



LEGISLATIVE COUNCIL

PUBLIC ACCOUNTABILITY COMMITTEE

Appointment of Mr John Barilaro as Senior Trade and Investment Commissioner to the Americas

Final report

Report 16

February 2023



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Public Accountability Committee

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**New South Wales. Parliament. Legislative Council. Public Accountability Committee.
Report no. 16.**

Appointment of Mr John Barilaro as Senior Trade and Investment Commissioner to the Americas
"February 2023".

Chair: Ms Cate Faehrmann, MLC.



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Terms of reference

1. That the Public Accountability Committee inquire into and report on the appointment of Senior Trade and Investment Commissioners, including the former Deputy Premier Mr John Barilaro as the Senior Trade and Investment Commissioner to the Americas, including:
 - (a) the circumstances leading up to the appointments,
 - (b) the process undertaken to make the appointments,
 - (c) the probity and integrity measures that were undertaken as part of the appointments, and
 - (d) any other related matter.

The terms of reference for the inquiry were self-referred by the committee on 23 June 2022,¹ and amended by resolution of the committee on 8 August 2022.²

¹ *Minutes*, NSW Legislative Council, 23 June 2022, pp 3518-3519.

² *Minutes*, NSW Legislative Council, 9 August 2022, p 3550.

Committee details

Committee members

Ms Cate Faehrmann MLC	The Greens	<i>Chair</i>
Hon Robert Borsak MLC	Shooters, Fishers and Farmers Party	<i>Deputy Chair</i>
Hon Wes Fang MLC*	The Nationals	
Hon Scott Farlow MLC	Liberal Party	
Hon John Graham MLC	Australian Labor Party	
Hon Courtney Houssos MLC	Australian Labor Party	
Hon Taylor Martin MLC**	Liberal Party	
Hon Daniel Mookhey MLC***	Australian Labor Party	
Hon Penny Sharpe MLC***	Australian Labor Party	

* The Hon Wes Fang MLC substituted for the Hon Scott Barrett MLC from 23 June 2022 for the duration of the inquiry.

** The Hon Taylor Martin MLC replaced the Hon Peter Poulos MLC as a substantive member of the committee from 21 February 2023.

*** The Hon Daniel Mookhey MLC and the Hon Penny Sharpe MLC were participating members from 29 June 2022 for the duration of the inquiry.

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Chair's foreword

This final report focuses on the appointment of the Agent General UK. As with the interim report, this final report reveals a similar pattern of inappropriate Ministerial interference in what was supposed to be a merit-based public sector recruitment process.

Similar to the STIC Americas appointment, the committee found that there were two rounds of recruitment for the Agent General UK position. A preferred candidate was initially identified and the public service proceeded to work towards their appointment, only for them to be discarded and replaced with another candidate introduced by then Deputy Premier John Barilaro. The committee found that John Barilaro inappropriately interfered in the selection process for the Agent General UK by failing to meet with the preferred candidate and instead directly approaching Stephen Cartwright and soliciting his candidacy.

This report also examined Mr Cartwright's salary negotiations as part of, and following, his appointment and whether these met public sector expectations. Simply put, they did not. As outlined in the report, the former Deputy Premier inappropriately discussed remuneration expectations with Mr Cartwright, even though he had not yet applied for the position. This discussion influenced Mr Cartwright's high salary expectations and his view that the appointment process was led by the Deputy Premier and not through the public sector process.

The committee also found that Mr Cartwright repeatedly and inappropriately applied pressure to senior public servants to improve his personal remuneration. It was wrong that the Department of Enterprise, Investment and Trade agreed to adjust Mr Cartwright's remuneration which resulted in a poor financial outcome for the State of New South Wales. That is why the committee is recommending the Secretary of DEIT to investigate whether Mr Cartwright has at all times abided by the code-of-conduct applicable to the Senior Executive Service.

This final report concludes the inquiry into the NSW Government's flawed STIC appointment process. The committee's inquiry revealed how Ministers inappropriately influenced the outcome of the STIC appointments and confirmed the Government's lack of integrity and transparency in appointing who they want to high paying public service positions.

On behalf of the committee, I'd like to thank again all those who participated in the inquiry. I also thank my committee colleagues, particularly the Opposition members, for their extensive contribution, and the secretariat and Hansard for their assistance.



Cate Fahrman MLC
Committee Chair

Findings

- Finding 1** **23**
John Barilaro inappropriately interfered in the selection process for the Agent General UK by failing to meet with the preferred candidate and instead directly approaching Stephen Cartwright and soliciting his candidacy.
- Finding 2** **23**
John Barilaro's decision to canvas Mr Cartwright's remuneration expectations, even though he had not yet applied, was highly inappropriate and showed poor judgement.
- Finding 3** **23**
The Premier's refusal to assist this inquiry in its investigations has impeded the committee's ability to determine his role in the selection of Stephen Cartwright as the NSW Agent General UK, as well as determining his remuneration.
- Finding 4** **24**
Stephen Cartwright repeatedly applied pressure to senior public servants to improve his personal remuneration which was inappropriate.
- Finding 5** **24**
The Department of Enterprise, Investment and Trade erred by agreeing to adjust Mr Cartwright's remuneration arrangement, which resulted in a poor financial outcome for the State of New South Wales.
- Finding 6** **24**
That the NSW Government lacked integrity and transparency in its recruitment of the Senior Trade and Investment Commissioners, given that the appointment of at least two of these positions were inappropriately influenced by its Ministers.

Recommendations

Recommendation 1

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That the Secretary of the Department of Enterprise, Investment and Trade investigate whether Mr Cartwright has at all times abided by the code-of-conduct applicable to the Senior Executive Service.

Conduct of inquiry

The terms of reference for the inquiry were self-referred by the committee on 23 June 2022 and amended by resolution of the committee on 8 August 2022.

The committee held 12 public hearings: 11 at Parliament House in Sydney and one at the State Library of New South Wales.

Inquiry related documents are available on the committee's website, including hearing transcripts, tabled documents and answers to questions on notice.

Procedural issues

There are a number of procedural issues to note in the conduct of this inquiry. These are discussed in turn below.

Documents produced to the House

Prior to and during the course of the inquiry, the Legislative Council made a number of orders for the production of documents under standing order 52 relating to the appointment process of the Senior Trade and Investment Commissioners. The returns to these orders helped inform committee members ahead of the committee's hearings. The documents did not strictly form part of the evidence to the inquiry, except for those documents which were specifically tabled by a committee member during hearings.

Publication of *in camera* evidence

During the course of the inquiry, part of an *in camera* transcript from a hearing held on 29 June 2022 was published in *The Australian* newspaper. In addition, the article quoted that the authors had obtained a copy of the *in camera* transcript of 29 June 2022.

Following the publication of the article, the committee met to discuss the unauthorised disclosure of the *in camera* transcript. The committee resolved to write to all persons who had access to the original *in camera* transcript to ask whether they were responsible for the disclosure. In response, no person declared that they were responsible for the unauthorised disclosure.

In light of the responses, the committee resolved to prepare a special report to the House, recommending that the matter be referred to the Privileges Committee for inquiry and report as to the examination into the unauthorised disclosure of the *in camera* transcript of 29 June 2022.

The Public Accountability Committee's special report can be found on the Parliament's website.

Chapter 1 Key issues relating to the Agent General UK appointment process

This final report of the inquiry focuses on the key issues relating to the Agent General UK and Senior Trade and Investment Europe and Israel (Agent General UK) appointment process. Central to this issue has been whether the relevant public sector agencies, senior public servants and Ministers followed the appropriate processes regarding the appointment of Mr Stephen Cartwright OAM as the Agent General UK. In addition, this final report also discusses the issues identified in relation to Mr Cartwright's salary negotiations as part of, and following, his appointment and whether these negotiations met public sector expectations.

Brief timeline of events

1.1 This section establishes a timeline of events specific to the Agent General UK appointment process. The timeline below compliments the timeline outlined in the interim report but also provides further details for context regarding issues that will be explored later in the report.

- December 2019 – Agent General UK position publicly advertised.³
- February 2020 – First round of interviews for the Agent General UK position.⁴
- March 2020 – Initial candidate identified for the Agent General UK position but the process paused due to the outbreak of the COVID-19 pandemic. All Senior Trade and Investment Commissioner (STIC) recruitments were also paused.⁵
- October 2020 – NGS Global resumed the recruitment process for the Agent General UK and STIC North Asia.⁶
- 11 December 2020 – Mr Paul Webster was identified as the preferred candidate for the Agent General UK position.⁷
- 22 February 2021 – Mr Stephen Cartwright applied for the Agent General UK position.⁸

³ Answers to questions on notice, Ms Kylie Bell, A/Managing Director, Investment NSW, 5 August 2022, p 5; Evidence, Dr Marianne Broadbent, Managing Partner, NGS Global, 18 August 2022, pp 3-4.

⁴ Evidence, Dr Broadbent, 18 August 2022, p 5.

⁵ Evidence, Ms Kylie Bell, A/Managing Director, Investment NSW, 5 August 2022, p 67; Evidence, Dr Broadbent, 18 August 2022, p 4; Evidence, Mr Michael Pratt AM, former Secretary, NSW Treasury, 14 November 2022, p 8.

⁶ Answers to questions on notice, Dr Marianne Broadbent, Managing Partner, NGS Global, 11 September 2022, p 1. See also: Evidence, Mr Paul Webster, Trade and Investment Commissioner, UK and Europe, Investment NSW, 31 October 2022, pp 4.

⁷ Evidence, Mr Webster, 31 October 2022, p 7; Tabled document, the Hon Daniel Mookhey MLC, *Tender bundle – P. Webster*, 31 October 2022, pp 2-3.

⁸ Evidence, Dr Broadbent, 18 August 2022, p 47; Evidence, Mr Stephen Cartwright OAM, Agent General UK and STIC Europe and Israel, Investment NSW, 2 November 2022, pp 3-4.

- 30 March 2021 – Mr Cartwright was interviewed by a selection panel for the Agent General UK position. Following his interview, Mr Cartwright was identified as the preferred candidate for the Agent General UK position.⁹
- Between March-April 2021 – Mr Webster was advised that he was not successful in the Agent General UK position.¹⁰
- 26 July 2021 – Mr Cartwright commenced his employment as Agent General UK.¹¹

Issues identified in the initial appointment process

- 1.2 This section outlines the key issues identified in the initial appointment process for the Agent General UK position, in particular the process of Cabinet approval and the circumstances around the identification of a preferred candidate for the position.

