urgency of this, and I was troubled by the absence, as I've said, a rigorous BCR. We apply the same scrutiny to projects across the state, regardless of what electorate they're in,

but it was just a case of is this really the most appropriate expenditure of \$5.5 million of taxpayers' money.

To summarise, "WTF".---They're perhaps your letters, not mine, but they are mine at the top of (not transcribable)

10 No, they're your letters. I mean, I say this slightly flippantly but the reason I raise that with you is I just want to understand what was the driver for this proposal as you understood it? All of the concerns that you have, you say, "This goes against all of our principles of sound economic management." So it goes against matters going to the underlying substance of the proposal or at least the process to be adopted, and further, you seem to be saying there isn't even necessarily a good political imperative for taking that course. Is that a fair summary of the kinds of concerns that are picked up with the summary "WTF"?---That's a fair summary, yes.

20 So what, as you understood it at the time, was the driver then? If it's not politically a good idea from the perspective of the person responsible for politics, the Director of Strategy, and it wasn't a good idea in the sense that it went against all the principles of sound economic management, what was in the pro column, at least as you understood it?---Yes, the, the then Member for Wagga was a very enthusiastic member for parliament. He was advocating strongly for his electorate for projects like this. He would be in my ear regularly about getting the Premier to come and visit Wagga. He, he was enthusiastic, as were many others who come forward with funding ideas for shooting clubs, schools, hospitals, road funding in their electorates. What made this, this didn't stand out as anything particularly special that was a requirement, and particularly with the lack of a, a rigorous BCR, I questioned whether it was a government priority. We, we had just, I think, 30 marked 12 months since we'd announced the 12 priorities for New South Wales and this didn't seem as something that required such an urgent decision 11 days prior to Christmas.

40 When you were the Director of Strategy within Premier Baird's Office, did you ever have any similar situations like this where some other enthusiastic member of parliament other than Mr Maguire was able to, through a minister, get to the ERC, or perhaps to another committee of Cabinet or Cabinet itself, a proposal that went against all the principles of sound economic management?---I didn't deal with a lot of ERC proposals in the sports field. There were some. At this stage, there was a lot of work being done around stadium funding. It's quite possible there were other MPs who had proposals coming up through other areas that other advisers might have dealt with but, from the best of my recollection, this is, this is, there weren't many at all. This is the, the one that I remember.

So this is at least one that stands out in your mind and in your experience
- - -?---Yes, that's - - -

- - - at the time as Director of Strategy. Is that right?---Yes, that's right.
Correct.

Now, you'll see we've redacted what comes after the dash. I'm not going to read out or expose the particular matters that you've there raised but I will read some of the context without the projects. So this is behind the black box. You say "but then the ERC's made many worse decisions --" and there's then some references which I won't read out. And then you say, "So have the discussion and see where it goes. Maybe if we make Wagga the world centre for clay shooting, we can take back the money we wasted on", and then you refer to a particular other project.

THE COMMISSIONER: I'm not sure -- that's not visible on the screen, Mr Robertson.

MR ROBERTSON: It's deliberately not visible on the screen. I am not proposing to identify - - -

THE COMMISSIONER: No, what you just read isn't.

MR ROBERTSON: No, quite. I'm reading from the original document. I'll indicate as well that in the event that anyone who seeks leave to cross-examine Mr Blunden and wants to see that text, my submission would be they should have access to that text. I think there's in fact a version with some different redactions that show the text that I've just identified, so I'll get that - - -

THE COMMISSIONER: Well, I think if you're going to tender the document you should have what you've read out in the exhibit.

MR ROBERTSON: Yes. I'll get that put up. If you just pardon me for a moment, I'll ask for that to be put up.

THE COMMISSIONER: Thank you.

MR ROBERTSON: Just pardon me for a moment, Commissioner and Mr Blunden.

THE COMMISSIONER: We've lost both the document and me.

MR ROBERTSON: I see we have.

THE COMMISSIONER: Certainly on my screen and that one.

MR ROBERTSON: Commissioner, I note the time. It may just be convenient to take the morning adjourn while that document is brought up.

THE COMMISSIONER: Very well. We're just going to take a 15-minute adjournment, Mr Blunden, both to sort out the technical issues and just have a short break.---Okay, thank you.

We should, subject to the technical issues, resume just before quarter to 12.00. We'll now adjourn.

SHORT ADJOURNMENT

[11.26am]

10

THE COMMISSIONER: Yes, Mr Robertson.

MR ROBERTSON: I'm sorry for that delay, Mr Blunden. Can we now put up the slightly less redacted version of page 293, volume 26.1? Now, do you see there, Mr Blunden, we've kept the redactions in relation to certain projects other than the ACTA project but I've removed some redactions just to give the context. It's the same words I read out before but I'll just draw attention to them again. So you see, "Opposed. Gladys and Ayres wants it. No doubt they've done a sweetheart deal with Daryl but this goes against all the principles of sound economic management. At the very least, let's target out margin seats, not one of our safest, but then again the ERC has made many worse decisions." Then the immediate material is redacted out. "So have the discussion and see where it goes. Maybe if we make Wagga the world centre for clay shooting we can take back the money we wasted on" blank. Do you see all of that there?---I do, yes.

And so reading that whole recommendation in context, is in effect what you're advising Premier Baird, is oppose this matter on the substance for the reasons that you've identified, "It goes against all of your principles of sound economic management," and there aren't even good political reasons because it's not a marginal seat, "but we'll have the discussion and see where it goes." Is that a fair summary of your recommendation?---My primary concern was, you know, my trouble with the absence of BCR, but yes, that's a fair summary.

But is this right, you couldn't see either what I'll call an issue of underlying merits, insufficient demonstration of BCR and acting consistent with economic management, or for that matter a political justification?---I think the primary concern was the business case or the lack of an appropriate business case. We'd, we'd assessed projects across the state regardless of the electorate.

The primary concern was the, what I call the underlying merits, the BCR issue and the business-case issue. I've got it right at least at that point, that was the primary concern that you had?---That's what I was (not transcribable) by most, yes.

