



BARRIE SMITH MOTORSPORT PTY LTD
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8/2/2022

Inquiry into the granting of Contract #OoS17/18-021 by the Office of Sport

The Hon Daniel Mookhey MLC.

Thank you for the opportunity to respond to potentially adverse comments, to comments and questions, the answers to which were contained in my original submission to the inquiry, and to any newly raised matters.

I wish to make some general comments.

From the number of questions asked by Mark Latham to all witnesses, it seems that he is the main driver behind the inquiry.

It was also clear that he was in constant communication with external parties throughout the inquiry via his mobile phone. I expect that these parties were some of the same people who initially supplied submissions to the enquiry. It is a pity that my factual replies to these submissions in my original submission were not taken into account.

One other matter surprised me greatly. As the Chair of the Inquiry, I expected that you would have read some of my submission and therefore been aware of the tendered price, as the details below were on the page 2 of my submission.

Tenderer	Basic Price	Ebb & Flow cost	Perforated Mat	Tender Price
Equestrian Services	574,294	N/A	N/A	574,294
Capricorn Aust	498,230	150,000	N/A	648,230
BSM (Otto Sport)	466,662	150,000	118,776	735,438

Your comments in the transcript from March 17 regarding the cost of removing the pieces of Otto mat indicated that the Office of Sport spent \$300,000, about 10% of the cost, which would make the tender price \$3,000,000. The fact of this matter is that I paid for the removal of the pieces of Otto mat and the cost was about \$5,000. Refer Karen Jones' transcript November 29, page 3.

The format I have used below to refute incorrect and potentially adverse comments consists of a question copied from the transcript of March 17 2022 (in black type) and [my correction \(in blue\)](#).



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The Hon. MARK LATHAM: Mr Verwey, on that last point you mentioned about shipping the materials from overseas, the Committee heard from Barrie Smith that that was his plan but then there were problems on the docks and then he had a plan B which was to source the sand from a different location. Then he went to plan C, which was to get it from Wallaby Hill. Just on that, and your knowledge of the industry, how realistic was the original timetable to think that these materials could come from overseas at short notice?

It is not correct that I indicated that “there were problems on the docks”. I would have indicated that because containers were being shipped from Spain & Germany and arriving over the Christmas period, it would be important to avoid delays on the docks. As it turned out, the delivery of the containers went smoothly without delays and the project was completed on time.

His “Plan B” reference to sand from a different location misses the point. The indoor arena at SIEC would have used the same sand product whether delivered direct from the quarry or shipped from Wallaby Hill.

LOU VERWEY: Well, the goods which came from overseas were loaded three days after the tender was awarded. So you had to collect those goods first and then consolidate them and then get them in containers and then get them to a port. So we are not talking about sand; we are talking about the mats and other equipment.

My original submission contained an email from Otto in Germany indicating that the containers from Spain were packed on November 13 & 14, 2017 & the container from Germany was packed on November 20th.

The Letter of Award was received on November 6th, 2017.

As a precaution I had ensured that Otto had set aside the required items so that delays would be minimised in the event of a successful tender. A total of 108 pallets were loaded into containers. If you allow 5 minutes per pallet, loading the 108 pallets would take 9 hours, easily achievable in the week between receiving the Letter of Award & having containers packed.

The Hon. MARK LATHAM: Mr Smith said he had a particular problem in accessing the right kind of sand.

LOU VERWEY: That is another problem; that could be.

The Hon. MARK LATHAM: But the materials from overseas, these were the mats?

LOU VERWEY: They are the mats.

The Hon. MARK LATHAM: Are you saying they had only three days' notice before they were loaded?

LOU VERWEY: That is correct.

The Hon. MARK LATHAM: You are saying that is very improbable?

LOU VERWEY: If it is three or four days or even five days, that is a very short period of time. If you have to get them from overseas, you cannot organise it in five days. You need to present a container to the vessel five days prior.

My reply above refutes Lew Verwey's understanding of what is possible when packing & shipping containers.

The Hon. MARK LATHAM: It is your evidence that the Barrie Smith tender was never realistic and could never be delivered?

LOU VERWEY: Ah, perhaps Mr Smith knew before and purchased the material.