Cabinet appointments

- 1.3 As outlined in the interim report, the Agent General UK and STIC North Asia appointments were made under the *Government Sector Employment Act 2013* (GSE Act). Despite this, these appointments were 'endorsed' by Cabinet.¹²
- 1.4 Ms Amy Brown, former Secretary, Department of Enterprise, Investment and Trade (DEIT) and Chief Executive Officer, Investment NSW told the committee that the initial process of submitting the Agent General UK and STIC North Asia positions for Cabinet approval were developed by NSW Treasury.¹³ At the time, Mr Michael Pratt AM was the Secretary of NSW Treasury.¹⁴
- 1.5 Mr Pratt informed the committee that the recruitment process for the both the Agent General UK and STIC North Asia positions underwent a 'standard recruitment process'.¹⁵ This involved developing a position description, engaging with a recruiter (NGS Global) to search the market who then provided a shortlist of candidates. The candidates then underwent an interview process with a selection panel and if successful, proceeded with reference checks.¹⁶

⁹ Evidence, Dr Broadbent, 18 August 2022, p 11; Evidence, Mr Pratt, 14 November 2022, p 27; Evidence, Mr Cartwright, 22 November 2022, pp 3-4.

¹⁰ Evidence, Mr Webster, 31 October 2022, pp 16-17.

¹¹ Answers to questions on Notice, Ms Kylie Bell, A/Managing Director, Trade and Investment, Investment NSW, 30 August 2022, p 4. See also: Evidence, Mr Cartwright, 2 November 2022, p 5.

¹² Evidence, Ms Amy Brown, former Secretary, DEIT and CEO, Investment NSW, 29 June 2022, p 2.

¹³ Evidence, Ms Brown, 29 June 2022, p 2.

¹⁴ Evidence, Dr Broadbent, 18 August 2022, p 4; Evidence, Mr Pratt, 14 November 2022, pp 3-4.

¹⁵ Evidence, Mr Pratt, 14 November 2022, p 8.

¹⁶ Evidence, Mr Pratt, 14 November 2022, p 8. See also: Evidence, Dr Broadbent, 18 August 2022, pp 4-5.

- 1.6 Mr Pratt stressed that he was mindful for the process to be conducted 'fairly' and 'absolutely free of politics'.¹⁷ Nevertheless, Mr Pratt also acknowledged that there was interest at senior levels of Government including the then Premier Gladys Berejiklian, Deputy Premier John Barilaro and Treasurer Dominic Perrottet regarding the Global NSW strategy.¹⁸
- 1.7 Mr Pratt also acknowledged that the Agent General UK position had 'unique characteristics', including that it had to go through Cabinet. During the hearing, Mr Pratt elaborated:

[T]he role ... had some unique characteristics to it. The role itself had to be reapproved through the High Commissioner in the UK, George Brandis, at the time, and I think he had to go to the Queen actually to get that approved. Then, on the approval side of the individual, that had to go through Cabinet. So it was a unique role in many ways, given history.¹⁹

Preferred candidate identified for the Agent General UK position

- 1.8 The recruitment process for the Agent General UK position began at the end of 2019.²⁰ A recruitment selection panel was comprised of Mr Pratt (panel chair), Mr Tim Reardon, then Secretary, Department of Premier and Cabinet and the Hon Warwick Smith AO as the independent panel member, with support provided by Dr Marianne Broadbent, Managing Partner, NGS Global. Following a recruitment process, including interviews and reference checks, Mr Paul Webster was identified as the preferred candidate for the Agent General UK position.²¹
- 1.9 However, due to the outbreak of the COVID-19 pandemic in early 2020, the recruitment process for the Agent General UK and the STIC North Asia positions was paused.²² Dr Broadbent told the committee that all candidates were informed that the recruitment was on hold and would not proceed at that stage.²³
- 1.10 By October 2020, NSW Treasury instructed NGS Global to resume the search for the Agent General UK and STIC North Asia positions. Dr Broadbent advised that 'NSW Global proceeded to reconnect with candidates [from the initial process] and undertook further proactive search processes'.²⁴

¹⁷ Evidence, Mr Pratt, 14 November 2022, p 8.

¹⁸ Evidence, Mr Pratt, 14 November 2022, p 4.

¹⁹ Evidence, Mr Pratt, 14 November 2022, p 9.

²⁰ Answers to questions on notice, Ms Bell, 5 August 2022, p 5; Evidence, Dr Broadbent, 18 August 2022, pp 3-4.

²¹ Evidence, Mr Webster, 31 October 2022, p 11; Tabled document, *Tender bundle 001 (P. Webster)*, 31 October 2022, p 6.

²² Evidence, Mr Webster, 31 October 2022, p 4. See also: Evidence, Ms Bell, 5 August 2022, p 67; Evidence, Dr Broadbent, 18 August 2022, p 4; Evidence, Mr Pratt, 14 November 2022, p 8.

²³ Evidence, Dr Broadbent, 18 August 2022, p 5; Answers to questions on notice, Dr Broadbent, 11 September 2022, p 1.

²⁴ Answers to questions on notice, Dr Broadbent, 11 September 2022, p 1.

- 1.11** The committee heard that Mr Webster was contacted again about his interest in the position and was considered based on his previous application and the outcome of the selection panel report.²⁵
- 1.12** According to Ms Jenny West, former Deputy Secretary, Trade and International, NSW Treasury, Mr Webster was not interviewed a second time but was 'the strongest candidate [at that stage of the recruitment process], however, other applicants had not been ruled out and the recruitment process was ongoing'.²⁶
- 1.13** By 11 December 2020, Mr Webster was identified as the 'final preferred candidate' for the Agent General UK position.²⁷ In an email tabled to this inquiry, Ms West wrote to Mr Pratt and stated that 'Paul Webster is now the final preferred candidate. We have conducted reference checks and they were outstanding'.²⁸
- 1.14** Mr Pratt proceeded to have an informal call with Mr Webster, and subsequently, NSW Treasury proceeded to arrange the endorsement of Mr Webster as Agent General UK by Cabinet.²⁹ In emails tendered to the inquiry, the next steps of the approval process for Mr Webster's appointment were outlined:
- Arranging individual meetings between Mr Webster and Premier Berejiklian, Deputy Premier Barilaro and Treasurer Perrottet,
 - Preparing briefings to Cabinet for the endorsement of Mr Webster as Agent General UK,
 - Preparing a letter from the Premier to the Foreign Minister for the reestablishment of the Agent General UK position,
 - Arranging a meeting with the High Commissioner to the UK, (who at the time was George Brandis KC).³⁰
- 1.15** NSW Treasury's emails also outlined that the approval process would take approximately 2-3 months and that Mr Webster was advised of this approval timeframe regarding the Agent General UK position.³¹ However, as the next section elaborates, Mr Webster was never given the opportunity to meet with any Ministers and was never appointed as the Agent General UK.

²⁵ Answers to written questions, Ms Jenny West, former Deputy Secretary, Trade and International, Investment NSW, received 13 September 2022, p 2; Evidence, Mr Webster, 31 October 2022, pp 4-5.

²⁶ Answers to written questions, Ms West, 13 September 2022, p 1.

²⁷ Tabled document, *Tender bundle 001 (P. Webster)*, 31 October 2022, p 2.

²⁸ Tabled document, *Tender bundle 001 (P. Webster)*, 31 October 2022, p 2.

²⁹ Tabled document, *Tender bundle 001 (P. Webster)*, 31 October 2022, pp 5-18.

³⁰ Tabled document, *Tender bundle 001 (P. Webster)*, 31 October 2022, pp 9-18.

³¹ Tabled document, *Tender bundle 001 (P. Webster)*, 31 October 2022, pp 9-17.

NSW Treasury requests meetings with Ministers to meet with Mr Paul Webster as the preferred candidate

- 1.16** By early January 2021, NSW Treasury took steps to arrange Mr Webster's approval for the Agent General UK position.³² This involved NSW Treasury arranging for Mr Webster to meet with Deputy Premier Barilaro and Treasurer Perrottet respectively.³³
- 1.17** The committee received evidence confirming that the Deputy Premier's and the Treasurer's offices responded to NSW Treasury's emails which advised that Mr Webster was the preferred candidate as the Agent General UK. The emails also included a request to meet with the Minister and attached Mr Webster's resume, job description and interview notes.³⁴
- 1.18** In response, according to an email dated 25 January 2021, senior staff of the office of the Deputy Premier responded to NSW Treasury's request to meet with Mr Webster, and that suitable times for a meeting with the Deputy Premier would be provided.³⁵
- 1.19** The committee also received evidence regarding emails between the Treasurer's office and NSW Treasury. More specifically, in an email dated 25 January 2021, a policy advisor in the Treasurer's office wrote:
- Before proceeding to scheduling in an 'e-meeting between the [Treasurer] and Mr Paul Webster.
- The Treasurer has requested a 'short list' of the other candidates that were interviewed, together with a copy of their resume.
- When the info is available, could you please send to me and I'll forward to the Treasurer for his attention.³⁶
- 1.20** NSW Treasury provided the short list to the Treasurer's office and also continued to request for a meeting date between the Treasurer and Mr Webster.³⁷
- 1.21** When asked about the Agent General UK and STIC appointment process, Mr Bran Black, who was the Chief of Staff to the Treasurer at the time, told the committee that the appointment process was not a priority in terms of his workload for the Treasurer.³⁸ Mr Black added that the Global NSW strategy and related trade functions that were the Treasurer's responsibility was not raised by the Treasurer to him with 'particular interest or a priority'.³⁹

³² Tabled document, *Tender bundle 001 (P. Webster)*, 31 October 2022, pp 13-18.

³³ Tabled document, *Tender bundle 001 (P. Webster)*, 31 October 2022, pp 19, 31.

³⁴ Tabled document, *Tender bundle 001 (P. Webster)*, 31 October 2022, p 19, 28-29.

³⁵ Tabled document, *Tender bundle 001 (P. Webster)*, 31 October 2022, p 19.

³⁶ Tabled document, *Tender bundle 001 (P. Webster)*, 31 October 2022, p 29.

³⁷ Tabled document, the Hon Daniel Mookhey MLC, *Tender bundle 001 – B. Black*, 22 November 2022, pp 5-8.

³⁸ Evidence, Mr Black, 22 November 2022, pp 58-60, 69.

³⁹ Evidence, Mr Bran Black, Chief of Staff, Office of the Premier, 22 November 2022, pp 49-50.

- 1.22 Mr Black was asked by the committee if he had concerns that the Treasurer was asking for a 'shortlist of candidates' that was part of a merit-based selection process. Mr Black replied:

Firstly, I don't have any knowledge at that particular point in time in relation to what type of recruitment process this is. It is a recruitment process that is being clearly handled by Treasury. I think it's fair to assume that if Treasury comes to the Treasurer's office with an offer to meet a candidate, then it is permissible for that meeting to be arranged within the context of whatever recruitment was taking place. Equally, if there were a request to see a short list of other candidates, then it would have been a matter for Treasury to say either "Yes, that's permissible in the context of the process" or "No, it's not". The recruitment process wasn't being managed by us.