But part of the reason for your view, summarised in the acronym “WTF”, was that you couldn’t even see a matter political expediency justification, as least as you saw it at that point in time? Might not have been your primary or your driving consideration, but you couldn’t even see the political justification for it?---You’d require a proper feasibility and a business case before looking at any other factors.

10 I appreciate that but I’m just asking you to focus at the moment on the political aspect. In relation to the political aspect, you couldn’t even see a political justification for this particular decision, is that how we read your email? Appreciating what you said, that wasn’t your primary concern, but if you look at it with your, what I’ll call your political hat on, your political-strategy hat on, you couldn’t even see the justification as a matter of political strategy, is that right?---That would be a fair assessment, yes.

Commissioner, I tender the document on the screen entitled Wagga Clay Target Shooting (Nigel) and I make clear that I tender the redacted version that I have just shown to Mr Blunden.

20 THE COMMISSIONER: That will be Exhibit 420.

#EXH-420 – BRIEFING BY NIGEL BLUNDEN FOR THEN PREMIER BAIRD “PROPOSAL FOR WAGGA CLAY TARGET SHOOTING (NIGEL)”

30 MR ROBERTSON: Mr Blunden, did you ultimately try and chase down those concerns? For example, did you have chats with people at the agency level within the Office of Sport or within Treasury or anything along those lines or was your communication principally at the level of within the Premier’s Office and within other ministerial offices?---Largely ministerial offices. I can’t be sure but I, I don’t recall speaking to agency officials about this one.

40 You’re aware, I take it, that Ms Berejiklian gave evidence before this Commission to the effect that she was in a close personal relationship with Mr Maguire from at least about the time of the 2015 election or slightly after or thereabouts?---Yes. I am aware of that, yes.

When did you first become aware of the fact that Ms Berejiklian was in what she described as a close personal relationship with Mr Maguire? ---About a year ago when it was raised in, I believe the room you’re speaking from.

So before that matter became a matter of public knowledge through Ms Berejiklian’s evidence to this Commission, you weren’t aware of the

personal relationship between those two individuals, is that right?---I had absolutely no knowledge of it.

If you'd known about that at the time, by which I mean at the time, as at 2016, the subject of the questioning that I've asked you this morning, would have you done anything differently?

THE COMMISSIONER: In relation to ACTA.

- 10 MR ROBERTSON: In relation to the ACTA proposal.---I, I suspect I would have sought advice from somebody, maybe DPC, as to whether it was, whether there may have been a conflict of interest involved.

So at very least, one of the things that you would have done, is this right, is sought advice as to whether there was a conflict of interest involved in relation to the ACTA proposal?---It appears, yeah, I, I, that's likely, it's hypothetical, but it appears that that's what I would have done, I would have sought some advice from DPC perhaps as to whether there as an issue here.

- 20 Would have it effected the way in which you and/or the Premier's Office, Premier Baird's office, would have viewed approaches from the Member for Wagga Wagga in relation to projects, funding proposals and the like?---It's hard to answer that, as in, not knowing at the time that there was a relationship involved.

- Well, would you agree with this proposition, that you would have viewed, had you known that information, you would have viewed any approach by the Member for Wagga Wagga in a different way had you known about that information?---If it was related to a decision of ERC. If it was an approach
30 from the member on another matter, maybe not.

Well, at least in relation to projects in Wagga Wagga. Is that what you're saying?---Or expenditure of money through ERC, I suspect so.

So does that mean you're agreeing with what I put to you, namely, that at least you would have viewed, had you known that information, at least you would have viewed any approach from the Member for Wagga Wagga in relation to Wagga Wagga projects in a different way?---Yes.

- 40 Is this the kind of information, as in the existence of a personal relationship, that you would regard, as a Director of Strategy, as a matter that would inform the approach that you might take and the advice that you might give to your minister, being the Premier?---Sorry? The information of a relationship between the two people?

Had you known about the existence of a relationship, would it have affected – I'll withdraw that and I'll ask it in a more specific way. Had you known about the information, by which I mean the existence of a relationship,

would have it in any way affected the advice that you gave to Premier Baird in relation to the ACTA proposal?---I think my (not transcribable) is fairly strong, but, yes, I suspect that it would have had a, an impact.

In what way?---I would have taken into consideration the potential of, you know, perceived conflict and that would have been reflected in any advice.

But reflected in what way?---I would have taken it into consideration in the advice I provided.

10

But taken into account, I appreciate taken into account, but taken into account in providing the advice, and what advice would you have provided had you been given that information?---I don't think my advice would have been any different. It would have still been based on the merits of the proposal but that could have been seen as a, an element that I should have informed the Premier about if I'd known about it.

20

Well, would it have affected any view as to whether anything as a matter of process should be done differently in relation to something like the ACTA proposal?---I'm not an expert on the, the Ministerial Code with regard to conflicts, but there may have been an impact on the, the process.

30

Commissioner, I apply for the direction that was made under section 112 of the Independent Commission Against Corruption Act on the 28th of April, 2021, in relation to the compulsory examination of Mr Nigel Blunden be lifted insofar as it would otherwise prevent publication of the fact that Mr Blunden gave evidence on that occasion, insofar as it would otherwise prevent publication of any question asked or answer given in this public inquiry.

THE COMMISSIONER: Yes. I raise that direction in those respects.

40

VARIATION OF SUPPRESSION ORDER: THE DIRECTION THAT WAS MADE UNDER SECTION 112 OF THE INDEPENDENT COMMISSION AGAINST CORRUPTION ACT ON THE 28TH OF APRIL, 2021, IN RELATION TO THE COMPULSORY EXAMINATION OF MR NIGEL BLUNDEN, IS LIFTED INsofar AS IT WOULD OTHERWISE PREVENT PUBLICATION OF THE FACT THAT MR BLUNDEN GAVE EVIDENCE ON THAT OCCASION, INsofar AS IT WOULD OTHERWISE PREVENT PUBLICATION OF ANY QUESTION ASKED OR ANSWER GIVEN IN THIS PUBLIC INQUIRY.