This is a clear case of Mark Latham leading the (hostile to me) witness. From my response above & in my original submission (which it is clear from his questions that Mark Latham never read), it was clear that, while the timeframe was tight, with pre-planning and efficient packing & shipping the delivery times were achievable and the shipping records bear this out.



The Hon. MARK LATHAM: In the before time period, your submission makes the claim that you witnessed Mr Farrar, who is the instigator and urger and involved heavily in the process for this tender, take a sample of arena material you installed at Bawley Point and gave it to Mr Smith on 1 October 2017?

LOU VERWEY: Yes.

This is not correct. At no time did I receive any sand samples from Bruce Farrer. It is my understanding that Bruce Farrer was collecting sand samples for his own use to inform himself of the various sand types used in riding surfaces.

Lou Verwey's own submission to the enquiry claims that "Bruce proceeded to show Barry Smith the enclosed sample and they had a lengthy discussion". Verwey's answer above stating that Bruce gave me the sand is clearly at odds with his own submission.

Also at the time that Bruce obtained the sample, it is my understanding from Bruce Farrer that he did so after clearing it with Terry Snow who by that time was the owner of the sand.

A sample of sand, without knowing the quarry from which it was produced and the quarry's Name for that particular sand, is completely useless, so whatever the actual facts of the above, a sample of sand in isolation is of no value.

The Hon. MARK LATHAM: Then when you found out about the undeclared conflict of interest, where Mr Farrar did not declare that Stephen Dingwall, the son of his president, would be a financial beneficiary, why did you not write directly to the Office of Sport to let it know about it rather than writing to Equestrian NSW?

LOU VERWEY: My contacts have always been with Equestrian NSW, and I never thought to go through another channel.

Another case of Mark Latham leading the witness. There was never any conflict of interest as at no time was Stephen Dingwall employed by my company, nor was he involved in any way with the tender. He was hired as a contractor after the arena was installed & accepted by The Office of Sport, and his role was limited to training SIEC staff in the techniques of grooming the arena surface.

The Hon. MARK LATHAM: I do not know if you heard the earlier evidence of Alex Townsend, but as a professional in this industry, how unusual would it be—unprecedented, indeed—to lodge a tender to say that you are getting materials from overseas and sand from a certain location and then go to second-hand materials stockpiled on a property at Wallaby Hill to transport them up to the SIEC?

LOU VERWEY: Transporting and installing second-hand material would not be good in any case.

Appendix D contains a reply to a Mrs Dawkins who questioned Otto Germany about the material moved from Wallaby Hill to SIEC. In this reply, Markus Fleishmann confirms to Mrs Dawkins that the "this was a brand new surface which had not been used, and was exactly the ideal composition for an indoor arena such as at SIEC, the decision was taken to truck the surface to SIEC where it was installed under the supervision of the Otto Engineer".

The Wallaby Hill material was mostly sand, which was never intended to be part of the overseas materials.

The Hon. MARK LATHAM: What action have you taken about the fact that you missed out, having been the preferred tenderer in the tender evaluation process, and the contract went elsewhere in these extraordinary circumstances? Have you taken any legal advice about the impropriety of it and sought any compensation for your lost time and effort?

LOU VERWEY: No.

The CHAIR: Was he the preferred tenderer?



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The Hon. MARK LATHAM: Yes. That is right, isn't it, Mr Verwey? You were the preferred tenderer, as assessed by the tender evaluation process?

LOU VERWEY: That is what I understand.

The Hon. MARK LATHAM: That is what the Office of Sport documents indicate. What sort of contact did you have with the technical advisory committee that Mr Farrar headed and organised in its work and assessment of your technical proficiency?

Yet another case of Mark Lathan leading the witness.

Mr Latham's assertion that Lou Verwey was the preferred tenderer is simply not correct.

Information released into the Public Domain via FOI confirms that Barrie Smith Motorsport was the preferred tenderer.

The CHAIR: As a result, is it the case that if Mr Smith was using the Wallaby Hill material, he would have saved money on otherwise procuring material?

LOU VERWEY: Yes, because if he would not have been able to re-use it, he has to dispose of it.

The CHAIR: So, as a result, the decision that he was seemingly party to, to use the Wallaby Hill material, would have led to a direct financial benefit to him in that he would have avoided having to pay for its disposal, and presumably would have avoided having to buy the material that he was warranted to pay. Is that fair?

