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## THE PARLIAMENTARY STANDING COMMITTEE OF PUBLIC ACCOUNTS MET IN COMMITTEE ROOM 2, PARLIAMENT HOUSE, HOBART, ON MONDAY 28 NOVEMBER 2022

### INQUIRY INTO THE TASMANIAN GOVERNMENT'S USE OF PROVISIONS OF THE FINANCIAL MANAGEMENT ACT 2016 TO FUND ELECTION COMMITMENTS IN 2021

Hon MICHAEL FERGUSON MP, DEPUTY PREMIER AND TREASURER (VIA WEBEX), WAS CALLED AND EXAMINED, AND Mr TONY FERRALL, SECRETARY, DEPARTMENT OF TREASURY AND FINANCE, WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

**CHAIR** (Ms Forrest) - Welcome to the Committee, Treasurer. We appreciate your making an appearance via video link as needed today and we also have your secretary in the room. We will hand over to you to make some opening comments, if you wish to do so, and then the Committee will have questions for you. I am sure I don't need to explain parliamentary privilege and the process to Mr Ferrall.

**Mr FERGUSON** - Good morning, Chair, and to your Committee. Thank you for the opportunity to speak to your Committee today, and in particular, for allowing me to join you by video conference. My comments will be brief. The secretary will also make some introductory comments. Both of us are looking to provide some context for the issues that are of interest to your Committee.

As you'd no doubt be aware, the *Financial Management Act 2016* (FMA) provides for certain powers and roles for the Treasurer to amend agency appropriations each year after the appropriation bills introduced on budget day come into force. These roles under the Financial Management Act (FMA) are very similar to those that were in place under the previous legislation, the *Public Account Act 1986*.

One area that is consistent under both acts is the power of the Treasurer to issue and apply funding from the Treasurer's Reserve. Section 21 of the FMA outlines the requirements which are to be met for the Treasurer to be able to utilise the Treasurer's Reserve and the calculation methodology for the Treasurer's Reserve.

The section also identifies that the Governor's approval is required in certain circumstances. Following the 2021 election, the Government determined that a limited number of specific election commitments would be paid prior to 30 June of that year, funded from the Treasurer's Reserve. As these were new commitments made during the election campaign, it was deemed that this represented a new purpose and accordingly, the Governor's approval was required prior to the then treasurer and premier, Peter Gutwein, approving a request for addition funds (RAF) in accordance with the strict rules in the Financial Management Act.

Use of the Treasurer's Reserve in this manner is consistent with the intent of the Financial Management Act, a point that I've consistently made throughout some debate that occurred in the House of Assembly last week.

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I'll now offer the secretary the chance to make his brief statement, providing some more detail on the process, which I think will be of most interest to thec. The process which was followed in regard to approval of this funding from the Treasurer's Reserve and the FMA provisions and after that, I'll take all your questions. Thank you.

**Mr FERRALL** - I will start with the 2021 election process and Treasury's role in that election process. As members will be aware, the 2021 state election was called on 26 March 2021 and during the election costing period, Treasury undertook costings of election commitments in accordance with the *Charter of Budget Responsibility Act 2007*.

As the election costing process is effectively opt-in by the parties, not all election commitments and announcements were submitted to Treasury for costing. Treasury costed all requests for costings that provided either sufficient detail and were provided within sufficient time to enable the costing process to be undertaken. So, not every election commitment of parties was costed through that period because some were provided too late in the process and some provided insufficient information. During that process there was a statement at the end of the election period where we identified those election commitments that had been submitted which hadn't been costed.

Treasury tracks election commitments to enable us to crosscheck the identified commitments with the information held by the party which forms Government. Following the outcome of the election, work was undertaken to validate Treasury-held information and the Government's information to confirm that all announcements and initiatives had been correctly captured.

This process was undertaken as part of, and in parallel with, the 2021-22 Budget development process. Post the election, we worked with the Government to agree on a list of election commitments and the Local Communities Facilities Fund. On 3 May 2021 an initial list of Liberal Party 2021 election commitments was provided to Treasury for analysis.

Treasury worked with staff of the Treasurer's office to ensure all election commitments were identified, and a detailed list of all election commitments was discussed with the then premier and treasurer on 8 June 2021. Through the process of finalising the budget, cash flow and funding estimates were revisited for all budget commitments, including election commitments. A specific example of that was the Local Communities Facilities Fund, which was reviewed as more information was obtained.

In terms of the legislative basis of the election commitments paid in 2021, following the election, the Government sought to commence delivery of specific commitments in 2020-21, including some grants under the LCFF. The legislative mechanism to enable additional funding to be provided for these commitments was under the Financial Management Act 2016, and I will walk through the specific sections at this point.

Section 21(1) of the FMA provides for the Treasurer to issue and apply from the Public Account for expenditure that in the Treasurer's opinion could not reasonably have been foreseen and which is necessary for the efficient financial administration. The Treasurer's authority to issue and apply funding from the Treasurer's Reserve is limited by section 21(3) to expenditure that is for a purpose mentioned in an appropriation act then in force, unless the Governor has, in writing, approved that expenditure.

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Given that election commitments are made during the election period, which occurred after the publication of the 2021 budget, prior approval of the Governor under section 21.3 of the FMA was required before a request for additional funds could be approved by the Treasurer. New purpose RAFs, or requests for additional funds, totalling \$4.7 million for election commitments were approved by the Governor on 21 June 2021. This included \$2.5 million for some LCFF commitments, funded in the 2021 year, \$250 000 for the No Interest Loans Scheme and \$2 million for the Hobart Clinic redevelopment.

Following the finalisation of the 2021-22 -

**CHAIR** - Tony, could you say again how much was the LCFF?

**Mr FERRALL** - Approximately \$2.466 million.

Following the finalisation of the 2021-22 budget Estimates, the Treasurer's office advised of additional commitments that had been identified after the finalisation of the budget. These commitments were for the St Helens Pump Track, Bracknell Hall replacement, Australian Rules History and Heritage museum and the Kingborough basketball stadium. It was necessary for these commitments to be dealt with as part of future budget management processes.

As you would be aware, the Financial Management Act replaced existing legislation, specifically the *Public Account Act 1986*, and the remaining provisions of the then *Financial Management Audit Act 1990*. The existing acts had governed public financial management for approximately 30 years.

The process of the Treasurer considering additional funds within the current year remains largely the same under the Financial Management Act, i.e., the current legislation, and it continues the longstanding practice of requests for additional funds being considered by the Treasurer, and if approved, funded through the Treasurer's Reserve.