MR ROBERTSON: Mr Blunden, you participated in a compulsory examination before this Commission on the 28th of April, 2021. Is that right?---Yes. That's correct.

And during the course of that compulsory examination, I asked you certain questions including whether you were aware of the close personal relationship between Mr Maguire and Ms Berejiklian. Do you remember me asking you some questions about that?---Yes, I – yes.

10 And do you remember I asked you a question similar to the one that I’ve asked you today to the effect that would have you acted differently, as best you can put yourself in that parallel universe, had you known about the personal relationship. Do you remember me asking you a question about that?---Not specifically, but I, I don’t doubt it.

Well, I’ll just read to you a question and an answer. I asked you, “How would you have acted differently, as best you can put yourself in that parallel universe?” And the answer according to the transcript is, “I think, I think that our office would have viewed any approach from the Member for Wagga in a vastly different way.” Do you remember me asking you a question on those lines and you giving an answer along those lines?---Yes, I do.

20

Now, does that remain your view, namely that had you known about the personal relationship, you think that the Premier’s Office would have viewed any approach from the Member for Wagga Wagga in a vastly different way?---Yes, I do.

And why, as you see it sitting there now, would have you viewed an approach from the Member for Wagga Wagga in a vastly different way? ---Because of the perception of a conflict between the two people we’ve mentioned, the Member for Wagga and the former Premier.

30

THE COMMISSIONER: The former Premier being Ms Berejiklian.
---That’s correct, Commissioner, yes.

MR ROBERTSON: I think in fairness to you, Mr Blunden, I should show you that passage of the transcript of the compulsory examination and I’ll ask you whether you remain of the views expressed there or whether you have since come to a different view.

40 THE COMMISSIONER: What page is it, Mr Robertson?

MR ROBERTSON: Page 2579. So I want to actually start with 2578. If we can go to the preceding page, please, and zoom in the bottom half of the page. This is in the context of me asking you questions along the lines of what I’ve asked you today. Do you see there’s a number 40 towards the left-hand side, do you see that there, Mr Blunden?---Yes, I do.

And so I say there, “So you’re referring to where Ms Berejiklian gave evidence in the seat that you’re sitting in now to the effect that she was in a

close personal relationship with Mr Maguire.” And I’ll jump over the remaining words. You say, “Correct. That was I’m meant to know these things in my job and I had no idea.” Do you see that there?---I do, yes.

And so was that a reference to the fact that, as the Director of Strategy, matters of this kind are matters that you would at least want to know?---If it had an impact on proposals being put forward, yes.

10 And is that with a view to avoiding what you referred to before, namely, at least a perception of a conflict of interest?---That’s true, yes.

And if can turn then to the next page I’ll show you, to the next page, please, page 2579. If you go to line, there’s a number little 20, so line 21, the next line. I’ve already read to you the question and the answer. Do you see that there? “I think our office would have viewed any approach from the Member for Wagga Wagga in a vastly different way.” Do you see that there?---Yes, I do.

20 And you remain of that view sitting there now I take it?---I do, yes.

What about in relation to the next question I asked. I said, “And what do you mean by that?” And you said, “In that we would have perhaps suspected ulterior motives in some of the things he was putting forward.” ---I, I, yes, I see that.

That remains your view sitting here now?---Yes.

30 And then I said, “There’d also be a concern, wouldn’t there, as to the potential political risk or cost of it emerging at some point in time of the existence of that relationship if it wasn’t otherwise in public and whether that might put any questions on the decision-making function. Is that right?” And you said, “Absolutely.”---And I agree with that.

And so you remain of that view sitting there now. Is that right?---Yes, I do.

40 And if we then just scan a little bit further down the page. In fairness to you I should draw particular attention to the passage starting at about line 45 I think. Do you see where you say, “I state for the record”?---Yes, I do. I do. Yes, I do.

So you say, “I state for the record that I don’t believe that there was a conflict of, of interest. That might be a judgement made by others. But I find it fairly apparent that there’s a perception that there could be a conflict and perhaps that the – there could have been,” and turning over the page, “decisions made by the Treasurer or her office to make decisions at arm’s length when that member was making representations.” Do you see that there?---I do, yes.

And so do you remain of that view as in does that remain your evidence - - -
?---Yes. Whilst - - -

- - - what I've just set out?---Whilst as I just said earlier I'm not an expert on
the Ministerial Code I, I, I remain of the view that I could see that there
would be a perception there in the first instance and that something that
should be looked at.

10 And so the particular thing that should be looked at from your perspective
is, is this right, to deal with decisions concerning Mr Maguire's electorate at
arm's length when that member was making representations, is that right?
---That's what I meant by the words in that transcript, yes.

So in other words, allow the decision-making processes to take their course,
but Ms Berejiklian might have to exclude herself from those processes.
---That would be a fair assumption, yes.

20 And so looking at that practically in relation to the ACTA proposal that you
and I have discussed today, that might, for example, involve the Premier
making the decision as to whether it goes on the ERC agenda or not, rather
than the Treasurer?---I'm not sure how it might work under those situations,
but that, that could be one way forward, yes.

At least something that should be considered, what procedures should be
adopted to adopt an arms-length procedure in light of that information.
---Yeah, I, I'd agree with that.

30 And then if you go down, if we go down a little bit further, towards the
bottom of the page, if you have a look at – no, sorry, a little bit further up,
line 22. Do you see there at line 23 you say, "It's a no-brainer that it's a
perceived conflict." Do you see that there?---A perceived, yes.

Does that remain your view?---A perceived conflict, but I'd want somebody
with expertise in the ministerial code to decide that, not me.

And then if you have a look at the question that starts at line 30, and if you
have a look in particular at your - - -

40 THE COMMISSIONER: I think we might draw Mr Blunden's attention to
the previous question, Mr Robertson. That's not just because I asked it.

MR ROBERTSON: If we go then to - - -

THE COMMISSIONER: It just sets the framework for the next question.

MR ROBERTSON: Yes. So do you see there, Mr Blunden, the next
question, "Well, I'm trying to test why it's not also an actual conflict of
interest, because I'm not sure that he raised it directly with her and I

understand that he's clearly raised it with his, her office, but I, I, yeah." Do you see that there?---Yes, I do, yep.