LOU VERWEY: That is what I would say, yes.

The CHAIR: Is that a way in which a person who successfully gains a contract can improve a margin, if the costs obviously are lowered?

LOU VERWEY: I do not understand your question.

The CHAIR: I am saying is that the way in which if the Office of Sport's contract effectively resulted in the winning contractor earning a low margin, one way in which it could potentially improve its margin would be to substitute the materials.

I would like to draw attention to the transcript of my testimony as a witness to the enquiry.

“The Hon. SAM FARRAWAY: Did you purchase the sand from OTTO? Did they bill you for the sand?

Because they technically owned the matting and the product and the mix and, I suppose, the sand.

Mr SMITH: Yes.

The Hon. SAM FARRAWAY: So you would have budgeted, as part of your tender, to purchase the sand from either Clarence or—

Mr SMITH: What I did was replace the sand that OTTO used to put a different surface into Alex Townsend's outdoor arena.

The CHAIR: So you ended up paying to put the sand back into Ms Townsend's arena?

Mr SMITH: Effectively, it was a quid-pro-quo thing. We used OTTO's surface that they had installed at Alex's place, and so I provided them with the sand and the fabric content, which they then used to replace the surface.”

“The CHAIR: You did that as a quid pro quo with OTTO; correct?

Mr SMITH: Yes.

The CHAIR: Is that because OTTO had an obligation to replace the sand for Ms Townsend?

Mr SMITH: Yes.

The CHAIR: In order for them to meet that, you effectively funded it and took the sand away to be used to meet your contractual responsibilities with the Office of Sport.

Mr SMITH: It seemed like the best solution at the time.”

It should be clear from the above that the assertions by The Chair that there was a financial benefit in using the as-new Wallaby Hill sand/fibre mix at SIEC cannot be substantiated.



- The as-new material moved from Wallaby Hill to SIEC had to be replaced to Otto – so no cost saving as suggested above could have been achieved. The replacement sand/fibre mix was of similar cost to the Wallaby Hill mix.
- The cost of trucking the as-new material from Wallaby Hill to SIEC was \$7,806.15, so no financial benefit there either.

The Hon. MARK LATHAM: Mr Verwey, coming back to the tender specifications—where, again, Mr Farrar had a heavy involvement—if they were designed for this EBB & FLOW system that only OTTO and Barrie Smith Motorsport, as their agents, could supply, why did you tender and what sort of product would you have delivered in the context where the tender evaluation had you as the preferred tenderer?

The Tender document from the Office of Sport, as I recall, only requested a tender for a “World Class” riding surface. The fact of the matter is that there is no International or National Standard for equestrian riding surfaces, unlike there would be for a highway.

Each of the three tenderers proposed a different solution as summarised below in a table I supplied with my initial response to submissions, and repeat here for clarity:

The price tendered by BSM, when compared on an “apples to apples” basis to the other two Tenderers was the lowest of the three Tenders. (assumes Ebb & Flow cost of about \$150,000).

Tenderer	Basic Price	Ebb & Flow cost	Perforated Mat	Tender Price
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BSM (Otto Sport)	466,662	150,000	118,776	735,438

It was the inclusion of the additional features required to enable the riding surface to be truly World Class which accounted for the cost over and above the other Tenderers.

When The Office of Sport decided on the most expensive tender in terms of cost, it decided in favour of the tender which offered the most features and so ensured that the project delivered to SIEC represented the best possible value and a World Class riding surface.

LOU VERWEY: We have quoted for an EBB & FLOW system, with our EBB & FLOW system. In hindsight, we raise that all the time in tendering because the mats were the preferred item, I suppose.

The Hon. MARK LATHAM: So you could have supplied the same material that Barrie Smith was supposed to supply at the SIEC. Is that right?

LOU VERWEY: We have an EBB & FLOW system, but it is different to what is there now. It is an EBB & FLOW system but it works on a different principle.

The Hon. MARK LATHAM: Your feeling is that you could have supplied the product but in the end the technical advisory committee knocked you out on what you see as unfair grounds. Is that right?

LOU VERWEY: Yes, I do not think it is fair.