Section 11(2) of the Public Account Act - that's the prior legislation - provided for the Treasurer to issue and apply from the Public Account for expenditure that in the Treasurer's opinion could not reasonably have been foreseen and which is essential for efficient public administration.

There are two words different in the two sections. In the Public Account Act, the earlier act, had the word 'essential' as the Treasurer's consideration, and in the Financial Management Act the word is 'necessary'. Should the Committee wish, I am quite prepared now to go through a detailed chronology of events, or I can address the committee's questions as appropriate.

**CHAIR** - I would prefer detailed chronology so we have all the information before us.

**Mr FERRALL** - And apologies if I repeat some of the earlier information.

**CHAIR** - I understand.

**Mr FERRALL** - The 2021 election was announced on 26 March 2021, and that's when we commenced tracking election commitments of each major party. Over the period 28 March to 30 April, it was the 2021 election costing period, and we undertook election commitment costings in accordance with the *Charter of Budget Responsibility Act 2007*.

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On 1 May, that was the election day, the Liberal Party claimed election victory, and vote counting continued for a period after that. In the period 3 May to 8 June, we reconciled the election commitment listing that we had captured with that provided by the incoming government. The first iteration of the election commitments provided by the Liberal Party and the Premier/Treasurer's office was over the period through the 3 to 19 May 2021. Treasury undertook a detailed reconciliation of the information provided and the Treasury listing of commitments collated during that election period. The Local Community Facilities Fund of \$20 million is included in the listing we received on the 5 May 2021.

The reconciliations were first completed by the 31 May 2021.

On the 12 May 2021, the election outcome was officially announced and the 2021-22 Budget development process commenced effectively at that point.

On the 31 May 2021, the election commitments to be paid in 2021 were identified and the advice we received that some of the election commitments were to be funded prior to the 30 June 2021.

Work commenced on preparing the Financial Management Act approval documentation for the request of additional funds relating to those specific grants I detailed a moment ago.

Over the period 31 May to the 29 July 2021 the full detail of the Local Community Facilities Fund grants listing was provided by the Treasurer's office on the 31 May and it was revised on the 29 June.

**CHAIR** - You said July just a moment ago; did you mean June?

**Mr FERRALL** - Sorry, I said the period 31 May through to the 29 July.

**CHAIR** - That is right? July?

**Mr FERRALL** - That was over that period.

**CHAIR** - Sorry, okay.

**Mr FERRALL** - That is what I have been advised, I will have to check if that was June or July.

**CHAIR** - I know the RAFs are usually issued at the end of June.

**Mr FERRALL** - It could be that when we are doing that reconciliation there was some reconciliation that occurred after the 29 June or, as you say, it could be an error and it should be the 29 June. I will need to check that.

**Ms WEBB** - Could you repeat what you said after -

**Mr FERGUSON** - Chair and Tony, if I could just offer the point - as Tony will come to, there is a later date of 29 July which will help make that make sense.

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**CHAIR** - If you could go back to that point on - I got a bit distracted by that date.

**Mr FERRALL** - The full detail of the LCFF grants listing provided by the Premier's Office was provided on the 31 May and it was revised over that period to the 29 June. The Treasurer said he would comment further in a moment.

We undertook a full reconciliation of the project listings and did things like removing duplications that sometimes commitments can be picked up from various points through the election process and sometimes our list had things which were doubled up. There are also some commitments that were in the Premier's office listing which may have been doubled up before being double counted.

On the 8 June 2021, there was a reconciled list of election commitments which was provided to the Premier/Treasurer. This is a complete listing of all election commitments and proposed cash flows for each commitment and further adjustment occurred during June 2021 through the budget process.

On 21 June 2021, new purpose requests for additional funds were approved by the Governor and later the Treasurer. New purpose RAFs totalling \$4.7 million for election commitments were approved by the Treasurer following the Governor's approval under section 21 (3) of the FMA. The Treasurer approval under section 21 (1) occurred later in the day following the Governor's consideration.

On the 24 June 2021, during the debate in relation to the Supply bills the then minister for Finance, the honourable Michael Ferguson MP, noted funding had already been provided to organisations through the LCFF from the Treasurer's Reserve.

Over the period 28 June to 7 July, the 2021-22 Budget allocations were finalised. That is the 2021-22 Budget allocations including funding for the 2021 election commitments that were reflected in the budget.

On the 29 July 2021 - so that is going back to the earlier comment I made on 20 July - Treasury provided a final listing of the LCFF projects removing all duplications. The total allocation was \$14.9 million, comprising the \$2.5 million for the grants already paid in 2021 and \$12.4 million to be included in the 2021-22 Budget.

**CHAIR** - How much was that, sorry?

**Mr FERRALL** - \$14.9 million, in total. On 30 July 2021, the Preliminary Outcomes Report was published. A summary of expenditure authorised under section 21 of the FMA is disclosed in the Preliminary Outcomes Report each year, and that is in the supplementary Estimates summary; you can see in that report.

On 20 August 2021, some additional commitments were identified and raised by the Treasurer's office. Treasury was advised that five commitments were not included in the LCFF commitments listing. These were the Kelso public toilets and parking, the St Helens Pump Track, Bracknell Hall replacement, Australian rules history and heritage museum and the Kingborough basketball stadium. The commitment for Kelso was identified as already funded in the 2021-22 Budget.

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Treasury advised that, from the perspective for the 2021-22 Budget, the LCFF was fully allocated to a total of \$14.9 million - that is, the \$12.4 million identified a moment ago and the \$2.5 million.

On 26 August 2021, the 2021-22 Budget was published. On page 42 of Budget Paper No. 2, Volume 1, Government Services, the following description is provided of the LCFF:

This initiative commenced in June 2020, with total funding of \$14.9 million provided to community, local government and sporting organisations statewide, to improve facilities and capacity to service community needs.

Almost 100 projects received funding prior to 30 June 2021 and the remaining \$12.4 million to be provided in 2021-22. I won't go through the details of the commitments at that point.

On 23 September 2021, we received advice from the Treasurer's office of additional commitments to be considered as a request for additional funds 9RAF0. The Treasurer's office requested that the remaining commitments identified on 20 August 2021 relating to the St Helens Pump Track, Bracknell Hall replacement, Australian Rules History and Heritage Museum and the Kingborough basketball stadium would need to be considered through existing budget management processes, including RAF processes, as it went forward.