What were you referring to there?---I'm not aware that Mr Maguire spoke directly to the Premier, sorry, the then Treasurer about this proposal. But I was under the impression that he'd spoken to her staff.

10 And you were under that impression how? How did you come to that impression?---Because of the emails that you showed earlier and the reference to, from my recollection, that the member maybe had expressed his displeasure that he'd come initially off the ERC agenda and then put back on.

It then seems to be at least part of the context to the question-and-answer in line 30. And it says, "So you would, in your view, there would have had to have been a personal communication between Mr Maguire and her in which he advanced the application for funding which ACTA was putting up for there to be an actual conflict of interest?" And then you say in response, "I find it odd that a Treasurer who's knowingly in a relationship with a
20 member of parliament who's considering a proposal being put by him through relevant departments would not make some kind of decision to perhaps declare that there's a conflict of interest in that situation." See that there?---I do, yes.

And does that remain your view?---If Mr Maguire had raised it directly with the then Treasurer, yes, it would.

30 Only on that occasion or in any event?---I'm just not sure that the Member for Wagga or the then Member for Wagga had raised it directly with the former Treasurer, or the Treasurer at the time.

But are you saying that, at least as you saw it, it would be an issue in any event, whether or not it was raised directly or whether it was raised indirectly, for example, through Minister Ayres' office? Or are you saying, at least as you saw it, it would only be an issue if there was a direct communication between the Member for Wagga Wagga and Ms Berejiklian?---I'm not a specialist on that legality. I think you could read it either way.

40 Either way or in either of those two circumstances it's at least a matter - - - ?---In either of - sorry, sorry, in either of those circumstances. But not being an expert in that area, I don't think I'm the one to judge that.

In either of those circumstances, it's at least a matter that you would raise with your minister, the Premier, correct?---Yes.

And it's a matter that you would at least raise with those who can provide advice in relation to that matter, is that right?---I wouldn't leave it to myself

to make that assessment. I'd seek advice, I guess, from the Department of Premier and Cabinet.

So at least one aspect of what you would have done differently had you known about the existence of the relationship was firstly to inform your minister, the Premier, Premier Baird, correct?---Yes.

10 And another thing that you would do is get advice as to what further steps, if any, should be taken in circumstances where, at least in your mind, it was a no brainer that there is at least a perceived conflict, correct?---The sequence of those two I might do the other way around but I suspect both would occur.

Just pardon me for a moment, Commissioner and Mr Blunden. That's the examination, Commissioner. In due course I will tender that excerpt of the compulsory examination transcript. Before I do that, I want to view it again to make sure that there's nothing in particular that should be redacted in fairness to, for example, Mr Blunden or perhaps others.

20 THE COMMISSIONER: Thank you, Mr Robertson. Mr Agius, do you wish to seek leave to ask Mr Blunden any questions?

MR AGIUS: Yes, I do, Commissioner. I will be very short. It's one topic and it arises from Exhibit 420.

THE COMMISSIONER: Very well. Thank you, Mr Agius, I give you that leave.

30 MR AGIUS: Is it convenient if I do it from where I am or should I move to another place?

THE COMMISSIONER: I think that will be fed out through the AVL, will it not?

MR ROBERTSON: I can see my learned friend Mr Agius, so it's fine from there.

40 THE COMMISSIONER: Yes, I think we can see you clearly, Mr Agius. You can do it from where you are.

MR AGIUS: All right, thank you. Thank you. Mr Blunden, my name is Agius and I appear by leave for Mr Barilaro. I just wanted to ask you a few questions which arise from Exhibit 420. Can I ask for it to be put up, please? This is the memo you did for the then Premier and you've recently been asked questions about it.---Yes.

And could we scroll down, please? Just stop there. Under heading Recommendation you say, "Gladys and Ayres want it. No doubt they've

done a sweetheart deal with Daryl.” Now, you were asked a number of questions about that paragraph and I won’t repeat the same questions, but the substance of what you said was that you hadn’t spoke to the then Treasurer or Minister Ayres directly about it but you had gathered from the ministerial staff of those persons that, to use your words, Gladys and Ayres wanted it. You agree that was your position?---That’s correct, from my recollection. Yes, it is.

10 Now, your memo sets out the reasons you believed that this project should not be approved, and to be fair to you, you set out in some detail the reasons why you didn’t believe that the Premier should be backing it. Do you agree with that?---Yes, I do. Yes, I do agree.

And you were forthright, as you said?---Yes.

20 When you were dealing with the ministerial staff at either the Treasury or the Minister for Sport’s office, didn’t you ask them words to the effect, “Look, why are you guys pushing this? It fails in terms of a benefit-cost analysis, it’s got all these other problems, it’s being done urgently. Why is Treasury behind this?” Or, “Why is the Ministry for Sport behind this?” Did you ever ask questions like that?---Not as specific as that. I think there was that earlier email shown to me when I said, “Can’t we get the business case and bring this back once it’s been finalised?” But I don’t recall putting it like that to those officers, no.

Do you recall putting to them all the faults as you perceived them to be with the submission at this time, that is between 6 and 12 December, 2016?---I, I’m not sure, Mr Agius, given the time that’s passed. No, I’m not sure.

30 All right. Do you have any recollection of being told any reason by anybody, either in the Ministry of Sport or in the Treasury, the Treasury Ministry, as to why it was that this was so urgent? That is, getting the submission before the ERC was so urgent.---No, I relied on those two officers.

40 I’ve just noticed that in this document, Exhibit 420, you don’t say anything to the then Premier as to why it was either Gladys or Minister Ayres wanted this proposal. You hazard an opinion about them having done “a sweetheart deal with Daryl” but you don’t provide any other reason as to why they want this proposal to succeed. You agree with that?---I’d agree with that, it’s my opinion at the bottom of the recommendation, yes.

Wouldn’t you normally, in a proposal such as this, if you’re advising the Premier, set out what you anticipated to be the case that might be put to him otherwise? That is, why it was that Treasury and the Minister of Sport were backing this proposal, given all of its faults.---I outlined the, at the top of the note there some of the rationale behind the project, and then provided my advice to it. I, I, I didn’t add anything further, no.