... What I would add is that I think these proceedings have conclusively shown that, with respect to Mr Cartwright, everybody involved was proceeding on the basis that it was a Cabinet appointment.⁴⁰

- 1.23 In response to questions about whether the Treasurer raised any concerns regarding Mr Webster once he received the candidate shortlist, Mr Black advised that he did not recall any such conversation with the Treasurer.⁴¹

- 1.24 Despite the requests from NSW Treasury for Mr Webster to meet with the Ministers, these meetings never occurred.⁴² In contrast, on 6 April 2021 the Deputy Premier and Treasurer met with the preferred candidate for the STIC North Asia role, which was at a similar point as the Agent General UK recruitment process.⁴³

Issues raised regarding Mr Webster as the preferred candidate

- 1.25 As noted above, Mr Webster was the 'final preferred candidate' for the position of Agent General UK, but what this effectively meant was disputed by various public servants. For instance, Mr Pratt argued that Mr Webster was 'never the preferred candidate, by definition' as he was not given a letter of offer.⁴⁴ Mr Pratt insisted that Mr Webster was instead a 'leading candidate at that point in time' and that the emails from NSW Treasury indicated that Ms West was 'laying out a process of approval, not final approval'.⁴⁵
- 1.26 Mr Pratt also observed that the selection panel considered that Mr Webster had gaps in his 'strategic' experience required for the Agent General UK position.⁴⁶ He explained that:

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

⁴⁰ Evidence, Mr Black, 22 November 2022, p 58.

⁴¹ Evidence, Mr Black, 22 November 2022, p 59.

⁴² Evidence, Mr Webster, 31 October 2022, p 10.

⁴³ Tabled document, *Tender bundle 001 – B. Black*, 22 November 2022, pp 11, 13.

⁴⁴ Evidence, Mr Pratt, 14 November 2022, p 3.

⁴⁵ Evidence, Mr Pratt, 14 November 2022, p 3.

⁴⁶ Evidence, Mr Pratt, 14 November 2022, p 14.

The selection panel felt that there were gaps around the significant experience required for "executive representation, influencing and stakeholder management". The panel was progressing to test his suitability further with Premier, Deputy Premier and Treasurer.⁴⁷

- 1.27** In support of this view, other inquiry participants supported Mr Pratt's evidence. For instance, in a written statement, Ms West stated:

While Mr Webster was considered to be a strong candidate, there were concerns as to his suitability for the Agent General role because he had very strong overseas experience but not the familiarity with the [New South Wales] business community which would be required.⁴⁸

- 1.28** Another selection panel member, the Hon Warwick Smith AO also gave evidence to the committee regarding Mr Webster's suitability for the role. During the hearing, Mr Smith considered that 'Mr Webster could [have] done the role ... but if there was a better candidate then they should be considered'.⁴⁹

- 1.29** Mr Webster told the committee that sometime between March-April 2021, Dr Broadbent notified him that he was not successful in the Agent General UK position.⁵⁰

- 1.30** Mr Webster was subsequently appointed the Trade and Investment Commissioner, UK and Europe and works in the UK alongside Mr Cartwright as his 'second in command'.⁵¹

The appointment of Mr Stephen Cartwright as Agent General UK

- 1.31** Mr Stephen Cartwright was appointed as Agent General UK on 26 July 2021.⁵² This section reviews the process leading up to his appointment.

Introduction of Mr Cartwright in the recruitment process

- 1.32** Mr Cartwright advised the committee that he was approached by Deputy Premier Barilaro about applying for the position of Agent General UK. Mr Cartwright explained the circumstances of the approach to the committee:

On 17 February 2021 I attended a coffee meeting, which had been requested by the then Deputy Premier, John Barilaro. The Deputy Premier had asked me if I could introduce him to a board member from the NSW Business Chamber. After that board member left us, the Deputy Premier asked me if I might be interested in the UK agent general role. I was taken by complete surprise by his question because I had not heard

⁴⁷ Evidence, Mr Pratt, 14 November 2022, p 3.

⁴⁸ Answers to written questions, Ms West, received 13 September, p 3.

⁴⁹ Evidence, the Hon Warwick Smith AO, Independent selection panel member, 18 August 2022, p 44.

⁵⁰ Evidence, Mr Webster, 31 October 2022, p 17.

⁵¹ Evidence, Ms Brown, former Secretary, DEIT and CEO Investment NSW, 8 August 2022, p 92; Evidence, Mr Webster 31 October 2022, pp 2, 20.

⁵² Answers to questions on notice, Ms Kylie Bell, 30 August 2022, p 4. See also: Evidence, Mr Cartwright, 2 November 2022, p 5.

much about the role since it was announced by Premier Berejiklian back in 2019 as part of the Global NSW strategy announcement.⁵³

- 1.33** In response to this discussion, Mr Cartwright advised the Deputy Premier that he was interested in the position but needed to discuss it first with his wife as 'it was a very significant decision to move [his] family to the other side of the world – especially with children still at school and elderly parents to consider'.⁵⁴
- 1.34** The next day, on 18 February 2021, Mr Cartwright met again with the Deputy Premier to advise him that he was interested in the Agent General UK position. According to Mr Cartwright, the Deputy Premier outlined the next steps for the recruitment process:
- He then made it clear during the meeting that he would immediately let the external recruiter know of my interest, that there was an established independent recruitment process to be followed and that he would not have any further involvement in the process. I was comfortable with this and I never once contacted him, spoke to him or heard from him again during the five-month recruitment process.⁵⁵
- 1.35** On 19 February 2021, Mr Cartwright met with Mr Pratt, then Secretary, NSW Treasury, which was a 'postponed coffee catchup ... to seek his advice on broader career opportunities' which included discussing his interest in the Agent General UK position. According to Mr Cartwright, Mr Pratt gave him some general information about the position and that he encouraged him to 'throw his hat in the ring' and that he 'would be a great candidate'.⁵⁶
- 1.36** In support of this evidence, Mr Pratt confirmed that Mr Cartwright was referred to the Agent General UK recruitment process by the Deputy Premier.⁵⁷ When asked if the Deputy Premier and Mr Pratt discussed the status of the Agent General UK recruitment which had Mr Webster as the preferred candidate, Mr Pratt did not recall such conversation.⁵⁸
- 1.37** Mr Pratt also confirmed that the meeting between himself and Mr Cartwright took place. However, when asked about if he suggested that Mr Cartwright would be a great candidate, Mr Pratt expressed the view that it was in the context of 'the Deputy Premier suggesting to Mr Cartwright to look at the job'.⁵⁹
- 1.38** Between 20 February 2021 – 31 March 2021, Mr Cartwright was contacted by NGS Global about the Agent General UK position, was interviewed by a selection panel and was subsequently identified as the preferred candidate for the Agent General UK position.⁶⁰

⁵³ Evidence, Mr Cartwright, 2 November 2022, p 3.

⁵⁴ Evidence, Mr Cartwright, 2 November 2022, p 3.

⁵⁵ Evidence, Mr Cartwright, 2 November 2022, p 3.

⁵⁶ Evidence, Mr Cartwright, 2 November 2022, p 3.

⁵⁷ Evidence, Mr Pratt, 14 November 2022, pp 5-6, 8.

⁵⁸ Evidence, Mr Pratt, 14 November 2022, p 6.

⁵⁹ Evidence, Mr Pratt, 14 November 2022, p 20.

⁶⁰ Evidence, Mr Cartwright, 2 November 2022, pp 3-4; Evidence, Dr Broadbent 18 August 2022, pp 7-8; Evidence, Mr Pratt, 14 November 2022, p 3.

- 1.39 Mr Cartwright subsequently signed his employment contract with Investment NSW on 23 July 2021, and commenced shortly after on 26 July 2021. Mr Cartwright explained to the committee that due to the ongoing COVID-19 pandemic restrictions for international travel, he did not leave for the UK until January 2022.⁶¹

Issues raised about the eligibility of Mr Cartwright applying for the Agent General UK position

- 1.40 One issue raised was whether the recruitment for the Agent General UK position was 'open' when Mr Cartwright applied for the role. Dr Broadbent advised the committee that there was no closing date for the overall Agent General UK recruitment process, and explained:

There was no closing date as such provided for applicants for the resumed recruitment. Applicants and potential applicants were asked to apply within a week of receiving the full documentation in relation to the role. This is not unusual when a recruitment or search is resumed.⁶²

- 1.41 In addition, Dr Broadbent informed the committee that Mr Pratt advised her that an additional candidate would be considered in the Agent General UK recruitment process and that she was asked to 'keep things open so that Mr Cartwright could be considered'.⁶³ According to Dr Broadbent, this conversation took place during the STIC North Asia interviews which took place on 2 February 2021.⁶⁴
- 1.42 When asked if Mr Pratt recalls giving these instructions to Dr Broadbent, Mr Pratt told the committee that 'he could not recall but ... that it's possible'.⁶⁵ Although he also emphasised that the recruitment process 'was still open as far as he was concerned [and NGS Global] was managing that'.⁶⁶
- 1.43 In support of this view, Mr Reardon gave evidence to the committee that 'the recruitment process was still underway' and that Mr Pratt advised him that that there was another candidate to be considered and an interview with Mr Cartwright subsequently took place.⁶⁷

⁶¹ Evidence, Mr Cartwright, 2 November 2022, p 5. See also: Answers to questions on notice, Ms Bell, 30 August 2022, p 4.

⁶² Answers to questions on notice, Dr Broadbent, 11 September 2022, p 2.

⁶³ Evidence, Dr Broadbent, 18 August 2022, p 7.

⁶⁴ Evidence, Dr Broadbent, 18 August 2022, p 7. See also: Tabled document, the Hon Daniel Mookhey MLC, *Tender bundle 001 – M. Pratt*, 14 November 2022, p 59.

⁶⁵ Evidence, Mr Pratt, 14 November 2022, p 7.

⁶⁶ Evidence, Mr Pratt, 14 November 2022, p 10.

⁶⁷ Answers to specific written questions, Mr Tim Reardon, former Secretary, Department of Premier and Cabinet, 13 September 2022, p 5.