**Mr WILLIE** - They became supplementary appropriations, didn't they?

**Mr FERRALL** - They may have. I would need to check that to be certain.

On 27 October 2021, the Department of Communities Tasmania Annual Report, at note 8.4 to the financial statements, relates to grants and subsidies expenditure and includes a line item for sport and recreation grants. That is \$28.292 million in 2021 and \$20.602 million in 2019-20. The note also includes the following statement:

The Department also provides assistance to sport and recreation organisations in the State. This includes funding for the development of the Northern Regional Tennis Centre, payments for the Local Community Facilities Fund, funding important community programs in regional areas, and the Ticket to Play program - the first sports voucher system for young Tasmanians.

This report was tabled in the House of Assembly on 27 October 2021.

On 28 October 2021, the 2021 Treasurer's Annual Financial Report was tabled and expenditure authorised under section 21 of the FMA is also disclosed in the supplementary Estimates statement summary, in that report. It is in the Treasurer's Annual Financial Report, and this statement is audited by the Tasmanian Audit Office.

On 14 June 2022, the full list of election commitments under the Local Communities Facilities Fund was also tabled in the House of Assembly on 14 June 2022.

I am happy to stop there.

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**CHAIR** - I would like to go to a few of the overarching questions about opportunities for scrutiny of these funds.

The secretary has outlined quite succinctly and clearly - and I appreciate that summary - about the various processes that have occurred with regard to the public release of information related to these funds. However, very rarely is there a particular focus in the parliament on, say, the Preliminary Outcomes Report, acknowledging there was information there. I have done this in the past, gone back to these reports, but have not done it so recently - noting them in parliament. Maybe we should revisit that approach.

I would like you to explain to me at what points you believe, Treasurer, there were very clear opportunities for parliamentary scrutiny of the decisions relating to all these election commitments, regardless of the mechanism under which they were funded. There may be a number of opportunities you need to point to and explain to the Committee, that scrutiny process and the availability of it.

**Mr FERGUSON** - Thank you, Chair, and I am happy to respond and invite the Treasury secretary to jump in if clarity is useful.

First of all, we are having this discussion in the context, if I may put it this way, of a bit of community debate, or debate that has been held in the House of Assembly, which has been reflected in the press and naturally there is curiosity around funding of a range of commitments.

They are election commitments, they are promises that were made by the Liberal Party organisation during the 2020-21 election. To the extent that the Treasurer's Reserve has been accessed to see early delivery of those commitments before 30 June 2021, I remind the Committee that these were funds that had been approved for use by the Treasurer's Reserve in that previous budget, naturally approved by both Houses of Parliament.

I am not trying to be cute there; but it does point to the fact that we need to dispel one myth that has unfortunately been propagated by some individuals - that this is has escaped parliamentary approval. That is, of course, not something that you are saying but others have been saying it and I want to make that point.

In regard to scrutiny, it is a fair and reasonable question. The nature of the Treasurer's Reserve is that it is for unanticipated allocations. At the time that the Treasurer's Reserve is approved in the previous budget, there is traditionally an acceptance that there is a need for a resource for the Treasurer of the day to be able to draw from for unanticipated spending decision - as the secretary has outlined - which in the Treasurer's opinion, to accurately quote the act, is unforeseen and secondly, is necessary for efficient financial administration.

The scrutiny on individual allocations that may sit within a decision of the Treasurer in allocating the Treasurer's Reserve, is that the parliament is always able, through usual forms of each House, to be able to understand more about the nature and the detail of those. I was the Finance Minister up until April of this year when I was taking through a supply bill, which was not intended to cover election promises - because, as you will recall, the budget was delayed last year because of the election. In the context of that debate and because a question had been asked by the Labor Party at the time, I was able to and willingly and enthusiastically provide the detail.

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I look back now, given the nature of recent weeks, and it is interesting and it surprises me looking back, that, having been outspoken about the fact that 111 election commitments had seen early delivery through the use of the Treasurer's Reserve, that there was not greater -

**CHAIR** - I may need you just to stop for a moment. We have lost him. Treasurer, we probably lost you for the last three or four minutes.

**Mr FERGUSON** - Where would you like me to go? Do you want me to start again? I did not lose it.

**CHAIR** - Yes, go again.

**Mr FERGUSON** - All right. I will do my best. I will start again.

The use of the Treasurer's Reserve is approved by parliament. It is approved in the budget process in the preceding year.

**CHAIR** - We got all that, Treasurer. I think, you talked about the supply bill and the election commitments that were funded that the Labor Party asked a question at that point.

If you could go from there, perhaps.

**Mr FERGUSON** - Great. I voluntarily provided information more than one year ago, that the Treasurer's Reserve was appropriately and legally accessed for early delivery of election commitments. At that time, on 24 June 2021, I indicated that 111 of those election commitments had been funded. It surprises me that there wasn't a greater level of interest at that time, given recent debate and interest in the matters. That's where I got to there.

The last point I made, when your connection was lost, was that it's always the case that if the use of the Treasurer's Reserve is of interest, and MPs or others would like further clarity about the breakdown - for example, that requests for additional funds (RAFs) accessing Treasurer's Reserve are used for - it is entirely obtainable and openly disclosable. I would have no qualms about that.

My record on this is pretty good. As our new Treasurer, I took a supplementary appropriation bill through the House - I think it was in May of this year, just before the Budget. I provided a level of detail that had not been seen before in the supplementary appropriation bill, and I got some recognition for that at the time.

I hope that is useful. I know your question was asking me about opportunity for scrutiny of the use of the Treasurer's Reserve, and it's all publicly available to the level that the recipient would be looking for. I think I can say it that way.

**CHAIR** - Can I just repeat, though: the Treasurer's Reserve and the funding that is allocated at is by way of request for additional funding (RAF), which is approved by the Governor, under these circumstances. There was a number that was approved by the Governor that come to the Parliament retrospectively. That's a fair comment, isn't it? That's a clear description of what occurs?



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**Mr FERGUSON** - Yes. There's one element missing; that parliament, in setting the budget in the preceding year, has agreed to an allocation to the Treasurer's Reserve for the Treasurer's use if those two conditions are met: if the Treasurer is of the opinion that those were unforeseen spending decisions, or the need for which could not have been foreseen; and secondly, that the Treasurer is of the view that it is necessary for efficient financial administration.

So, again, that is a forward-looking approval for the use of the Treasurer, and then it is also disclosable through the Preliminary Outcomes Report, and of course, the Treasurer's Annual Financial Report which is tabled in each House.