Well, one could be forgiven for thinking that the reason you inferred, at the top of this – if we could scroll up – that the reason you inferred this was being supported by Treasury and/or the Ministry of Sport was, in effect, to make Mr Maguire to look good. “The Maguire International Shooting Centre of Excellence” could be regarded as a satire. That’s what the real purpose of getting this project up and running was. Do you agree with that interpretation?---I, I, look, I wrote that, it’s a flippant remark in a piece of advice. That could be interpreted from it, yes.

10

That could be interpreted – sorry?---From that, from what I wrote, yes.

What I put to you would be a valid interpretation of what you’ve written? ---Sorry, I’m finding it a little bit difficult to hear, Mr Agius. Could you repeat that?

20

Sorry. Yes, what I’m suggesting to you is that when you wrote “the Maguire International Shooting Centre of Excellence”, what you were implying was this proposal was being supported in order to appease Mr Maguire and to make him look good in his electorate.---I don’t know about appease. I just go back to my comments about how we’d want to see a rigorous business case put next to a proposal that was coming forward for a substantial amount of funding.

30

This is a slightly different point. I’m asking you whether or not you were hinting, in that third dot point, that it was to be known in the way in which you’ve set out, which I’ve now read out, that that was the real reason behind the support for the proposal, that the ministries both wanted Mr Maguire to look good, they wanted to give him credit in the electorate.---I, I’m, apologies, Mr Agius, I, I, I wrote this a long time ago. I didn’t infer from that, I didn’t infer that from what I wrote. I, I used the phrase in the advice – yeah, that’s, that could be an interpretation from this.

Yes. Right, thank you. Thank you, Commissioner.

THE COMMISSIONER: Mr Agius, thank you. Mr Harrowell, do you wish to seek leave to cross-examine Mr Blunden?

40

MR HARROWELL: No, Commissioner.

THE COMMISSIONER: Ms Callan, do you wish to seek leave to cross-examine Mr Blunden?

MS CALLAN: Yes, Commissioner.

THE COMMISSIONER: I give you that leave on the same basis as the previous occasions.

MS CALLAN: Yes. Mr Blunden, can you see and hear me?---I can, yes.

My name is Callan. I appear on behalf of Ms Berejiklian in this public hearing. Can I ask, you gave some evidence in answer to a question from Counsel Assisting about I think my note of it is you said, "We assess projects across the state regardless of the electorate." Do you recall giving that evidence?---I do, yes.

10 Insofar as your role was to provide strategic political advice to Mr Baird, did that include advising him on the political factors at play in relation to a piece of government spending?---It would be a factor but the priority in this instance was the financial merits behind the project.

I recognise you made that point several times in your evidence but I'm just trying to ascertain the role that you played as a political adviser for Mr Baird. Was the case, you say, was it, that you had regard to and provided Mr Baird with advice about political implications of a proposal or a piece of policy that was under consideration?---Yes, that's correct.

20

You were asked by Counsel Assisting a number of questions about the process and timing by which Cabinet and its committees made decision. You recall those questions?---Yeah. I do, yes.

Your evidence was based on the experience you had across those different bodies?---Yes.

30

And, for instance, as I understand it, you had limited experience in relation to the workings of the Expenditure Review Committee?---Some but, yeah, not, not extensive.

And the evidence you gave by way of, for instance, the usual processes and time frames, to your observation, on occasion, government would do things in a more hurried fashion, for instance, for political purposes. You'd accept that, wouldn't you?---Occasionally there was a way of truncating a time frames if a case was made for that to occur.

40

And as I think you said in your evidence, the Premier or the Treasurer would regard seriously and carefully if a minister was urging that a matter be considered on a truncated basis?---I think that's correct that we would consider a request application from a minister if they came forward.

And decisions that I'm talking about that are made, your words, in a truncated time frame or might be described as a hurried time frame, they might be made with limited supporting documentation. You accept that? ---Apologies. The second part, I think you said they might be made with limited supporting documents?

Yes, those decisions.---They, they may be. I'm not entirely sure of an example of where one was taken but that, that could be, that could be done, yes.

Well, do you recall, are you aware of instances of the government making decisions or announcements in respect of government spending and then working through a business case in terms of ensuring that that initiative was executed with appropriate regard to the spending of public funds?---I can't think of one that's come to mind, no.

10

In your experience in the time that you worked for Mr Baird, you recall or were aware of government decisions, that's in respect of the spending of money, that were made for reasons of what I might describe as political expediency, not necessarily by reference purely to the bottom line?---I, I, there may have been decisions like that. I can't think of one that comes to mind.

Mr Blunden, you were taken to an email that, for the record, was made Exhibit 417. If I could ask for that to be brought up on the screen, please?

20

MR ROBERTSON: If it assists, the other reference is 26.2, page 88.

MS CALLAN: Can you see that, Mr Blunden?---Yes, I can.

So the top of the page of that email chain is the email from Chris Hall to yourself and a colleague on 6 December and there's reference to that in the second sentence on the first line to Wagga Wagga. That information didn't come as a surprise to you, did it, that is that Mr Maguire was supportive of this proposal?---No. He was an enthusiastic MP and pushed the proposals in his electorate.

30

And in fact, as I understand your evidence-in-chief, he had already raised with you directly this proposal?---That's from my recollection, that he had briefly mentioned it.

Was it your impression that you were one of the few people he had spoken to about the proposal?---I'm not aware of who else he made have spoken to about it. I don't know how many people.

40

Insofar as you've described him as an enthusiastic proponent of projects in his electorate, to your observation was that enthusiasm demonstrated by speaking with various people in parliament to advance the projects that he was supportive of?---I'm not sure of other people but as I have mentioned, I think in my evidence, he would enthusiastically encourage me to facilitate the Premier going to visit his electorate, or in this instance this project.