- 1.44** Dr Broadbent also outlined that once Mr Cartwright was referred to the Agent General UK recruitment process, he went through the same process as the other candidates. This included a screening interview with NGS Global, selection panel interview, reference checks and recommended as the lead candidate by the selection panel.⁶⁸
- 1.45** When asked if other people would have been provided with the same opportunity to enter the same process as Mr Cartwright, Mr Pratt again emphasised that the process was still open.⁶⁹ In addition, Mr Pratt expressed the view that the Deputy Premier, who was the Minister for Trade, 'had a right to recommend someone in the process' as the process was not closed.⁷⁰
- 1.46** Mr Pratt also stressed that there was no intervention from the Deputy Premier once Mr Cartwright began the recruitment process. Mr Pratt told the committee that the Deputy Premier understood the recruitment process for the Agent General UK position and stated that:
- Mr Barilaro would have been told not to interfere. Once the referral was made, it's up to the panel, and we're prepared to put him through a process ... it was made clear to the Deputy Premier that he was to have no engagement in the assessment process. And to my knowledge, he absolutely honoured that.⁷¹
- 1.47** Mr Pratt emphasised that there was not a 'special process' for selecting Mr Cartwright as the Agent General UK.⁷² He maintained that:
- [F]rom my perspective, there was no special process. Once [Mr Cartwright] was in the panel assessment, he was treated like anyone else. ... we hadn't satisfied ourselves, as a panel, on the gaps in Mr Webster for the job—which was at that strategic level, which Mr Cartwright clearly had.
- ...
- From my perspective, I would say we had a thorough process. We looked at Mr Webster's strength and where the gaps were. We then found a candidate that met those gaps and was a very good appointment.⁷³
- 1.48** When asked if Mr Barilaro offered him the Agent General UK position during their meetings, Mr Cartwright strongly denied this and asserted that he was told he could enter the process.⁷⁴ Mr Cartwright told the committee that he 'was a private sector individual who had been invited to apply for a role'.⁷⁵

⁶⁸ Tabled document, Dr Marianne Broadbent, *Submission to the Public Accountability Committee inquiry into the Appointment of Mr John Barilaro as Senior Trade and Investment Commissioner (STIC) to the Americas*, 18 August 2022, 18 August 2022, p 8.

⁶⁹ Evidence, Mr Pratt, 14 November 2022, pp 9-10.

⁷⁰ Evidence, Mr Pratt, 14 November 2022, p 10.

⁷¹ Evidence, Mr Pratt, 14 November 2022, p 9, 22

⁷² Evidence, Mr Pratt, 14 November 2022, p 9.

⁷³ Evidence, Mr Pratt, 14 November 2022, pp 22, 25

⁷⁴ Evidence, Mr Cartwright, 2 November 2022, p 13.

⁷⁵ Evidence, Mr Cartwright, 2 November 2022, p 13.

- 1.49** Indeed, throughout the inquiry Mr Cartwright maintained that the vacancy in the Agent General UK position was brought to his attention by the Deputy Premier.⁷⁶ Mr Cartwright insisted that the discussion of the Agent General UK position at his first meeting with the Deputy Premier came as a 'complete surprise' and that 'it came out of left field'.⁷⁷
- 1.50** However, the committee heard that no other person was interviewed as part of the second round of interviews for the Agent General UK position.⁷⁸

Issues raised regarding Mr Cartwright's salary negotiations

- 1.51** Another key issue raised throughout the inquiry was in relation to Mr Cartwright's salary negotiations that took place as part of, and following, his appointment as Agent General UK. This section provides details regarding the overall salary package of the Agent General UK as well as Mr Cartwright's request to vary his contract.
- 1.52** As noted in the interim report, on 31 March 2021 the STIC appointment process moved from NSW Treasury to Investment NSW.⁷⁹ As part of the change of government machinery process, Ms West's role and responsibilities moved to Investment NSW in which she continued to be the responsible officer overseeing Mr Cartwright's salary negotiations until 1 October 2021. Once in Investment NSW, Ms West reported to the CEO of Investment NSW, Ms Amy Brown.⁸⁰
- 1.53** Ms Kylie Bell, Managing Director, Trade and International, Investment NSW then became the responsible officer for all STIC positions including the Agent General UK.⁸¹ At the time, Ms Bell also reported to Ms Brown.
- 1.54** As CEO of Investment NSW, Ms Brown was responsible for the final approval for Mr Cartwright's initial contract as well as any variations of his contract.⁸²

⁷⁶ Evidence, Mr Cartwright, 2 November 2022, pp 3, 7-8, 11-13; Evidence, Mr Cartwright, 22 November 2022, p 39.

⁷⁷ Evidence, Mr Cartwright, 2 November 2022, pp 7-8.

⁷⁸ Evidence, Dr Broadbent, 18 August 2022, p 16.

⁷⁹ Evidence, Ms Amy Brown, former Secretary, DEIT and CEO, Investment NSW, 3 August 2022, p 50.

⁸⁰ Evidence, Ms Jenny West, former Deputy Secretary, Trade and International, Investment NSW, 11 July 2022, p 25; See also: Evidence, Ms Brown, 3 August 2022, p 13; Evidence, Mr Pratt, 14 November 2022, p 3.

⁸¹ Evidence, Ms Bell, 5 August 2022, p 70.

⁸² Evidence, Ms Brown, 8 August 2022, p 73.

Salary package of the Agent General UK

- 1.55** As noted in the interim report, the remuneration for all STIC positions are equivalent to a grade 3 senior executive in the New South Wales public sector where the maximum salary is approximately \$487,000.⁸³ In addition to their annual salary, STICs are entitled to a cost of living allowance if the cost of living in their home base is found to be higher than Sydney.⁸⁴
- 1.56** According to Investment NSW, the cost of living allowance is paid to cover the cost of living in a particular city including housing, transportation, food and clothing and is calculated based on information provided by a third party - Mercer Australia. Investment NSW advised that the cost of living allowance ensures that remuneration packages do not disadvantage their employees because the real value of their remuneration is absorbed by the higher costs of living in particular cities and ensures parity across the regions.⁸⁵
- 1.57** A summary of Mr Cartwright's salary package is outlined as follows:
- A base salary of \$487,000, paid in the local currency.
 - From 31 January 2022 to 5 July 2022 Mr Cartwright's cost of living allowance was \$112,950, which was also paid in local currency.
 - From 6 July 2022 Mr Cartwright's cost of living allowance changed to \$11,839.89 as Investment NSW commenced paying his rent directly to his landlord monthly. The payment of rent arrangement is \$1,944 per week / \$101,111.11 per annum.
 - Investment NSW has also agreed to make good on the tax applicable to this benefit in line with other Commonwealth employees and Agent Generals. This is estimated to be a maximum of \$107,859 per annum.
 - Mr Cartwright is paid in the UK under the UK tax regime in which superannuation is not provided or deducted but is subject to mandatory UK Pension and National Insurance contributions.
 - A one-off reallocation allowed capped at \$60,000.⁸⁶
- 1.58** In comparison, the committee heard that the next highest cost of living allowance for a STIC is the STIC China position which was \$22,851.⁸⁷

Initial salary negotiations

- 1.59** The first issue raised in relation Mr Cartwright's salary negotiations was regarding his salary expectations prior to him signing his contract in July 2021. This section also discusses the issues raised by Mr Cartwright regarding the first draft of his contract and whether Mr Cartwright sought the intervention of Ministers as part of his salary negotiation process.

⁸³ Evidence, Ms Brown, 29 June 2022, p 3. See also: Evidence, Ms Brown, 8 August 2022, p 82.

⁸⁴ Evidence, Ms Brown, 29 June 2022, p 3. See also: Evidence, Ms Brown, 3 August 2022, p 55.

⁸⁵ Answers to questions on notice (hearing on 3 August 2022), Ms Brown, 30 August 2022, p 6.

⁸⁶ Evidence, Ms Brown, 8 August 2022, pp 82-83; Answers to questions on notice (hearing on 3 August 2022), Ms Brown, 30 August 2022, pp 5-6.

⁸⁷ Answers to questions on notice (hearing on 3 August 2022), Ms Brown, 30 August 2022, p 5.

- 1.60** Initially, NGS Global was directly involved in Mr Cartwright's salary negotiations. However, Investment NSW eventually took over negotiations and liaised directly with Mr Cartwright.⁸⁸
- 1.61** Dr Broadbent gave evidence to the committee that she had ongoing discussions with Mr Cartwright about his salary expectations for the Agent General UK position as part of the initial recruitment process. Dr Broadbent said that Mr Cartwright was initially informed that the total remuneration for the position was expected to be \$450,000 but there could be 'some consideration of the individual circumstances of the candidate'.⁸⁹
- 1.62** In response to this initial offer, the committee heard that Mr Cartwright indicated that 'he had expected higher remuneration more in keeping with his previous position'.⁹⁰
- 1.63** The committee received evidence that on 31 March 2021, Mr Cartwright emailed Dr Broadbent outlining his salary expectations about the Agent General UK position. In the email, Mr Cartwright stated:

When the Deputy Premier first asked me to consider the role back in early Feb, he and I had a very open and frank discussion about my circumstances (i.e I have been on a package of over \$800k for some years and have made financial commitments accordingly) and about his view that the current package on offer was not attracting the right calibre of candidate. Apart from improving the base package (he mentioned low 5's), he indicated (privately of course) that he and the Treasurer had reached an agreement that the cost of suitable family accommodation (including cleaning etc) in an inner suburb of London could be taken care of by the NSW [Government] outside of the salary package. He also suggested that, given I have kids in school here, and elderly parents who recently moved to Sydney to be close to us, I should propose how I believed I could make it all work (eg he understood that I can't move the kids until the end of the school year so would need to travel back and forth this year, and I will need to return to Sydney a couple of times each year to check on my elderly parents etc). His parting words were "you come back and tell us how it can be made to work for you."

...

So, in light of all of this, I would welcome your views on the best way to navigate this delicate discussion with [Ms West]. I don't know how much of the above she knows, and I don't want to directly disclose my discussions with the [Deputy Premier] etc, or be accused of being unrealistic or playing hard ball in the negotiations, but my participation in the process to date has been shaped by these expectations and I can't hold off other offers for too much longer so I need a degree of certainty on this role asap.⁹¹

⁸⁸ Tabled document, *Submission to the Public Accountability Committee inquiry into the Appointment of Mr John Barilaro as STIC to the Americas*, 18 August 2022, 18 August 2022, pp 8-9.

⁸⁹ Tabled document, *Submission to the Public Accountability Committee inquiry into the Appointment of Mr John Barilaro as STIC to the Americas*, 18 August 2022, 18 August 2022, p 8. See also: Evidence, Dr Broadbent, 18 August 2022, p 19. Answers to questions on notice, Dr Broadbent, 11 September 2022, p 5.

⁹⁰ Tabled document, *Submission to the Public Accountability Committee inquiry into the Appointment of Mr John Barilaro as STIC to the Americas*, 18 August 2022, 18 August 2022, p 8.

⁹¹ Answers to questions on notice, Dr Broadbent, 11 September 2022, pp 6-7.