**CHAIR** - I want to come to that point, Treasurer. Other members might want to jump in after this. I understand, and I am sure the Committee certainly does, that the Financial Management Act allows, as you said, the Treasurer to consider the provision of additional funding to agencies through the Treasurer's Reserve for unforeseen and necessary expenditure.

When that's approved, the year before, I've always taken the view that it's for things that require funding that you wouldn't normally expect to be unrelated to what has already been approved - except for things like, say, flood damage, or a major issue in our health system, or in our education system, or something like that.

Election commitments seek to provide funds, in this case, to a whole number of organisations. I'm not saying they weren't worthy; but I'm asking you, how you made the point that these were unforeseeable and necessary expenditure for the proper operations of the Government, what test was applied to these local community facilities grants that saw them meet that benchmark of being unforeseen and necessary in this context?

**Mr FERGUSON** - Sure. At the time that budget had been established and the parliamentary approval for the budget itself being set, including the Treasurer's Reserve allocation, naturally that was prior to the election. It was also prior to the decision of the Government and the Treasurer at the time, to see as many as possible of election commitments funded as soon as possible.

If I could bring it to the Committee in this way: after the election result - and looking back, certainly I would sustain this - it was seen as a good thing to see election commitments being delivered as soon as possible. Often, immediately after the new Government is sworn in, community organisations contact the Government and MPs asking them when can we see the delivery of those promises.

If I can provide that context, that is not only entirely lawful but it was seen at the time as a very good thing to be doing. So much so, that I was quite positive in telling the House of Assembly about it on 24 June. Nobody has heard any reaction to that until quite recently; and a whole year has gone past. That is why it met that test. If we could have even done more, that would also have been appropriate because they were commitments that were made in the context of an election. People expect the Government to keep their promises and that is exactly what we did - but noting that the bulk of the election commitments were met through the subsequent budget. In four cases, the supplementary appropriation bill that Mr Willie mentioned earlier did contain the basketball funding and the following budget contained the others.

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**CHAIR** - Wouldn't it be more appropriate to put all of these into a supplementary appropriation, rather than use a RAF? You still haven't really explained how this meets the test for 'necessary for efficient financial administration', other than convenience. We will come to the assessment process of the projects later; but wouldn't it have been more transparent to put them all in the supply bill? You brought a supply bill in before the end of the year; you had time in that period to do that. It wasn't as though there was no time.

**Mr FERGUSON** - I appreciate the question and I understand why you are asking it. It is very reasonable that another way that this could have been achieved would have been through a supplementary appropriation bill. It wouldn't have been appropriate to use the supply bill mechanism. I don't think that is the point you were making; but it wouldn't have fitted within that because the supply bill has a strict methodology which is applied to it, which is based on the previous financial year. Tony will correct me if I am wrong.

Another way could have been to do a supplementary appropriation bill but that would have to be a question.

**CHAIR** - I meant a supplementary appropriation bill, not a supply bill, sorry. A supplementary appropriation bill.

**Mr FERGUSON** - You did say that, and I heard you correctly. That's another way that could have been achieved. I'm not sure it would have been possible at the time, given that 30 June was approaching quickly. The priority, quite properly, was getting supply organised in time for 30 June, including the time required for Royal Assent.

I'm not ruling it out as an improved mechanism in future, in terms of an opportunity for parliamentary debate; but I want to take the Committee back to 24 June. It was universally seen as an unremarkable, uncontroversial thing that the Government of the day and the Treasurer of the time approved election commitments using Treasurer's Reserve earlier, so that those community organisations could see early delivery. There was certainly no sense of anything to hide; so much so that we put it out there and there was no further exploration of the detail.

**CHAIR** - There was time. Things can happen quickly when you need. Rather than use an 'after the event' type of approval process, where it has already been approved and basically committed and effectively could be spent through the RAF, to use the supplementary appropriation requires the approval of Parliament before it can be expended.

**Mr FERGUSON** - I think there are both two different ways that could achieve the same outcome in respect of those 111 of the early delivery, no contest - I wouldn't argue the point at all. I can only put my feet in the shoes of the Treasurer of the day and say, well, here was a mechanism that allowed early delivery, in a lawful and appropriate way, of at least 111 of the Local Community Facilities Fund projects. That was seen at the time as a very good thing and no doubt appreciated by those community organisations; told to the Parliament; uncontroversial; and no follow up.

I would agree with the previous Treasurer that it was seen as a good thing at the time.

**Ms WEBB** - A few follow-ups on that, thank you, Treasurer. You're right, the Treasurer's Reserve was approved in the previous Budget as part of the appropriation; but the

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reason you had to get the Governor's approval was because it was a new purpose. That was the whole requirement behind the Governor's approval being required.

I'm interested in how these fit the category, as the Chair has already asked. A number of projects in the Local Community Facilities Funds were quickly funded in this way, under the Treasurer's Reserve, and then a whole raft was funded under the subsequent budget that came down in August.

**Mr FERGUSON** - Yes.

**Ms WEBB** - What was the distinction between the two groups, that classified some as urgent and needing to be dealt with as a new purpose under the Treasurer's Reserve and signed off by the Governor, while those others were dealt with in the subsequent budget?

**Mr FERGUSON** - Thank you, Ms Webb, for the question. I might invite Tony to add to my answer. I don't hold that information; but that was a judgment of the Treasurer of the day, in terms of trying to find a way to achieve early delivery of, no doubt, as many of the \$14.9 million of commitments as possible. I am happy to speculate - which is not what I usually do - that it's plausible those 111 were perhaps within the capability of the Department of Communities at the time, to get that number of grants and the paperwork associated with that.

Perhaps it wouldn't have been possible to do all of them in that time. Potentially, some of the larger ones may have needed some additional time for the department to get the correct grant deed organised in that time, noting that the election was on 1 May, and the new Government sworn in about 10 days after that. Time was obviously short and the decision was made on that basis.

Can I also, Ms Webb, let you know if you're interested, we've seen under the current legislation and under the former legislation, Governor's approval for new purpose spending has occurred in 11 out of the last 12 years. There's nothing, in of itself, that's particularly unusual about that. I am letting the Committee know that information as well.

**Ms WEBB** - Excellent. I'd like to know, while we're on that point, how many of those 11 times has the Governor provided approval related to election commitments being met as new purpose funding by the new incoming Government? Are there any of those 11 or, in fact, any previous example where that's been the case?