You said in your evidence-in-chief, I think you described Mr Maguire as being quote always in your ear, does that mean that you dealt with him

regularly when you worked in Mr Baird's office?---When parliament was sitting, the, the building on Macquarie Street's quite a small building, MPs, including Mr Maguire, from outside of Sydney come to Sydney for sitting weeks and you would see most MPs, from both sides of parliament and the crossbenches, pretty much on each sitting day it's going to Question Time, leaving Question Time around the corridors.

10 As at the date of this email, December 2016, was it your impression that Mr Maguire was regarded as something of a go-to person within the Liberal Party in relation to regional matters?---I wasn't aware of that particularly, no. I don't think so. He was a Liberal MP, and whilst there are many Liberals in regional areas, the National Party also is there to represent the regional and country electorates.

20 Just to understand, as the political adviser to Mr Baird, did you, amongst other things, have regard to the views expressed by Mr Maguire about matters of concern to regional New South Wales from a political perspective?---It was my job to listen to concerns of all of the MPs in the government and from other parties.

As a political adviser to Mr Baird, did you consider the affairs and concerns of those in regional New South Wales warranted attention?---The concerns of all of New South Wales warranted attention from the government, be they metropolitan areas or in regional areas.

30 Insofar as you sought to ensure that the concerns across New South Wales, but I'm asking you particularly about regional New South Wales, informed the advice you gave Mr Baird, how did you inform yourself?---In discussions with the members of parliament, ministers.

And were those members of parliament who were from regional areas?
---Many were, yes.

40 Insofar as Mr Maguire was from a regional area, did you have regard to the views that he expressed about regional matters in considering what advice you gave Mr Baird about regional matters?---You'd, you'd listen to, you'd listen to the views of as I say all of the MPs. They'd make representations from their area, be it region or metropolitan and relay those to people in the office or the Premier.

When Mr Maguire spoke to you about this project at Wagga in respect of the clay target shooting facility, did he tell you that that association, the Clay Target Association, was a large sporting organisation in Wagga?---I, I can't recall the specifics of the conversation. From what I recall it was a very brief mention one day in parliament.

Recognising you have very limited recollection of the conversation, do you recall during the conversation or the impression you had of that

conversation that Mr Maguire was conveying the importance of this proposal for the Wagga electorate?---It's possible that could have been the case but I just, I'm sorry, I just don't remember.

You were taken in your evidence, and this is an email which has been marked Exhibit 418. If I could ask for that to be - - -

MR ROBERTSON: If it assists, the other reference is volume 26.2, page 92.

10

MS CALLAN: That is relevantly, Mr Blunden, your reply to Mr Hall's email on 6 December, and your evidence is that that reflected your concerns and your position as at 6 December, 2016.---I'm having a little trouble, I think that says, "Let's hold this until the business case is final." Thank you very much whoever did that.

Yes.---Yes, that, that's a, an accurate reflection from that time.

20 You were then taken in the chronology to an email of 8 December, 2016 which indicated, "Advised the PO," or Premier's Office, "is happy to progress." Do you recall seeing that email? We'll have it put on the screen I hope if you need to see it.---I remember, no, no, I recall seeing that and being shown that this morning.

MR ROBERTSON: Volume 26.2, page 167, Exhibit 389 if that assists my friend.

30 MS CALLAN: So that email, and it was pointed out to you, Mr Blunden, that you were not a party to that email on 8 December. It was sent from the office or on behalf of that gentleman you see is named at the top.---Yes, I can see that, yes.

Is that a person known to you?---I beg your pardon, can you repeat that?

Is that a person known to you?---He was one of the advisers in the then Sports Minister's Office.

40 So that adviser for the then Sports Minister's Office was indicating to that agency, the Office of Sport, that he, that is that adviser, "Am advised that PO," Premier's Office, "is happy for this to progress." Now, when you were taken to this email you were asked whether it was possible that you came to the view that the Premier's Office was happy for it to progress and your answer was, "It may have been." Do you recall that?---I do, yes.

And is it your evidence that at that point in time the funding proposal went on the agenda of the ERC?---I can't be certain about the precise timing of when it went on the agenda but subsequent to the 8th it appears as though it did.

And then it seems your understanding was that it came off the agenda.
---That was my understanding, yes.

And back on again by 12 December, when you prepared your memo to Mr Baird?---I believe that to be the case, yes.

10 And as at 12 December, which is, it seems from, we get here from Counsel Assisting, the metadata attached to your memo to Mr Baird, your position was that you recommended he oppose the proposal.---Yes, that's correct.

And, Mr Blunden, in circumstances where you accept it may well have been you who indicated that the Premier's Office was happy for this to progress on 8 December, what were you doing advising Mr Baird to oppose the proposal on 12 December?---I think in the advice I said have the discussion about it, but without the rigorous business case, that he should oppose the proposal.

20 So you considered, is this the position, the proposal was worthy of being on the ERC agenda, but there needed to be a rigorous discussion about it?---I think that's, that's a clear reflection that there should be a discussion about the merit of the proposal amongst the ministers on ERC.

And you can't assist the Commission as to how it is that it went off and then back on the agenda?---I'm not, I can't, apologies, I can't.

30 In your memo – and if I could ask for the witness to be shown that memo. It's Exhibit 420. Could I ask that it scroll down to the bottom of the page, to the recommendation. So just to be clear, Mr Blunden, you considered the matter should go on the ERC agenda. You recommended Mr Baird oppose it. Sorry, you considered it should go on the ERC agenda. You thought a rigorous discussion was warranted. But in your advice to Mr Baird, you recommended opposing the proposal.---That's correct.

And where you refer to the term “sweetheart deal”, you indicated in your evidence that you meant nothing improper by that.---I mean nothing improper by that.

40 What did you mean, Mr Blunden?---That's, it was a, a, I, a flippant remark that I put in the advice on the bottom of the, or a recommendation on the bottom of the, of the advice note.

It's the case, wasn't it, that Mr Maguire, along with one or two other Coalition members of parliament, were factionally unaligned?---That's my understanding, yes.

And did it follow from that that it was seen as a good idea politically within the Coalition, or at least the Liberal Party, to court his favour? That is, Mr

Maguire's.---I, I don't know if that was my thinking. I think that my thinking was based on a project and whether it was viable or whether it was feasible to proceed.