1.64 Dr Broadbent confirmed that she forwarded the email to Investment NSW as they requested evidence of Mr Cartwright's salary expectations.⁹² Indeed, the committee received evidence that as the Agent General UK position was still under the responsibility of NSW Treasury, Mr Pratt wrote in an email to Ms West stating that he 'did not believe [Mr Cartwright's] expectations (that I am aware of) are unreasonable in these circumstances but need to package up and look at overall ask ...'.⁹³

1.65 On 12 April 2021, Dr Broadbent received advice from Ms West regarding the financial arrangements for the Agent General UK position which was subject to final confirmation.⁹⁴ During the hearing, Dr Broadbent outlined the contents of the email:

This was in an email sent to me by Ms West. "Salary and super package of \$600,000. Significant contribution to accommodation. Understanding that a well-located three-bedroom residence is required. Appropriate temporary accommodation until longer term arrangements are located. Significant contribution to school fees for dependent children. Reasonable location expenses. Reasonable travel between the UK and Sydney as required." And that was following discussions with Investment NSW and NSW Treasury.⁹⁵

1.66 The committee heard that Mr Cartwright was provided with this advice to which he agreed to and 'was happy with the offer'.⁹⁶ Mr Cartwright told the committee that he was 'quite surprised to receive the email with a base of \$600,000' as he initially expected a lower base salary.⁹⁷

1.67 In comparison, the committee received evidence regarding the proposed arrangements for the other STIC positions which differed from the Agent General UK. In a document tabled to the inquiry, the proposed salary package for STICs were:

- Salary + super package of about \$AUD450K, paid in local currency
- Appropriate temporary accommodation till longer term arrangements are found
- Reasonable relocation expenses
- Reasonable travel between STIC location and Sydney as required
- Travel on an Official Government Passport
- Assistance regarding Visa arrangements.⁹⁸

⁹² Evidence, Dr Broadbent, 18 August 2022, p 21; Answers to questions on notice, Dr Broadbent, 11 September 2022, p 5.

⁹³ Tabled document, the Hon Daniel Mookhey MLC, *Tender bundle 001 – S. Cartwright*, 2 November 2022, p 7.

⁹⁴ Tabled document, , *Submission to the Public Accountability Committee inquiry into the Appointment of Mr John Barilaro as STIC to the Americas*, 18 August 2022, pp 8-9; Evidence, Dr Broadbent, 18 August 2022, pp 17-18.

⁹⁵ Evidence, Dr Broadbent, 18 August 2022, p 22. See also: Tabled documents, *Tender bundle 001 – S. Cartwright*, 2 November 2022, p 13.

⁹⁶ Evidence, Mr Cartwright, 2 November 2022, p 4.

⁹⁷ Evidence, Mr Cartwright, 2 November 2022, p 22.

⁹⁸ Tabled documents, *Tender bundle 001 – S. Cartwright*, 2 November 2022, pp 11-12.

1.68 However, the salary package offered to Mr Cartwright was never followed through with by Investment NSW. Ms Brown explained that the salary package that was initially offered to Mr Cartwright was 'not realistic' and that she sought to 'bring the number down'.⁹⁹ During the hearing, Ms Brown elaborated:

By the time [Agent General UK position] was transferred to me, there seemed to be unmatched expectations between the candidate and what I saw as, I suppose, within my delegation to be able to sign off on. And I also think there was confusion within the organisation as to (a) whether or not these roles had to be GSE compliant in terms of salary banding, and, if yes, could a proportion of the salary be considered within band and then additional expenses be paid on top. All of that was very confused when I kind of picked it up. So I suppose I had to deliver some hard messages to the candidate around some of the conversations that had happened previously weren't going to turn out to be the reality.¹⁰⁰

1.69 In addition, Ms Brown advised that as her position at the time was also within the grade 3 senior executive band, therefore she could not approve a salary higher than a grade 3 without a Statutory and Other Offices Remuneration Tribunal determination.¹⁰¹

1.70 Mr Cartwright strongly denied that he requested or demanded a salary of \$800,000 but explained that he was asked by the Deputy Premier and Dr Broadbent what he has paid in his previous role.¹⁰² Mr Cartwright stated that in his initial conversation with the Deputy Premier, he told him that his base salary at Business NSW was \$650,000 plus annual bonuses of approximately \$150,000. In turn, the Deputy Premier advised him that the Government would offer 'a base with low fives ... plus the usual support for offshore trade roles such as the payment of rent and school fees'.¹⁰³

1.71 Mr Cartwright stressed that he never said the salary of \$800,000 was what he needed in order to accept the position.¹⁰⁴

1.72 Mr Cartwright gave evidence to the committee that following his agreement of the offer on 12 April 2021 (as discussed in paragraph 1.65), he received no contact until early May 2021 when Dr Broadbent called to withdraw the 12 April offer. According to Mr Cartwright, a new offer was then provided which was a 'flat amount of \$600,000'.¹⁰⁵

1.73 Mr Cartwright claimed that no reason was provided regarding the change of offer however he was still 'open to considering the reduced amount' and subsequently advised Dr Broadbent that he was prepared to continue with the process with the new offer.¹⁰⁶

⁹⁹ Evidence, Ms Brown, 8 August 2022, p 73.

¹⁰⁰ Evidence, Ms Brown, 8 August 2022, p 72.

¹⁰¹ Evidence, Ms Brown, 8 August 2022, p 79.

¹⁰² Evidence, Mr Cartwright, 2 November 2022, pp 3-4, 16.

¹⁰³ Evidence, Mr Cartwright, 2 November 2022, p 3.

¹⁰⁴ Evidence, Mr Cartwright, 2 November 2022, p 16.

¹⁰⁵ Evidence, Mr Cartwright, 2 November 2022, p 4.

¹⁰⁶ Evidence, Mr Cartwright, 2 November 2022, p 4.

- 1.74 Mr Cartwright asserted that by the time he had his first meeting with Ms Brown on 19 May 2021, the salary package in discussion was for the agreed amount of \$600,000 and not \$800,000.¹⁰⁷

Issues raised in relation to Mr Cartwright invoking the names of Ministers

- 1.75 The committee also heard that as part of Mr Cartwright's salary negotiations, Ms Brown claimed that Mr Cartwright would invoke the name of the Premier or Deputy Premier when negotiations got difficult.¹⁰⁸ Ms Brown added that that Mr Cartwright would use Ministers' names in terms of how 'he thought he had an understanding of what terms he would be coming in on'.¹⁰⁹
- 1.76 In the emails tabled to this inquiry, Mr Cartwright referred to 'his discussions with the Deputy Premier and other senior government executives over the past five months' about his travel to the UK when negotiating the first drafts of the contract.¹¹⁰
- 1.77 In response to questions about his reference to Government Ministers, Mr Cartwright clarified that the reference in the email was regarding his first two meetings with the Deputy Premier in February and his initial meeting with Mr Pratt. Mr Cartwright stressed that he had no contact with any Minister after February 2021 to discuss his salary negotiations.¹¹¹
- 1.78 Mr Cartwright explained to the committee that he relied on his experience working in the private sector to escalate his salary negotiations to someone with higher seniority. He told the committee:

Never having worked for government before, it may be more obvious to people who are in the public service than it was to a private sector person at the time because in the private sector—remember, I was a CEO of a large company for two decades—if there was a negotiation for a senior executive who was coming in and the person handling that negotiation didn't feel they had the authority, it would not be unusual for that to be escalated further up the authority level to the point where even me, as CEO or even the chairman, might get involved in that conversation to seek to understand what the senior executive needed in terms of agreeing to join. This is not unusual. I know it's been characterised as something that it wasn't. It was simply me saying, "I don't know who in your authority chain has to deal with this, but I'm happy to explain myself."¹¹²

- 1.79 Ms Brown advised the committee that there were no Ministers involved in relation to the initial salary negotiations between Investment NSW and Mr Cartwright despite Mr Cartwright's references. Although Ms Brown advised that she provided brief updates to Mr Reardon, who Ms Brown reported to at the time and also one conversation with the Premier's Chief of Staff and Deputy Chief of Staff regarding Mr Cartwright's salary expectations.¹¹³

¹⁰⁷ Evidence, Mr Cartwright, 2 November 2022, p 4.

¹⁰⁸ Evidence, Ms Brown 3 August 2022, p 51.

¹⁰⁹ Evidence, Ms Brown, 8 August 2022, p 75.

¹¹⁰ Tabled document, *Tender bundle 001 – S. Cartwright*, 2 November 2022, pp 28-30.

¹¹¹ Evidence, Mr Cartwright, 2 November 2022, p 25.

¹¹² Evidence, Mr Cartwright, 2 November 2022, p 31.

¹¹³ Evidence, Ms Brown, 8 August 2022, pp 74, 76-77.

- 1.80** According to Ms Brown, the conversations with Mr Reardon supported her views and both the Chief of Staff and Deputy Chief of Staff agreed that Mr Cartwright's expectations were 'unrealistic' and 'far too high to be justifiable'.¹¹⁴
- 1.81** In addition, Ms Brown also updated the Treasurer's office as they were part of establishing the Global NSW strategy and the STIC positions. Ms Brown told the committee that during the salary negotiations she contacted Mr Bran Black, who was the Chief of Staff of the Treasurer and outlined Mr Cartwright's salary expectations as she was 'nervous that they would lose the candidate'.¹¹⁵ According to Ms Brown, Mr Black gave the 'strong opinion' of the importance to have someone high calibre in the role and 'that a high salary is certainly justified'.¹¹⁶
- 1.82** When asked about this interaction, Mr Black confirmed that this conversation did take place and agreed with parts of Ms Brown's evidence. However, Mr Black disagreed with other aspects of Ms Brown's evidence and explained that:

Where I disagree is ... what followed with respect to her evidence. What I indicated was, as I say, that he should be paid appropriately, but I didn't know what appropriate was. ...

my recollection is that we had ... two exchanges. ... the first one concluded with me effectively saying, "I don't know what is appropriate. Do you know what is appropriate? Have you done any benchmarking?" She indicated to me in that call that she hadn't and that was the end of that first contact. Then, subsequently—I think, from memory, it was within 24, 48 hours—she reverted to me and indicated that she'd done a bit of work and figured out that either the Victorian or Queensland agent general had been the [Department of Premier and Cabinet] Secretary for that State and that that person had taken that salary over with them to their agent general position, and that was \$800,000.