**Mr FERGUSON** - I don't have that information and I'm not trying to make that point. What I'm saying is that the previous legislation and the current Financial Management Act provide a mechanism that parliament has ordained that if there is a spending decision that the Treasurer wishes to make, using the Treasurer's Reserve, that if it is an existing purpose - to use the Chair's example, extra health spending - then that's an existing purpose and it doesn't require the Governor's approval. However, for the funding of Local Community Facilities Funds, which was a new purpose, that's why the mechanism under part 21(3) was required in that case.

In both cases, it is still drawn from the same Treasurer's Reserve and still requires the same test be met under 21(1).

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**Ms WEBB** - Indeed. We still haven't clarified exactly how these LCFF grants meet that test. We need to hear about that. I'm interested to come back to my question, which was about how was the distinction made between what was funded early and quickly under the Treasurer's Reserve in that manner, and what then, under the same LCFF, was funded in the later budget.

Is there documentation that can be provided to the Committee, that would show the decisions made between those two groups of grants?

**Mr FERGUSON** - If I might, Ms Webb, and Chair, I might invite the secretary to add to what I have already said, because I don't normally like to speculate, but I have in this case to try to put some context around it. It was always about, in an unremarkable fashion, seeking to see early delivery of election commitments.

I have suggested that, knowing that I wasn't the Treasurer, so I am seeking to support the Committee's interest in that way. It would be my view that there would've been consideration given to how many commitments could possibly have prudently been funded with the remaining six or so weeks before the end of the financial year.

So, Tony, if you are happy to supplement? I don't want to put words in your mouth.

**Mr FERRALL** - Thank you, Treasurer. I'd have to check whether there is explicit documentation in terms of why they were split up that way; but I can give you some commentary on it.

The Government, at that point, as the current Treasurer indicated, was trying to get as many election commitments funded as quickly as possible, and that was consistent with their position at the election.

Regarding the specific LCFF funding: we worked with communities to identify those ones which were relatively contained and simple in terms of grant deeds and requirements, because they needed to provide them as grants to those organisations. There was work done to work through which ones could be delivered by communities relatively quickly, which is how that approximately 100 were identified.

I'm not aware of any particular documentation going through each one saying 'this one could, and this one couldn't', and why; but certainly, it was about those ones which were. And they are largely of relatively small dollar value as well when you look in table.

**Ms WEBB** - I do note, though, that there is a mixed bag. You have some funded in the Treasurer's Reserve, up to an amount of, say, \$78 000, I recall; but I could be wrong. Then, you have others funded later in the budget with a lesser amount than that, for example.

It doesn't seem there was a straightforward line applied - amounts under X, will be funded this way, amounts over X, the other way.

**Mr FERRALL** - No, it wouldn't have been simply a dollar level, but the dollar level would have had an implication for it.

**CHAIR** - If it wasn't the dollar amount, how were these projects assessed to be appropriate to be funded - particularly through this measure, through use of a RAF, which, as

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we have said, is for our efficient financial administration? What test that was applied, other than being an election commitment? How did you assess the community benefit; or is that not your job?

**Mr FERGUSON** - Chair, I think I can help the Committee.

I'll share with the Committee some information that I've been provided with, which has been publicly released as part of a Right to Information request. I commend that document to the committee to answer that particular question from Ms Webb, and now from yourself.

On 1 June ...

**Ms WEBB** - Which RTI are you reading from, Treasurer?

**CHAIR** - Yes. Tell us where you are, because we probably have a copy of that RTI.

**Mr FERGUSON** - It is the RTI that was issued only in the last 10 days.

**Ms WEBB** - From which department?

**Mr FERGUSON** - I think the applicant was Cassy O'Connor.

**Ms WEBB** - From which department?

**Mr FERGUSON** - Treasury. Because it's an RTI, I'll just make sure that the Committee is given the correct link to it. It is publicly available.

To answer the question - the way that the first 111 were determined - they were assessed as being stage 1, and I'll read the sentence:

There are 111 total value \$2 465 397 assessed as being stage 1, that we will work with in the first instance to have completed prior to 30 June 2021, subject to the client completing the grant requirements. (TBC)

and here is the key sentence:

These 111 grant recipients are most likely to be able and ready to complete the grant process and deliver on the grant project objectives, without the need to negotiate conditions precedent and additional risk mitigation strategies, such as, KPIs; payment instalments and progress reports within a short lead time.

The email then goes on to discuss stages 2 and 3; it's very brief:

Those assessed as stage 2 and 3 have been placed in these stages for one, or more of the following reasons - large complex projects; multiple parties involved; extensive planning safety, or compliance requirements, et cetera.

and the second dot point:

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High value grants, \$100 000, or more, require audited financials as per Treasurer's Instructions, FC12, clause 12.9; and over \$500 000 with a project value of \$5 million, or more, requiring a Tasmanian Industry Participation Plan, clause 12.10. [TBC]

I hope that's useful, because that indicates that there was a methodology for establishing the different strata of grants where stage 1 is, perhaps, of the most interest to the Committee - being those 111 election commitments that didn't meet those stages 2 and 3 criteria.

**Ms WEBB** - I do note in that RTI - I'm looking at the same page you are, Treasurer - there are three redacted dot points there, under the list of what be one of the following reasons for being placed in stages 2 or 3. Clearly, there is still some lack of clarity about exactly how this sorting out was done, that we can't tell from this RTI document.

**Mr FERGUSON** - Well, I'm sharing with you information that deals categorically with the stage 1. The redactions are determined not by me, but by the independent person -

**Ms WEBB** - I fully understand.

**Mr FERGUSON** - Yes, but it's probably - I would be loath to comment, but there are often redactions only based on the scope of the RTI that is requested. I'm happy for the Secretary to elaborate to whatever extent he would like to, or is able to.

**Mr FERRALL** - Treasurer, I would not comment on what has been redacted, other than to say it is generally a question of scope. So, if the particular matters are outside of scope they would be redacted in terms of an RTI; but these are matters that our RTI officer has determined as appropriate to be redacted in accordance with the Act.

**CHAIR** - This particular document is released under RTI. Can the Committee be provided with a copy of this unredacted, even if it's out of scope? I'm not sure what out of scope actually means in the context here, because it appears to be instructive in the reasons that sit behind the assessment process that these projects underwent.