But just coming back to your view about whether it was feasible to proceed. You express, in quite robust terms, your concerns from a business case perspective about this proposal.---Yes.

10 But it was, you say, nevertheless something that you considered warranted going on the agenda to allow the discussion to be had at the ERC.---I think as a member of staff it's not for me to decide the merits. It's, I can provide advice, but for the ministers themselves, the, the minister, the portfolio minister has a right to put forward a proposal and that can be discussed amongst the ministers around the ERC table.

20 In your evidence when you were taken to this part of the memo by Counsel Assisting, you referred to a sense of frustration that this proposal kept coming up despite your concerns about sound economic management. You recall that evidence?---I do.

But what you've just told the Commission is that you considered it was worthy of discussion at the ERC level, as an adviser was not appropriate, is this the case, for you to impede that discussion from happening. ---Apologies. It dropped out a little bit then, but I think – could you ask me that again?

30 Yes. In answer to a question from Counsel Assisting about that part of your memo, you spoke of your frustration that this, quote, “kept coming up” despite your concerns in relation to sound economic management. You recall that evidence?---Yes.

But, Mr Blunden, you've just told the Commission that you considered this was a matter which, that your role as an adviser was limited and this was a matter warranting discussion by that committee for its decision.---Yes. If the proposal had a rigorous business case, then it should be pushed forward, but I asked that the business case be finalised, further developed before that occurred.

40 Before it went on the ERC agenda?---That's, that's correct, from the email I think you showed me earlier from 6 December.

Your evidence a few minutes ago, Mr Blunden, is that you accept it may well be you who indicated that the Premier's Office was happy for this to go forward.---With an appropriate and rigorous business case, yes.

The next part of that recommendation states, “At the very least, let's target our marginal seats, not one of our safest.” You were there referring to the political dimensions of the proposal, weren't you?---Yes.

That is, you were questioning why would we fund this particular project in one of our safest seats?---As a secondary issue, as I said before. The primary one was the merits, the financial merits, but yes, as well, as well, that was a minor factor.

Well, you say it was a minor factor. You as political adviser to Mr Baird, it was part of your job at least to be alive to the political dimensions, wasn't it?---That's correct.

10

Had this grant been in respect of a marginal seat, is it your evidence you would not have been as critical in terms of whether this was a wise expenditure of public funds?---No, I think we would have assessed it in the same manner to ensure that there was a, a benefit to the state.

In answer to Mr Agius' questions by reference to this portion of your memo, your evidence was that you did not ask specifically of the ministerial staff for either the Treasurer or the Minister for Sport why those two individuals, that is, Ms Berejikian and Mr Ayres, quote "want it". You recall that evidence?---I do, yes.

20

Did you turn your mind at all to the political considerations that may be factoring in the position that had been taken, as you understood it, by Ms Berejikian and Mr Ayres?---This was some time ago. I, I may have. I just can't remember. Sorry.

You didn't go so far as to ask staff from either of their offices?---I, I can't recall that. It's possible but I, I don't remember.

30 It was suggested to you by Mr Agius that your reference in the document to "the Maguire International Shooting Centre" implied that this was a – that you were implying this proposal was being supported in order to appease Mr Maguire. Do you recall that question?---I do, yes.

And your answer, as I recorded it, was that you wrote the document a long time ago and you did not mean to infer that from what you wrote? Have I understood that correctly?---That's correct, yes. Yeah, that's a fair reflection, yeah.

40 Just to be clear, Mr Blunden, is it the case that you did not mean to imply or infer that that was the reason why there was support for this proposal?---I, I wasn't meaning to – I, I, I, I used that phrase, I wasn't meaning to infer that, no.

As at November 2016, so a month before, you'll recall that the National Party lost the safe seat of Orange to the Shooters Party?---I do recall that, yes.

At that time or thereafter, for instance at this point in time in December 2016, did you consider similar risks arose in relation to other seemingly safe regional seats such as Wagga?---Oh, potentially, potentially yes. But I, I – that would be a, a fair assessment.

10 Did you, in formulating your memorandum to Mr Baird, turn your mind to whether this proposal might bring with it sound political imperatives insofar as it concerned an initiative in another part of regional New South Wales, namely Wagga?---Given the time period, look, that's possible but I, look, I don't, I don't recall thinking that at the time.

Well, after the National Party lost that seat of Orange at the by-election in November 2016, were you aware of a concern within the Liberal Party to address a perception that it was out of touch with regional voters?---I think that's a fair assessment, yes, yep.

20 And when you were considering this proposal, did you turn your mind to whether this proposal might have the capacity to address the perception that the Liberal Party was out of touch with regional voters?---As I say, that may have been the case but I just cannot be definitive on that, given the time period that's passed.

If it's something you turned your mind to at the time, do you expect you would have referenced it in your memo?---Apologies, could you just repeat that again, please?

30 At the time that you were preparing this memo, if you had turned your mind to the potential for this proposal to address a perception that the Liberal Party was out of touch with regional voters, you would have included it in your document, wouldn't you?---I may well have done that, yes.

Do you accept, from its absence from your document, that you may not have considered this proposal from the perspective of addressing the concern about regional voters?---Given – I, I just can't remember, given the time frame. I, I may, I may well have, it's possible I considered that as a factor. I, I can't answer why it's not in the note, if it should be or shouldn't be.

40 Well, if it's not in the note, does that indicate that it's not something that you provided advice to Mr Baird about?---Well, as I said I think this proposal, my advice was based on the financial merits of the, the upgrade or the spending on the, the shooting range and that's the way it was considered.

And your advice to Mr Baird did not, you say, address the potential political benefits for the Liberal Party?---I don't, no, I don't believe it did.

During the time that you worked for Mr Baird, did you have an opportunity to observe the manner in which my client, Ms Berejiklian, engaged with other members of parliament, including your boss, Mr Baird?---Yes, I did.

And that included observations as to the way in which she engaged or treated Mr Maguire?---I can't remember of any specific examples of how she engaged with Mr Maguire.