I indicated to her that was too much, and she said that Austrade paid its officials either—I think it was \$450,000 or \$500,000 base with a \$100,000 or \$150,000 expenses allowance. I also considered that that was too much, being aware, as I was, of roughly what Secretaries make in New South Wales. What I put to her was that she should consider potentially a \$400,000 base with a \$200,000 performance incentive. But what I stressed to her was that that was just an idea because I didn't know what was appropriate. I had no experience in relation to these matters and I would say that I was surprised to get this telephone call. It came out of the blue. I'd had no previous contact with her in relation to these matters. After that subsequent follow-up, I had no further engagement with her or in relation to this issue.¹¹⁷

- 1.83** The committee heard that while Mr Cartwright resisted the initial offer from Investment NSW, Ms Brown said that Mr Cartwright was willing to work with the agency to 'see what salary package might work for both parties'.¹¹⁸ Ultimately, Mr Cartwright signed the contract with Investment NSW, with the salary package outlined in paragraph 1.57.¹¹⁹

¹¹⁴ Evidence, Ms Brown, 8 August 2022, p 74.

¹¹⁵ Evidence, Ms Brown, 8 August 2022, p 75.

¹¹⁶ Evidence, Ms Brown, 8 August 2022, pp 76-78.

¹¹⁷ Evidence, Mr Black, 22 November 2022, p 66.

¹¹⁸ Evidence, Ms Brown, 8 August 2022, p 73.

¹¹⁹ Evidence, Ms Brown, 8 August 2022, p 82; Evidence, Mr Cartwright, 2 November 2022, p 5.

2021 request to vary the contract

- 1.84** The second issue raised in relation to Mr Cartwright's salary negotiations was regarding his first request to vary his contract sometime in August 2021.
- 1.85** As noted, Mr Cartwright commenced his employment with Investment NSW on 26 July 2021. However due to the ongoing restrictions for international travel in relation to the COVID-19 pandemic, Mr Cartwright did not leave Australia for the UK until 31 January 2022.¹²⁰
- 1.86** The committee heard that a month after Mr Cartwright began his employment, Mr Cartwright requested to have his cost of living allowance paid while he was still living in Sydney. This request was to cover the cost of upfront UK living expenses being incurred such as rent in London and payment of an education consultant to assist with his children gaining entry into 'an appropriate private school'.¹²¹
- 1.87** Ms Brown gave evidence to the committee that during a meeting to resolve this issue, Mr Cartwright invoked the name of the Minister or the Premier to which she found the conversation 'quite threatening'.¹²² Ms Brown elaborated that:
- [I]t was at that point he was saying that he would talk to Michael Coutts-Trotter [Secretary, Department of Premier and Cabinet], or even the Minister or the Premier, because "the current outcome is not what I was offered".¹²³
- 1.88** In response to this issue, Mr Cartwright informed the committee that as part of the initial salary negotiations in July 2021, Ms West contacted him to 'ask for a favour'.¹²⁴ According to Mr Cartwright, Ms West requested if he would agree to break up the agreed base salary of \$600,000 into two parts: a base salary of \$487,000 and cost of living allowance of \$113,000 to which he agreed to.¹²⁵ Mr Cartwright further elaborated his conversation with Ms West:

She explained that, if I agreed to do this favour for Investment NSW, then they would not need to make a special application to the remuneration tribunal because my base would fit within the appropriate public sector band. This was the third version of the offered package, but I was happy to help out my new employer if I could, so I told Ms West that, so long as I still got the agreed \$600,000 in my pay packet each month, then I didn't really mind how it was categorised. Ms West said that she understood and that she was very grateful for my assistance.¹²⁶

¹²⁰ Evidence, Ms Brown, 8 August 2022, p 83; Evidence, Mr Cartwright, 2 November 2022, p 5; Answers to questions on notice, Ms Bell, 30 August 2022, p 4.

¹²¹ Evidence, Ms Brown, 8 August 2022, pp 83-84; Answers to questions on notice (hearing on 8 August 2022), Ms Amy Brown, Secretary, DEIT, CEO, Investment NSW, 30 August 2022, p 3. Evidence, Mr Cartwright, 2 November 2022, p 5.

¹²² Evidence, Ms Brown, 8 August 2022, p 85.

¹²³ Evidence, Ms Brown, 8 August 2022, p 85. See also: Answers to questions on notice (hearing on 3 August 2022), Ms Brown, 30 August 2022, pp 4-5.

¹²⁴ Evidence, Mr Cartwright, 2 November 2022, p 6.

¹²⁵ Evidence, Mr Cartwright, 2 November 2022, p 6.

¹²⁶ Evidence, Mr Cartwright, 2 November 2022, p 4.

- 1.89** Mr Cartwright stated that he understood that breakup of the salary was for the 'convenience of Investment NSW' but that he never understood that it would be paid to him until he left for the UK.¹²⁷ Mr Cartwright argued that he was only told in August 2021 that the cost of living allowance would only be paid when he was off shore when he received his first pay, which was different from his conversation with Ms West.¹²⁸
- 1.90** According to Mr Cartwright, he attempted to clarify this 'error' with Ms West but was advised that the contract he signed was clear.¹²⁹ In response, he also suggested to Investment NSW if he could instead fly to the UK earlier so that he could begin to set up his work in the UK and then later return to Australia to pack up and leave with his family. However, he was advised that if he chose to do that any expenses prior to January 2022 would not be covered.¹³⁰
- 1.91** Mr Cartwright explained his version of events regarding the discussion of his cost of living allowance. Mr Cartwright informed the committee that prior to the call, Ms Brown sent him an email rejecting his request to have the cost of living paid to him while he was in Sydney. In his email response, Mr Cartwright confirmed that he mentioned other senior public servants and the Premier as the outcome was not what he agreed to and 'needed someone with sufficient authority to fix it'.¹³¹
- 1.92** Mr Cartwright added that during the meeting with Ms Brown, he reiterated what was stated in his email. He added that:
- Ms Brown wanted me to just accept her position and to drop the issue. She admonished me for requesting, in my email the previous day, that we take the matter to her boss or higher, suggesting that by requesting this I was acting in bad faith. I denied that I was acting in bad faith and responded by saying that asking me to agree to something to help out the agency and then reneging on that deal was actually a better example of an act of bad faith.¹³²
- 1.93** Ultimately, Mr Cartwright's request for a contract variation was rejected on the basis that the contract explicitly stated that the cost of living allowance were not payable until he was in the UK.¹³³ Mr Cartwright stated that he 'accepted the loss' and did not take it any further with 'her boss or any Minister'.¹³⁴

¹²⁷ Evidence, Mr Stephen Cartwright OAM, Agent General UK, Investment NSW, 22 November 2022, pp 25-26.

¹²⁸ Evidence, Mr Cartwright, 22 November 2022, p 26.

¹²⁹ Evidence, Mr Cartwright, 2 November 2022, p 4. See also: Tabled document, the Hon Daniel Mookhey MLC, *Tender bundle 001 – S. Cartwright*, 22 November 2022, pp 62-64.

¹³⁰ Evidence, Mr Cartwright, 2 November 2022, p 4. See also: Tabled document, the Hon Daniel Mookhey MLC, *Tender bundle 001 – S. Cartwright*, 22 November 2022, pp 62-65.

¹³¹ Evidence, Mr Cartwright, 2 November 2022, pp 5-6. See also: Evidence, Mr Cartwright, 22 November 2022, pp 30-31.

¹³² Evidence, Mr Cartwright, 2 November 2022, pp 5-6. See also: Evidence, Mr Cartwright, 22 November 2022, pp 30-31.

¹³³ Answers to questions on notice (hearing on 8 August 2022), Ms Brown, 30 August 2022, p 3.

¹³⁴ Evidence, Mr Cartwright, 2 November 2022, p 6.

2022 request to vary the contract

- 1.94** The third issue raised in relation to Mr Cartwright's salary negotiations was when Mr Cartwright requested Investment NSW to pay his rent directly to his landlord.¹³⁵ In addition, this issue also discusses Mr Cartwright's attempt to seek the intervention of the Minister of Trade the Hon Stuart Ayres as part of these negotiations.¹³⁶
- 1.95** A variation to Mr Cartwright's employment agreement came into effect on 6 July 2022 which reduced Mr Cartwright's cost of living allowance and Investment NSW would pay his rent directly to the landlord monthly.¹³⁷
- 1.96** According to Mr Cartwright, his request for this variation was made as he found that it was similar to the way in which accommodation is provided by the other State governments and senior Federal trade staff in London.¹³⁸
- 1.97** There was some discussion about the benefits of varying Mr Cartwright's cost of living allowance in terms of its tax benefits. When asked that if the variation of Mr Cartwright's cost of living allowance lowered the person's income for tax purposes, Ms Brown responded that while she was 'no tax expert ... I know it created a more favourable tax position for the employee'.¹³⁹ In terms of whether the variation created any additional cost to the taxpayer, Ms Bell noted that the new arrangements were 'quite similar'.¹⁴⁰
- 1.98** Investment NSW subsequently advised that from 6 July 2022 Mr Cartwright's cost of living allowance was AUD\$11,839.89. In addition, Investment NSW commenced paying Mr Cartwright's rent directly to his landlord monthly – at a cost of AUD\$101,111.11 per annum. Investment NSW had also agreed to make good on the tax applicable to this benefit in line with other Commonwealth employees and Agent Generals. This was estimated to be a maximum of AUD\$107,859 per annum.¹⁴¹
- 1.99** The committee heard that as part of these negotiations, Mr Cartwright sought the intervention of Minister Ayres on 23 March 2022.¹⁴² According to Ms Brown, Mr Cartwright sent a WhatsApp message to Minister Ayres regarding his contract variation request with Investment NSW. Ms Brown said that she was forwarded the message:

¹³⁵ Evidence, Ms Brown, 8 August 2022, p 86. See also: Answers to questions on notice (hearing on 5 August 2022), Ms Kylie Bell, A/Managing Director, Investment NSW, DEIT, 30 August 2022, p 4.

¹³⁶ Evidence, Ms Brown, 8 August 2022, p 87; Evidence, Mr Cartwright, 2 November 2022, p 6.

¹³⁷ Answers to questions on notice (hearing on 5 August 2022), Ms Bell, 30 August 2022, p 4.

¹³⁸ Evidence, Mr Cartwright, 2 November 2022, p 6. See also: Evidence, Mr Cartwright, 22 November 2022, p 10; Ms Kylie Bell, Managing Director, Trade and Investment, Investment NSW, DEIT, 2 December 2022, p 12.

¹³⁹ Evidence, Ms Brown, 8 August 2022, p 86.

¹⁴⁰ Evidence, Ms Bell, 2 December 2022, p 17. See also: Evidence, Ms Bell, 5 August 2022, pp 59-60.

¹⁴¹ Answers to Questions on Notice, Ms Bell, 30 August 2022, p 4.

¹⁴² Evidence, Ms Brown, 8 August 2022, pp 87-88. Evidence, Mr Cartwright, 2 November 2022, p 6.