**Mr FERGUSON** - Yes. Chair, I'll take that on notice, on a best endeavours basis, because I don't know what I don't know. Secondly, I'm going to bring the Committee back to the point that the redaction relates to criteria for stages 2 and 3. Going back to the first principles of the question that we were actually asked; when I brought up this information, I was asked what were the criteria for establishing the 111, \$2.4 million grants. That is thoroughly provided for, and not redacted, and describes that these were chosen to be in stage 1 on the basis that these 111 grant recipients 'are most likely to be able and ready to complete the grant process and deliver on the grant project objectives, without the need to negotiate conditions precedent and additional risk mitigation strategies'. However, I'm happy to still take that on notice, if that's agreeable.

**Mr FERRALL** -Can I make one clarifying comment as well?

**CHAIR** - Sure.

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**Mr FERRALL** - This documentation relates to the process that Treasury was working with Communities Tasmania; but the judgments and decisions behind this were made by Communities Tasmania, not by Treasury. So, you are aware of that.

**CHAIR** - So we need to seek that from Communities Tasmania?-

**Mr FERGUSON** - I'm happy to take it on notice, in my own capacity. If it emerges that I'm not able to deliver, I will let you know that and you might then seek a different way to obtain that. I don't want to cut across the independent person who has determined this RTI, but I did use this document to demonstrate the criteria that was used for those 111 - not those that were in stages two and three. However, I'm still happy to take it on notice.

**CHAIR** - Thank you.

**Ms WEBB** - We still haven't really come to an understanding of what the urgency was in delivering these 111 through this mechanism, and how that represented meeting the criteria that is in the act. That's particularly since my understanding of what is now in the public domain, in terms of the letter that went back to successful applicants from the Tasmanian Liberals during the campaign period, said in the final sentence:

Should a Liberal Government be re-elected, funding will be allocated as part of this year's state Budget process.

So, an expectation had been provided to the recipients of these grants, that their funding would come through the state Budget process.

To return to the question that we've already asked, but haven't yet really received clarity on, how does this meet the requirements in the act in terms of an urgent need to be funded prior to the Budget?

**Mr FERGUSON** - Thank you, Ms Webb. It's quite simple. It's an enthusiasm by the Government to see as many election commitments being honoured at the soonest possible time, noting that a stratification was determined, a methodology, to allow different levels of grants to be considered in stages; noting that those first stage grants had the greater likelihood to be able to be completed in that time and for the organisations to deliver on them.

There was, at the time, no concern or qualms by either side of politics about the merits of getting election commitments funded as soon as possible.

**Ms WEBB** - Were all 111, that were funded in this manner, publicly announced during the election campaign, or in the period after the election campaign, and put into the public domain?

**Mr FERGUSON** - That's certainly my understanding. The Liberal Party advertised our policies and we made local announcements. There's plenty of evidence for that. Each commitment was made by the Liberal Party organisation and letters provided to the recipient organisations. Then, in office, which then comes back the use of the public account, we have worked very hard to deliver them as early as possible.

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**Ms WEBB** - I'm asking you to confirm that all 111 were announced publicly. A letter to the organisation isn't a public announcement. Were they put on the Liberal Party website, for example? Were they announced through traditional media? Were they announced as Facebook announcements on individual candidate's pages? Can you guarantee that all 111 were publicly announced?

**Mr FERGUSON** - They were Liberal Party of Australia, the Tasmanian division, campaign commitments. I'm not going to deviate from the terms of reference of this Committee or my role as Treasurer on this matter. Commitments and promises were made and widely advertised. As for the detail and the conduct of the Liberal Party's campaign, that's not the role in which I'm appearing here today, but I'm very confident in relation to the public disclosure of those announcements.

**Ms WEBB** - I'm asking those questions to try to establish context because, in funding it through the Treasurer's Reserve, that also wasn't detailed in an itemised way at the time that it was mentioned as part of the supply bill discussion on 24 June that the LCFF was mentioned. It's not clear though, that each of those 111 being funded were things that had individually been publicly announced. They weren't publicly announced then as part of the parliamentary discussion. We've arrived at knowing about the 111 through subsequent investigations and RTI processes and then, finally, tabling in response to those.

I'm trying to track public visibility.

**Mr FERGUSON** - I'm loath to take up the debate or the line of questioning in relation to the election campaign because that is outside my role as Treasurer and outside the terms of reference of this Committee. However, I am comfortable that the Secretary has already, in the chronology and the time line, outlined that Treasury watch out for and collate their own list of election commitments.

I've been clear with you in an earlier answer that I'm very confident of the public disclosure of our election promises - because that's the very point. The Liberal Party, and so do other parties, make commitments and we want people to know about them so that they will see the merits of a re-election of our particular party.

I'm happy for the chronology to be on the public record there with your committee. While Treasury and Finance do not play any role in the election other than costing policies that are submitted, they quietly gather commitments that are made by all parties and candidates so that there is a clear record, after the election, so that Treasury can assist the new Government with delivery.

I am confident on it. I don't want to seem evasive about it because I'm not; but I'm not going to spend any time going through the selection of projects during the caretaker period, because that was done by the Liberal Party campaign and policy team.

**Ms WEBB** - I'm glad that you mentioned the costing by Treasury, because the next question that flows on is: of the 111, how many were costed? Perhaps this is a question for the Secretary. You mentioned Treasury costed various policies put forward during the election. Was the LCFF in total, and were individual grants promised under it, costed during the election period?



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**Mr FERRALL** - I will have to go back and check the records from that period.

**Ms WEBB** - Thank you.

**Mr FERRALL** - My recollection is that not every one would have been costed, because some of them were identified or released late in the election costing process. We are unable to cost policies that are submitted late in the process, or sometimes we are unable to cost policies that might have insufficient information to enable us to cost.

My recollection is that not every one would have been costed because of lateness; but I need to check back to be certain.

**CHAIR** - Or insufficient information, you said earlier, as well.

**Mr FERRALL** - That occurs as well.

**Mr FERGUSON** - Again, if I can help the Committee. I'm reminded that some promises were announced in a policy document at a full press conference; others were announced with a media release sent to papers or small regional papers; some were announced on social media; and others were by providing in writing to the relevant organisation. It was made clear to the organisation that the promise that was made to this or that organisation was made on the basis of the Liberal Party being returned to Government.

I am hearing that we will happily take the costings question on notice. Would you like us to do that?

**Ms WEBB** - Yes, I would like to know about the costings, especially because there are comments in the public domain from previous treasurer, Peter Gutwein, that 'we have submitted each and every one of our policies to Treasury to be fully costed', so it would be good to understand which of these have been costed.