The table above does not support Mark Latham’s suggestion that any tenderer was unfairly treated.

The Hon. MARK LATHAM: It certainly does not seem fair that it had no contact with you to find out how technically proficient you would have been. It does seem quite an extraordinary process. Is there anything else about the process that you found unusual?



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LOU VERWEY: I felt it was unusual the fact that we had submitted our tender and had never been asked any questions, which is quite unusual. If we send a tender in to somebody, a quotation to somebody, we always ask questions. But we have not been asked questions, we have only been told that we were not successful.

The Hon. MARK LATHAM: You have said that the technical advisory committee had no contact. Are you saying that the Tender Evaluation Committee had no contact with you as well?

LOU VERWEY: Yes.

The Hon. MARK LATHAM: And no-one from the Office of Sport had contact with you to assess the quality of what you were submitting?

LOU VERWEY: No.

The Hon. MARK LATHAM: How does that work?

The CHAIR: Did you make inquiries or did you seek to follow up your bid?

LOU VERWEY: No. But that said, if you submit a tender, you just have to wait until somebody calls

The above lack of contact outlines the exact same experience which I had. I assumed that if a tenderer supplied sufficient information with the tender document, then no further information would be required.

The CHAIR: I am trying to understand how broad this market is. Have you previously encountered or competed with Barrie Smith Motorsport for the installation of arenas?

LOU VERWEY: The first arena Barrie Smith Motorsport installed was the indoor arena at Wallaby Hill and the second one was the outdoor arena at Wallaby Hill.

The CHAIR: In respect to your experience, is it reasonable to say that you had installed five prior to the SIEC bid?

LOU VERWEY: Yes, correct.

The CHAIR: And, to the best of our knowledge, Mr Smith had only installed one?

LOU VERWEY: Correct. Perhaps prior to the SIEC project he has done—yeah, okay, he has done one. Agreed.

The CHAIR: And there were issues to do with that first installation—namely, the installation of the wrong material—that resulted in a request by the owner of Wallaby Hill to replace that surface. Is that your knowledge?

LOU VERWEY: Yes, that is my knowledge.

The CHAIR: When you bid, did you emphasise your experience in arena installation?

LOU VERWEY: Yes.

The CHAIR: Did you think that was one of the more significant strengths of your bid?

LOU VERWEY: I do not know.

The CHAIR: I am trying to understand. You nominated and you cited your experience with arena installation as a reason why you could be trusted to deliver the surface at SIEC on time and on budget, I presume?

LOU VERWEY: Yes.

The CHAIR: Fair enough. Were you surprised to learn that you had lost out to a person who was relatively new to the industry?

LOU VERWEY: Yes.

The above discussion totally misses the basis of my tender. Actually I had installed NO arenas prior to SIEC.

My tender outlined very clearly the structure of the Project and my role was merely to facilitate the provision of a “World Class” riding surface for SIEC. My expertise was in arranging the logistics to ensure that all the local material (sand) and the imported Otto material were available in time to complete the project in the required time frame.

The project involved the following Companies:

- JK Williams – Project Management – Luke Brown Manager – Experienced Show Jumper



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- Excel Earthworks – Earth Moving – completed 2 Ebb & Flow arenas at Wallaby Hill
- PMH Building – Plumbing & Electrical - completed 2 Ebb & Flow arenas at Wallaby Hill
- Otto Sport – International Arena Installation Manager – Gerd Hermann

Despite the assertions from mostly uninformed outliers the SIEC Project was very successful – “The surface was assessed in March 2021 as safe by two persons with international-level credentials: a technical delegate to the Tokyo Olympics in dressage, and the Fédération Equestre Internationale jumping course designer” Extract from Karen Jones CEO Office of Sport transcript.

Since the time of the SIEC Project, BSM has installed a further 5 Otto Ebb & Flow arenas without the direct assistance of an Otto Engineer due to Covid restrictions. One of these arenas was a 12,000 M² Show Jumping Arena at Willinga Park which is probably one of, if not the largest, Ebb & Flow arena in the World.

Two of the above arenas were installed to replace Capricorn Australia Ebb & Flow Arenas at Willinga Park which had failed for various reasons.

The CHAIR: Fair enough. Without necessarily understanding all the relationships—but, therefore, you would have had some discussion with Ms Townsend about the quality of the property?