He basically said he has been trying to resolve this issue with Investment NSW. All other States seem to do it that way, where they pay the rent directly so that the tax situation is more favourable, which is true, and he's sorry but he needs to escalate it.¹⁴³

1.100 Ms Brown also highlighted that Minister Ayres contacted her about Mr Cartwright's message and told her that he did not want to be involved.¹⁴⁴ Ms Brown told the committee about her conversation with Minister Ayres:

The good thing about it was that Minister Ayres contacted me and said, "Look, you can do what you like because Mr Cartwright is your employee. I just want to give you a heads up I've got this message. It might be a good idea to benchmark against other States and see what they do but I'm not telling you what to do and I really don't care about the outcome".¹⁴⁵

1.101 Ms Brown expressed the view that Mr Cartwright's contact with the Minister was 'highly inappropriate' and indicated that the relationship between Mr Cartwright and Investment NSW was 'not looking great'.¹⁴⁶

1.102 However, Mr Cartwright asserted that he contacted Minister Ayres due to a 'prevarication' from Investment NSW about his request and that Minister Ayres had previously invited him to contact him if he ever needed to.¹⁴⁷

1.103 Mr Cartwright outlined the events that led up to him sending a text to the Minister. According to Mr Cartwright, he received an email from Ms Bell on 14 February 2022 in which she stated that Ms Brown approved his request to which he then requested a 'more tangible [response] from head office'.¹⁴⁸ Despite initial assurances from Investment NSW about his request, Mr Cartwright told the committee that the position from the agency went from "'no Yes, you can," to, "Maybe you can't," to, "Maybe we don't quite know how the tax arrangement's going to work."'.¹⁴⁹

1.104 While waiting for approval, Mr Cartwright described his accommodation situation as 'urgent' as he was staying temporarily in a hotel which costs were covered by his reallocation allowance that was due to expire.¹⁵⁰

¹⁴³ Evidence, Ms Brown, 8 August 2022, pp 87-88.

¹⁴⁴ Evidence, Ms Brown, 8 August 2022, p 88.

¹⁴⁵ Evidence, Ms Brown, 8 August 2022, p 88.

¹⁴⁶ Evidence, Ms Brown, 8 August 2022, pp 89-90.

¹⁴⁷ Evidence, Mr Cartwright, 2 November 2022, p 6.

¹⁴⁸ Evidence, Mr Cartwright, 2 November 2022, p 6; Evidence, Mr Cartwright, 22 November 2022, p 5.

¹⁴⁹ Evidence, Mr Cartwright, 22 November 2022, p 6.

¹⁵⁰ Evidence, Mr Cartwright, 2 November 2022, p 6. See also: Evidence, Ms Bell, 2 December 2022, p 23.

- 1.105** Mr Cartwright stressed that he only approached Minister Ayres as a 'circuit breaker' in this situation.¹⁵¹ In addition, Mr Cartwright told the committee that he understood that the change of Government policy in late 2021 regarding the STIC appointment process meant that his position was a ministerial appointment and that he could contact the Minister about this situation.¹⁵²
- 1.106** When asked if his request to Minister Ayres was unusual, Mr Cartwright considered that it was a 'confusing time' and that, in hindsight, he probably should not have gone to the Minister but instead gone to the Secretary of Department of Premier and Cabinet.¹⁵³
- 1.107** Mr Cartwright confirmed that he did not hear back from the Minister regarding his message and that he did not discuss his salary with the Minister after the text message.¹⁵⁴
- 1.108** Following Mr Cartwright's message to Minister Ayres, Ms Brown advised that the Minister 'casually suggested' to do some research in which other States structure their rent or school fees for their senior trade officers. Ms Brown also said that she was not pressured to do so and requested Ms Bell to conduct this review.¹⁵⁵
- 1.109** Ms Bell gave evidence to the committee that she conducted this review in late February/March 2022 and found that based on her review, other states and Austrade provide cost of living allowance and other benefits to their senior trade officers such as rent, education expenses for children living abroad and that a lump sum payment was not best practice.¹⁵⁶
- 1.110** Investment NSW confirmed that this review was the basis of approving Mr Cartwright's request to vary his employment contract.¹⁵⁷

Committee comment

- 1.111** This final report supports the interim report's key finding that the recruitment process for the Senior Trade and Investment Commissioners was flawed.
- 1.112** It is clear to the committee that Mr Paul Webster was initially identified as the preferred candidate for the Agent General UK position. The committee accepts the evidence that NSW Treasury was working towards appointing Mr Webster as the Agent General UK, which included notifying the Deputy Premier John Barilaro and Treasurer Dominic Perrottet's offices about his appointment. The committee disagrees with Mr Pratt's view that Mr Webster was only the 'lead candidate' and not the 'preferred candidate'. It was never satisfactorily explained to the committee why the Treasurer and Deputy Premier met with the preferred candidate for another STIC position (North Asia), but, by their inaction, effectively refused to meet with Mr Webster. The committee can only conclude that by not responding to the requests to meet Mr Webster,

¹⁵¹ Evidence, Mr Cartwright, 22 November 2022, p 6.

¹⁵² Evidence, Mr Cartwright, 22 November 2022, p 6.

¹⁵³ Evidence, Mr Cartwright, 22 November 2022, p 10.

¹⁵⁴ Evidence, Mr Cartwright, 22 November 2022, p 7.

¹⁵⁵ Evidence, Ms Brown, 8 August 2022, p 89.

¹⁵⁶ Evidence, Ms Bell, 2 December 2022, p 13.

¹⁵⁷ Evidence, Ms Brown, 8 August 2022, p 91; Evidence, Ms Bell, 2 December 2022, p 13.

the Treasurer and Deputy Premier did not agree with his appointment, and inappropriately influenced the recruitment of the Agent General UK position.

- 1.113** Regardless of the fact that Mr Webster was ultimately appointed 'second in command' to the Agent General UK, the committee finds that his treatment as part of the recruitment process for the Agent General UK position lacked integrity and transparency.
- 1.114** The committee also finds that the Deputy Premier John Barilaro's meeting with Mr Cartwright to discuss the Agent General UK position as inappropriate given that his office was notified of Mr Webster's status as the preferred candidate. While the committee accepts the evidence that Mr Cartwright subsequently took part in a merit-based selection process, the timing and circumstances of his entry to the recruitment round was influenced by the Deputy Premier's introduction. In addition, the committee does not accept that the recruitment process was 'open', as it is clear that Mr Cartwright was the only person interviewed. The committee finds that Mr Barilaro inappropriately interfered in the selection process for the Agent General UK by failing to meet with the preferred candidate and instead directly approaching Stephen Cartwright and soliciting his candidacy.

Finding 1

John Barilaro inappropriately interfered in the selection process for the Agent General UK by failing to meet with the preferred candidate and instead directly approaching Stephen Cartwright and soliciting his candidacy.

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- 1.115** The committee also finds that the then Deputy Premier's decision to canvas Mr Cartwright's remuneration expectations, even though he had not yet applied, was highly inappropriate and showed poor judgement.

Finding 2

John Barilaro's decision to canvas Mr Cartwright's remuneration expectations, even though he had not yet applied, was highly inappropriate and showed poor judgement.

-
- 1.116** The committee notes the Premier's refusal to assist this inquiry in its investigations has impeded the committee's ability to determine his role in the selection of Stephen Cartwright as the NSW Agent General UK, as well as determining his remuneration.

Finding 3

The Premier's refusal to assist this inquiry in its investigations has impeded the committee's ability to determine his role in the selection of Stephen Cartwright as the NSW Agent General UK, as well as determining his remuneration.

- 1.117 The committee considers that the discussions of salary expectations between the Deputy Premier and Mr Cartwright during their first meeting influenced Mr Cartwright's high salary expectations and indeed, his view that any offer was led by the Deputy Premier and not through the public sector process.
- 1.118 As highlighted in the evidence provided in the inquiry, Mr Cartwright repeatedly applied pressure to senior public servants to improve his personal remuneration. The committee finds that this behaviour was inappropriate and against the standard of behaviour expected in senior public servants.
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Finding 4

Stephen Cartwright repeatedly applied pressure to senior public servants to improve his personal remuneration which was inappropriate.

- 1.119 Furthermore, the committee finds it concerning that despite this behaviour, the Department of Enterprise, Investment and Trade agreed to adjust Mr Cartwright's remuneration arrangement, which resulted in a poor financial outcome for the State of New South Wales.
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Finding 5

The Department of Enterprise, Investment and Trade erred by agreeing to adjust Mr Cartwright's remuneration arrangement, which resulted in a poor financial outcome for the State of New South Wales.

- 1.120 Therefore, the committee recommends that the Secretary of the Department of Enterprise, Investment and Trade investigate whether Mr Cartwright has at all times abided by the code-of-conduct applicable to the Senior Executive Service.
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Recommendation 1

That the Secretary of the Department of Enterprise, Investment and Trade investigate whether Mr Cartwright has at all times abided by the code-of-conduct applicable to the Senior Executive Service.

- 1.121 This final report demonstrates that the recruitment process for the position of Agent General UK was flawed, and finds that the NSW Government lacked integrity and transparency in its recruitment of STIC positions, given that the appointment of at least two of these positions were influenced by its Ministers.
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Finding 6

That the NSW Government lacked integrity and transparency in its recruitment of the Senior Trade and Investment Commissioners, given that the appointment of at least two of these positions were inappropriately influenced by its Ministers.

Appendix 1 Witnesses at hearings

Date	Name	Position and Organisation
Wednesday 29 June 2022 Preston-Stanley Room Parliament House	Ms Amy Brown	Secretary, Department of Enterprise, Investment and Trade, and Chief Executive Officer, Investment NSW
Monday 11 July 2022 Jubilee Room Parliament House	Ms Jenny West	Former Deputy Secretary, Trade and International, Global NSW, Investment NSW
Tuesday 19 July 2022 Jubilee Room Parliament House	Mr Chris Carr	General Counsel, Department of Enterprise, Investment and Trade
	Mr Joseph Brayford (<i>in camera</i>) ¹⁵⁸	Former Senior Policy Advisor, Office of Mr John Barilaro
Wednesday 3 August 2022 Jubilee Room Parliament House	Ms Amy Brown	Secretary, Department of Enterprise, Investment and Trade, and Chief Executive Officer, Investment NSW
Friday 5 August 2022 Room 814/815 Parliament House	Mrs Siobhan Hamblin	Former Chief of Staff for Deputy Premier Mr John Barilaro
	Ms Kylie Bell	Managing Director, Investment NSW
	Ms Kathrina Lo	Public Sector Commissioner, Public Sector Commission
Monday 8 August 2022 Jubilee Room Parliament House	Mr John Barilaro	Former Deputy Premier NSW
	Ms Amy Brown	Secretary, Department of Enterprise, Investment and Trade, and Chief Executive Officer, Investment NSW

¹⁵⁸ Mr Brayford agreed for his *in camera* evidence to be published.