**Mr FERGUSON** - We had a policy for Local Community Facilities Fund and we will take that on notice and provide the detail back to the Committee, noting the comments that have already been made by the secretary in relation to some of the qualifiers there.

**Ms WEBB** - The other question that I will return to and you have just mentioned, there were potentially a variety of ways that things were announced during the election campaign. I would like to know, with regard to each of these, if they were publicly announced and if so, which of those methods that you outlined were in use at the time.

**Mr FERRALL** - In respect of the election costing period, one of the requirements of the Charter of Budget Responsibility Act in terms of costing is that for a party to submit an election commitment to treasury for costing, it must have been publicly announced. Anything that comes to Treasury for costing, must have been publicly announced; it is a requirement of the act.

The second part of it is, that through that election costing period, Treasury releases all policies which it costs, so they are publicly available and put out on the website; but we also do a reconciliation effectively at the end of that period which identifies all policies submitted to Treasury that were unable to be costed and basically, I make a statement at that point which

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indicates that they were unable to be costed either due to insufficient time or due to insufficient information. All of that has been made public, which is why I am quite comfortable to be able to get that and provide that to the Committee.

**CHAIR** - You will provide that to the Committee?

**Ms WEBB** - Can you provide it so we will have a list and an understanding then of what was submitted and then an understanding of what was completed in regard to costings?

**Mr FERGUSON** - Yes, we will.

**Mr FERALL** - Can I make one other statement to the Committee as well? It is actually very important through the election costing period that all parties can be confident that Treasury will only deal with that information on a totally confidential basis. So, we are very careful to ensure that parties can have confidence that we are dealing with everything that comes in, in a totally appropriate manner, because the election costing process would not work, unless all parties could be confident that were dealing with it quite appropriately.

**CHAIR** - All parties being political parties?

**Mr FERALL** - Political parties.

**Ms WEBB** - To clarify, it's not compulsory for parties to put forward matters for costing, so it's up to them the degree to which they put forward their policy suite or details within that.

**Mr FERALL** - Correct.

**CHAIR** - Can I clarify, Tony? You said that you only approve ones that have been publicly announced.

**Mr FERALL** - It's a requirement of the act that they're publicly announced.

**CHAIR** - However, not necessarily costed beforehand?

**Mr FERALL** - Correct.

**Ms WEBB** - Can I clarify what 'publicly announced' means in that context? As Treasury, what do you regard that to be.

**CHAIR** - I think the Minister went through that list.

**Ms WEBB** - The Minister read out ways that the Liberal Party announced policies during the campaign, but I'm checking about Treasury applying that criteria of something being publicly announced therefore can be costed. What meets the criteria of 'publicly announced'?

**Mr FERALL** - Part of the costing request with the parties is to indicate that it has been publicly announced; and they tend to then identify how that may have been done, so it could be on a publicly available website, it could be publication in a newspaper. For many election commitments it's in multiple forums and multiple places. At an extreme end it could be an

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announcement made at a public event, that may be documented or supported. We do the best we can to attempt to identify that it has been publicly announced.

**Ms WEBB** - A Facebook post would qualify there?

**Mr FERALL** - If it's a public Facebook post, it would.

**Mr WILLIE** - It's of note that we are talking about Local Community Facilities Fund. Two members of this Committee participated in that fund as Liberal Party candidates, and also directly involved in organisations that received funding. I point out that no conflict of interest has been declared. They may ask questions after me; but I will just point that out.

**CHAIR** - Point taken. It's up to those members, depending on how they participate in this, but they are entitled to be sitting here as members of the Committee.

**Mr WILLIE** - Treasurer, we have talked a lot about the Financial Management Act, and Treasury's role in the administration of funds. I have no criticism of Tony's department, I think they are doing everything they are supposed to do. However, what is of public interest is how these decisions were made. As Treasurer, you're ultimately accountable to the parliament, when talking about public money. Who was involved in the decision-making of the Liberal Party election commitments?

**Mr FERGUSON** - Thanks, Mr Willie, as I indicated earlier I am not going to exceed the terms of reference of this Committee nor my role as Treasurer. I'm happy to discuss in any level of detail the Committee may require as to the actual use of the Public Account, the decisions that were made under the FMA. I am quite comfortable dealing with the false allegations from the Labor Party that somehow the Treasurer's Reserve has been inappropriately used, because those claims have been thoroughly debunked. However, in terms of the election campaign, the caretaker period and the fact that the campaign by both our respective parties is managed by the organisation, then that's the answer to the question. I have been very clear about it already.

**Mr WILLIE** - There's no detail in the public domain, Treasurer, about how these decisions were made, and it is of public interest. You are ultimately responsible to the parliament and I think you should answer these questions.

**Mr FERGUSON** - Mr Willie, with respect, as you know, I am comfortable going into any level of detail as is of interest to the Committee in terms of the use of the Public Account. Election policies are a function of the Liberal Party of Australia, Tasmania Division, and its campaign team. The Premier and I, in the House of Assembly, have also been clear about the fact that policy committee makes the judgments not just about the Local Community Facilities Fund but our many other policies, all of which - as you know - have been submitted for costing during that period. However, I'm not going to entertain your questions about internal Liberal Party Division matters and policy formation committees. That's of no legitimate interest to you.

**Mr WILLIE** - What criteria were used to make the decisions, Treasurer, and how were sporting groups and community organisations informed of the process so they could participate?

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**Mr FERGUSON** - I'm happy to speak broadly; but I will reiterate my previous answer, with respect to you. Your Committee would be aware of its terms of reference. I'm very comfortable saying again, that our Liberal Party is highly connected to the Tasmanian community - city and country areas; sporting groups and not for profits; health and education and public safety organisations. We are very proud of the election manifesto that we put forward, because it was about strengthening Tasmania's future and looking after our future prosperity. Community organisations came to the Liberal Party members and candidates and ultimately the party made decisions about our policies and they've been publicly announced and, on forming Government, they have been funded.

I'm not prepared to share with you the internal deliberations of the Liberal Party of Australia Tasmania Division campaign.

**Mr WILLIE** - Well, perhaps you'll answer this: to give the public some confidence about how the decisions were made, how were conflicts of interest managed?

**Mr FERGUSON** - I refer you to the Premier's answers in parliament. Again, your use of those words is of interest - looking for a headline. The Liberal Party of Australia, Tasmania Division, carefully worked through proposals that were brought forward either by candidates or by individual organisations. As a political participant, Mr Willie, you'd be more than aware that during campaigns we get approached by a range of organisations with their various requests, and all of us do our best to accommodate those requests within a responsible financial envelope.