Your evidence in answer to some questions for Counsel Assisting indicated that prior to last year you had absolutely no knowledge of the close personal relationship between Ms Berejiklian and Mr Maguire. Do you recall that?
---I do. That's correct.

10

There was nothing, was there, in your observations as to the way in which Ms Berejiklian treated Mr Maguire to suggest such a relationship?---In my experience no, there was not.

Nothing in the way she treated Mr Maguire to suggest she was biased or partial towards him.---To my knowledge, Ms Callan, absolutely not. There was, I always found the former Premier to be, as in Ms Berejiklian, extremely hardworking and down to earth. That's correct.

20

You were also asked some questions, including by reference to some evidence you gave in a private examination earlier this year, about whether you would have acted differently if you had been aware of that relationship. Part of that evidence that you gave in the private examination was that you say you would have, you think the Premier's Office would have viewed any approach from Wagga in a vastly different way. Do you recall that?---I do, yes.

30

That is, just to understand it, if you'd known about the relationship you would have assessed proposals put forward by the Member for Wagga differently?---I think I said before that I would have sought advice as to the perception of a conflict and, and perhaps that would have led to assessing things differently, yes.

So just to be clear, with this ACTA grant as an example, your position is that you approached it with a keen eye to ensuring the considerations of the business-to-cost ratio and other feasibility and economic matters were given considerable priority in the decision-making?---Yes, that's the, the approach I took to it.

40

And if you had known about the relationship your evidence is that would not have changed the approach that you took to assessing this proposal as to its merits.---I think I would have sought as I mentioned to I think Mr Robertson, I would have sought advice from DPC as to whether there was a perceived conflict whether we should act any way differently.

Well, your position and the advice you gave was to oppose the grant. You're not suggesting that the knowledge of that relationship would have caused you to view the grant more favourably are you?---No. The, the grant would be assessed against the business merits of what was being put forward.

10 And the fact of a relationship or not would not bear on that assessment. ---That would be something as I say I would have sought advice from the department on.

And you reference a number of times in answers to Counsel Assisting and to me now about seeking advice is because you would be, you say you would be concerned about the perception of conflict but you do not know and nor do you have a basis to know whether in fact such a conflict would have been created.---No, that's why I would ask somebody who was a specialist in that area.

20 And that would inform, would it not, whether there was or would have been any proper basis for Ms Berejiklian to have recused herself or otherwise not been involved in decision-making in relation to proposals concerning the Wagga electorate?---I think advice from legal counsel at the DPC would inform that, yes.

Because if there is no conflict on the advice and considered opinion of the people who deal with these things, there is no reason why Ms Berejiklian was not able to make decisions concerning the Wagga electorate?---If that was the advice that was provided, yes.

30 Thank you, Commissioner. Those are my questions.

THE COMMISSIONER: Thank you, Ms Callan. Ms Edwards, do you seek leave to ask Mr Blunden any questions?

MS EDWARDS: No, Commissioner.

THE COMMISSIONER: Mr Robertson, do you have some questions?

40 MR ROBERTSON: Two brief matters by way of clarification. Can we have Exhibit 420 back on the screen? I just want to clarify your evidence, Mr Blunden, arising from some questions my learned friend Ms Callan has just asked you, and it might be most conveniently done by reference to this document. If we can zoom into the Recommendation section of the document, please. I just want to understand, or at least be clear as to how we reconcile the first word, "Oppose," with the sentence that starts in the third line and continues to the fourth line to "Have the discussion and see where it goes." Do you see that, is that close enough for you to be able to see?---Yep. Oh, yes.

Is this right, your recommendation was to oppose the substance of the proposal, correct?---Correct.

But at least at this point in time, your suggestion was at least to acquiesce in the idea that it's on the agenda, is that right?---I believe that the minister, the portfolio minister had a right to put forward a proposal and for the ministers at the ERC to have a discussion about, and a say, where it goes.

10 I think in answer to – I withdraw that. I think in one of the questions of my learned friend Ms Callan, she was asking you whether in effect you were saying that it was appropriate or it was of sufficient standard to get before the ERC. Do you remember some questioning along those lines?---Around the business case, yes, I do.

I just want to understand how we reconcile the two things together. Are you in effect saying ultimately the Premier should acquiesce in it being on the agenda because a minister wants to put it forward and the Treasurer wants it on the agenda? Is that in effect that you're saying?---Yes. And they'd have the discussion about it.
20

In effect, let's not veto it being discussed but when it's being discussed you would oppose it, is that the - - -?---Correct.

Is that a fair summary of your evidence?---Yes.

You were asked some questions by my learned friend Ms Callan regarding, in effect, the aftermath of the Orange by-election. Do you remember being asked some questions about that?---Yes, I do.
30

And just to assist you in terms of timing, the by-election itself was 2 November, 2016, although the result of that election wasn't known for at least a few days after. That's consistent with your recollection, is that right?---I trust the dates. I'm, I'm not, can't recall the actual date of the by-election but I believe yes.

In any discussions that you had concerning the ACTA project that you and I have discussed today, do you recall anyone putting forward to you to say, in effect, well because of the aftermath of the Orange by-election or because of the kinds of concerns that Ms Callan was raising with you, a concern about the standing of the Coalition in country areas, this is a factor that should weigh in favour of this particular proposal?---Not that I can recall, no.
40

Thank you, Commissioner.

THE COMMISSIONER: Thank you, Mr Robertson. I take it we can release Mr Blunden from his summons?

MR ROBERTSON: Yes. If it pleases the Commission.

THE COMMISSIONER: Thank you very much for attending, Mr Blunden. You're released from your summons and you may turn off your iPhone, I think.---Thank you.

THE WITNESS EXCUSED

[1.00pm]

10

MR ROBERTSON: I note the time, Commissioner. Can I respectfully suggest a short luncheon adjournment. I'm mindful that I've already inconvenienced Mr Baird. I would respectfully ask for a 1.45 restart if that's not too inconvenient to the Commission and those who assist it and those otherwise.

THE COMMISSIONER: No, very well. We'll adjourn until 1.45.

20

LUNCHEON ADJOURNMENT

[1.00pm]