Date	Name	Position and Organisation
Thursday 18 August 2022 Macquarie Room Parliament House	Dr Marianne Broadbent	Managing Partner, NGS Global
	The Hon Warwick Smith AO	Panel Member for the Senior Trade and Investment Commissioner to the Americas recruitment
Monday 31 October 2022 Room 814-815 Parliament House	Mr Paul Webster <i>(via videoconference)</i>	Trade and Investment Commissioner, UK and Europe, Investment NSW
Wednesday 2 November 2022 Macquarie Room Parliament House	Mr Stephen Cartwright OAM <i>(via videoconference)</i>	Agent General UK, Senior Trade and Investment Commissioner Europe and Israel, Investment NSW
Monday 14 November 2022 Macquarie Room Parliament House	Mr Michael Pratt AM	Former Secretary, NSW Treasury
Tuesday 22 November 2022 Macquarie Room Parliament House	Mr Stephen Cartwright OAM <i>(via videoconference)</i>	Agent General UK, Senior Trade and Investment Commissioner Europe and Israel, Investment NSW
	Mr Bran Black	Chief of Staff, Premier of NSW
Friday 2 December 2022 Dixson Room State Library of NSW, Sydney	Ms Kylie Bell <i>(via videoconference)</i>	Managing Director, Trade and Investment, Investment NSW, Department of Enterprise, Investment and Trade

Appendix 2 Minutes

Minutes no. 100

Thursday, 23 February 2023
Public Accountability Committee
Via WebEx at 10.02 am

1. Members present

Ms Faehrmann, *Chair*
Mr Fang
Mr Farlow
Mrs Houssos
Mr Martin
Mr Mookhey (substituting for Mr Graham)

2. Apologies

Mr Borsak, *Deputy Chair*
Mr Graham
Ms Sharpe (participating)

3. Membership

The Chair noted advice from the Acting Leader of the Government in the Legislative Council discharging the Hon Peter Poulos from the committee and appointing the Hon Taylor Martin to the committee.

4. Previous minutes

Resolved, on the motion of Mrs Houssos: That draft minutes no. 99 be confirmed.

5. Correspondence

The committee noted the following items of correspondence:

Sent:

- 31 January 2023 – Email from the secretariat to Mr John Barilaro, former Deputy Premier, advising that the committee has reissued an invitation to him to give evidence at a hearing.
- 14 February 2023 – Email from the secretariat to the Chief Commissioner of the Independent Commission against Corruption providing a copy of the report entitled 'Inquiry into the Appointment of Mr John Barilaro as Senior Trade and Investment Commissioner – interim report'.

6. Consideration of Chair's draft final report

Consideration of Chair's draft report, entitled 'Inquiry into the Appointment of Mr John Barilaro as Senior Trade and Investment Commissioner – final report', which, having been previously circulated, was taken as being read.

Resolved, on the motion of Mr Farlow: That paragraph 1.82 be omitted: 'When asked about this interaction, Mr Black confirmed that this conversation did take place and agreed with most of Ms Brown's evidence. However, Mr Black disagreed with some aspects of Ms Brown's evidence and explained that:' and the following new paragraph be inserted instead:

'When asked about this interaction, Mr Black confirmed that this conversation did take place and agreed with parts of Ms Brown's evidence. However, Mr Black disagreed with other aspects of Ms Brown's evidence and explained that:'

Mr Fang moved: That paragraph 1.111 – 1.116, Finding 1 and Finding 2 be omitted.

Question put.

The committee divided.

Ayes: Mr Fang, Mr Farlow, Mr Martin.

Noes: Ms Faehrmann, Mrs Houssos, Mr Mookhey.

There being an equality of votes, question resolved in the negative on the casting vote of the Chair.

Mr Farlow moved: That Finding 1 and Finding 2 be omitted.

Question put.

The committee divided.

Ayes: Mr Fang, Mr Farlow, Mr Martin.

Noes: Ms Faehrmann, Mrs Houssos, Mr Mookhey.

There being an equality of votes, question resolved in the negative on the casting vote of the Chair.

Mr Mookhey moved: That Finding 1 be omitted: 'Finding 1 That the then Treasurer Dominic Perrottet and former Deputy Premier John Barilaro inappropriately influenced the recruitment of the Agent General UK position.', and the following new finding be inserted instead:

'Finding X

John Barilaro inappropriately interfered in the selection process for the Agent General UK by failing to meet with the preferred candidate and instead directly approaching Stephen Cartwright and soliciting his candidacy.

Question put.

The committee divided.

Ayes: Ms Faehrmann, Mrs Houssos, Mr Mookhey.

Noes: Mr Fang, Mr Farlow, Mr Martin.

There being an equality of votes, question resolved in the affirmative on the casting vote of the Chair.

Mr Mookhey moved: That the following finding be inserted after Finding 1:

'Finding X

John Barilaro's decision to canvas Mr Cartwright's remuneration expectations, even though he had not yet applied, was highly inappropriate and showed poor judgement.'

Question put.

The committee divided.

Ayes: Ms Faehrmann, Mrs Houssos, Mr Mookhey.

Noes: Mr Fang, Mr Farlow, Mr Martin.

There being an equality of votes, question resolved in the affirmative on the casting vote of the Chair.

Mr Mookhey moved: That the following finding be inserted:

'Finding X

The Premier's refusal to assist this inquiry in its investigations has impeded the Committee's ability to determine his role in the selection of Stephen Cartwright as the NSW Agent General UK, as well as determining his remuneration.'

Question put.

The committee divided.

Ayes: Ms Faehrmann, Mrs Houssos, Mr Mookhey.

Noes: Mr Fang, Mr Farlow, Mr Martin.

There being an equality of votes, question resolved in the affirmative on the casting vote of the Chair.

Mr Mookhey moved: That the following finding be inserted:

'Finding X

Stephen Cartwright repeatedly applied pressure to senior public servants to improve his personal remuneration, which was inappropriate.'

Question put.

The committee divided.

Ayes: Ms Faehrmann, Mrs Houssos, Mr Mookhey.

Noes: Mr Fang, Mr Farlow, Mr Martin.

There being an equality of votes, question resolved in the affirmative on the casting vote of the Chair.

Mr Mookhey moved: That the following finding be inserted:

'Finding X

The Department of Enterprise, Investment and Trade erred by agreeing to adjust Mr Cartwright's remuneration arrangement, which resulted in a poor financial outcome for the State of New South Wales.'

Question put.

The committee divided.

Ayes: Ms Faehrmann, Mrs Houssos, Mr Mookhey.

Noes: Mr Fang, Mr Farlow, Mr Martin.

There being an equality of votes, question resolved in the affirmative on the casting vote of the Chair.

Mr Mookhey moved: That the following recommendation be inserted:

'Recommendation X

That the Secretary of the Department of Enterprise, Investment and Trade investigate whether Mr Cartwright has at all times abided by the code-of-conduct applicable to the Senior Executive Service.'

Question put.

The committee divided.

Ayes: Ms Faehrmann, Mrs Houssos, Mr Mookhey.

Noes: Mr Fang, Mr Farlow, Mr Martin.

There being an equality of votes, question resolved in the affirmative on the casting vote of the Chair.

Mr Mookhey moved: That

- the draft report as amended be the report of the committee and that the committee present the report to the House;
- the committee secretariat correct any typographical, grammatical and formatting errors prior to tabling;
- the committee secretariat be authorised to update any committee comments where necessary to reflect changes to recommendations or new recommendations resolved by the committee;
- dissenting statements be provided to the secretariat within 24 hours after receipt of the draft minutes of the meeting;

- the report be tabled with the Clerk on Monday 27 February 2023;
- the Chair to advise the secretariat and members if they intend to hold a press conference, and if so, the date and time.

Question put.

The committee divided.

Ayes: Ms Faehrmann, Mrs Houssos, Mr Mookhey.

Noes: Mr Fang, Mr Farlow, Mr Martin.

There being an equality of votes, question resolved in the affirmative on the casting vote of the Chair.

7. Adjournment

The committee adjourned at 10.26 am, *sine die*.

Frances Arguelles
Committee Clerk

Appendix 3 Dissenting statement

The Hon Wes Fang MLC, The Nationals, Hon Scott Farlow MLC and Hon Taylor Martin MLC, Liberal Party

This report is a politically-motivated hit job from a desperate Labor-Greens coalition weeks out from an election. Everything contained in this report should be viewed through that lens.

There is no evidence whatsoever to suggest that the Premier, the then-Treasurer, and the former Deputy Premier, inappropriately influenced the Agent General posting. Ultimately, this was a panel decision considered by the NSW Cabinet. This is a desperate attempt by the Committee to make up facts to suit their agenda weeks out from an election.

The Premier, the then-Treasurer, did not play any role in the salary and expense negotiations for the United Kingdom Agent General (“Agent General”) role nor did he discuss the matter with Stephen Cartwright. Evidence given to the Committee supports this and any suggestion to the contrary is simply fanciful.

Decisions on salaries and expenses, with respect to the Senior Trade and Investment Commissioner roles, including the Agent General, are a matter for the public service.

As the then-Treasurer, the Premier was provided updates with respect to the progress of the Agent General recruitment process by both NSW Treasury, and the former Trade Minister, as part of the normal course of government. It should be noted, for context, that this recruitment process took place in the middle of the COVID-19 pandemic and during preparation for the Half Yearly Review - two key priority matters for the then-Treasurer at that time. Ultimately, this appointment was considered and supported by the NSW Cabinet.

The Premier has made this clear on a number of occasions and this was reiterated by the Premier’s Chief of Staff when he gave evidence to the Committee.

The Senior Trade and Investment Commissioners process was investigated by two separate independent inquiries run by Mr Graeme Head PSC, former Public Service Commissioner and Mr Bruce McClintock SC, former Inspector of the Independent Commission Against Corruption.

Mr McClintock found that there was no evidence to suggest that the appointment of Mr Barilaro was not a decision taken by the Secretary of the Department. There has been no evidence presented to the Committee that the Member for Penrith wilfully misled Parliament or the public. The Member for Penrith simply provided the information that was available to him at the time, which would have been supplied by his officials. Mr McClintock in his report found that the Member for Penrith did not breach the Ministerial Code of Conduct. The Member for Penrith acted lawfully, honestly and without conflicts of interest.

This Committee’s report ignores these facts, and has simply made up its findings, in an attempt to score political points. Its findings should be rejected.