**Mr WILLIE** - Treasurer, we are talking about public funding here, not the Liberal Party's money. Were any conflicts of interest declared through your internal process?

**Mr FERGUSON** - Thanks again for the question. I'm very conscious of my responsibility as Treasurer. I've been Treasurer since April. I've been extremely diligent to be providing levels of detail to the parliament and to the community that satisfies a lot of interest. Acting responsibly is my motto here, and doing everything that's proper. I refute the use of your language and the claims that you've made there. It's just a rehash of what we heard in the House of Assembly.

**Mr WILLIE** - It's a simple process question, Treasurer.

**CHAIR** - Treasurer, as you would be aware, the Public Accounts Committee has a broad remit to follow where the money goes and the decision-making that leads to that expenditure. I asked the question earlier, and it still hasn't really been answered, as to what is the process to determine how decisions are made about which group will get funding and what criteria they are assessed against?

**Mr FERGUSON** - In terms of the Liberal Party during caretaker period, where the Liberal Party organisation is in a battle with other political parties - Liberal, Labor, the Greens, and others - each party comes up with its own policies, and makes its own determinations about its spending priorities that it would make if it were elected to office. That is a well understood fact by members of this Committee and the wider community. In terms of the actual use of the Public Account, I'm more than happy to provide any level of detail as is requested.

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**CHAIR** - The use of the Public Account comes from Government decisions around expenditure, that's where the question comes from. I will go quickly to Shane. I know he has a question and we're running out of time.

**Dr BROAD** - The Secretary talked about an appropriation, or the RAF that was \$4.7 million on 21 June. Now, \$2.5 million of was for the Local Community Facilities Fund (LCFF). Was the LCFF the only part of that request out of the Treasurer's Reserve that required specific Governor's approval in writing?

**Mr FERRALL** - No.

**Dr BROAD** - So all of that \$4.7 million required a specific approval from the Governor?

**CHAIR** - New purpose funding.

**Mr FERGUSON** - Yes. We have already provided that information, Dr Broad. Happy to do so again. We also did provide a breakdown of that figure, of the LCFF component, from memory, the No Interest Loans Scheme funding, and the third component was the Hobart Clinic, which added up to that total.

**Dr BROAD** - An election promise has been funded using the same mechanism of the Governor's approval from the Treasurer's Reserve in the past?

**Mr FERGUSON** - That is a question I had from Ms Webb earlier, and I said I didn't have that information. The only conclusion I was bringing to the Committee earlier was that the use of the Governor's approval for new purpose spending as occurred in 11 out of the last 12 years, but I don't have that break-down.

**Ms WEBB** - We would like it.

**CHAIR** - I want to ask the Secretary of the Treasurer how you actually cost election commitments when they come to you? Some of them don't have enough details, some you don't have time for, but how do you make that assessment?

**Mr FERRALL** - It's probably worthwhile commenting. In respect of a grant to a particular organisation, there's virtually nothing we can do, in terms of costing. If a party has decided to make a \$5000 grant to X organisation, then the cost is \$5000. We don't do a lot of work in terms of trying to cost those particular election commitments.

If it is a broader election commitment, which might involve additional resourcing for a particular activity, we attempt to work through whether the cost of that is reasonable and appropriate. If a party had indicated that it was looking to put on 100 additional nurses, we would look to the approximate estimate of a cost of a nurse per annum, and work through whether the funding allocated was reasonable in terms of 100 nurses, on costs, et cetera. It depends on the nature of the election commitment, how much effort or work we need to put in to come up with a costing of it.

**CHAIR** - There's no community benefit test, that you apply?

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**Mr FERRALL** - No. We don't. Our role is simply to cost the election commitments. It is not to make judgments about why a party may have made an election commitment.

**CHAIR** - Just a quick one, Josh, then we need to wrap up.

**Mr WILLIE** - Back to the decision-making, Treasurer. Was it elected members of parliament making these decisions, or was it unelected staff of the Liberal Party making these decisions?

**Mr FERGUSON** - Thank you for the question, Mr Willie. Again, it's not that I wish to be evasive but it's outside -

**Mr WILLIE** - Exactly what you are doing.

**Mr FERGUSON** - No. Josh, I know you are looking for, but allow me to answer the question.

With respect to the Committee, I do understand the interest in these matters, and I have been very forthcoming - and the Secretary as well, with my support - to provide as much detail as is required. However, I'm simply not going to allow this process to get bound up in exploring how the Liberal Party during a caretaker period, and through the Party organisation, might develop its policies. It would equally be the case if you were asking the questions about the Labor Party. It's just not the role of the Treasurer today to be explored on those matters.

**Mr WILLIE** - It is your role to defend the process, minister, and we are talking about public funding here. Good scrutiny around that is appropriate.

**Mr FERGUSON** - I think you know exactly what you're doing. I'm aware of what you are doing, as well. The Liberal Party fought the election with the Labor Party and the Greens, and other parties as well. We all understand that. Promises were made. Commitments were funded, once the Government had been elected.

I do appreciate, I really do, that the Public Accounts Committee has an interest in the use of the Treasurer's Reserve, for the stage 1, 111 projects, and I'm doing my best to satisfy the Committee's interest in this area. However, I'm just not in a position to allow this process - and I've been consistent in the House of Assembly last week as well - I'm just not prepared to engage in an exploration of internal decisions of the Liberal Party during a caretaker period in an election campaign. It's just not how it works.

**Mr WILLIE** - It is proper for the Public Accounts Committee to ask questions about how decisions were made about public money and whether that was in the public interest.

**Mr FERGUSON** - Again, Mr Willie, I've been clear. During an election campaign public money isn't being spent. You know this. When a Government is formed - and I'm more than happy to be accountable for my decisions and the previous Treasurer's decisions as well in relation to the use of the Treasurer's Reserve for stage 1 projects out of the LCFF.

**CHAIR** - We will wrap it up there thanks, Treasurer. Thank you for your time and I hope you are well and recover fully.

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**Mr FERGUSON** - Thank you, Chair. We have two questions on notice, I think. If I've miscounted, then I look forward to getting your letter and we'll do our best to turn that round as quickly as we can.

**CHAIR** - We will send that as soon as we can, too. Thank you.

**Mr FERGUSON** - Very good, thank you, have a great day.

**THE WITNESS WITHDREW**