JOHN VALLANCE: About the footing? Yes. At that stage I only looked at the indoor arena.

The CHAIR: And this was after the arena was replaced—Ms Townsend's was replaced, and you were seeing the product that you thought was a good product?

JOHN VALLANCE: Yes, she originally had an arena—

The CHAIR: A hopeless product, you said.

JOHN VALLANCE: —a product there from another company, and it was—

The Chair cuts John Vallance off before he has time to explain. The “hopeless” arena referred to by John Vallance was a previously installed Capricorn Australia surface (not using Ebb & Flow).

The CHAIR: It was the same company, actually. [This is NOT correct – see above](#)

Ms Townsend said that the original track was installed by OTTO; that there was an issue with the sand, and after a rain event she contacts OTTO and they decide to replace it. You are saying to us that you were aware that she had a hopeless surface—I think that was the term you used.

The Chair is again confusing which arena was the “hopeless surface”.

JOHN VALLANCE: Sorry?

The CHAIR: You used the term that she had a hopeless surface and then she replaced it, and you went and saw the new surface.

JOHN VALLANCE: That is right.

John is here referring to the previously installed Capricorn indoor arena surface as the “hopeless” one and the Otto Ebb & Flow as the “new surface”.

The CHAIR: And that was great, but they were both from the same company—the hopeless one and the good one were both from OTTO.



The Chair is confusing the Wallaby Hill arenas. As above, the “hopeless one” is an old Capricorn Arena in the indoor arena which was replaced with an Otto Ebb & Flow. It was the Outdoor arena surface which was removed to the indoor at SIEC.

The Hon. MARK LATHAM: Your assessment of Capricorn Australia, which had been the tender evaluation committee's preferred tenderer and they had a cheaper quotation than Barrie Smith, the first two lines here read: First company to install ebb and flow in Australia
Positive response to recent installations.
What were those positive responses?

As indicated earlier, the assertion that Capricorn Australia had been the preferred tenderer is not borne out by information released into the Public Domain under FOI.

JOHN VALLANCE: At that stage I understood that he had installed an EBB & FLOW system without mats and without technology involved in having sensors in the soil at Willinga Park, and I had occasion to work on that arena.

The Hon. MARK LATHAM: Is that the only one?

JOHN VALLANCE: Of his arenas?

The Hon. MARK LATHAM: Capricorn, yes.

JOHN VALLANCE: Yes, I am pretty sure it is the only Capricorn arena that—of the EBB & FLOW style.

The Hon. MARK LATHAM: That you came across, yes.

JOHN VALLANCE: Like other arenas, prior to the introduction of the EBB & FLOW, I had seen several.

The Hon. MARK LATHAM: Right. So you knew that Willinga Park was working well for Capricorn but had no knowledge of how the Barrie Smith OTTO one was going at Wallaby Hill. Barrie Smith was costing more. On what basis did your committee recommend for Barrie Smith?

JOHN VALLANCE: I think the reason Barrie Smith's tender came up higher was because of the installation of the mats.

The CHAIR: Okay, as in you thought that the significant advantage of his particular bid was his use, or the use of mats in the OTTO product.

JOHN VALLANCE: It is one of these significant things, yes, and I did not have such great experience with the Capricorn surface when I designed a jumping course at Willinga Park.

The CHAIR: So when you say you did not have much experience it is that you did not have a positive experience?

JOHN VALLANCE: Yes, sorry—did not have a positive experience.

The CHAIR: Right.

JOHN VALLANCE: We were not allowed to put any vehicles on the arena. It was too green, Mr Verwey said. It had been down for two or three months, as I understand it, at that stage. At that time, and the reason we were actually using the Capricorn EBB & FLOW arena was because of a significant rain event. We were originally to jump on the grass arena but it was too wet to safely do that so we transferred all the jumping onto this one warm-up arena that Capricorn had installed. It rained and rained and rained, so the water was not getting away as it should and Mr Verwey had to physically go and adjust the ballcock that determined the level of the water. It just looked a little bit agricultural to me and my thoughts were, "What happens if it had rained overnight? There is no-one there to adjust the ballcock to do it." So there was that, and there were other arenas, not just EBB & FLOW, but other arenas have been installed and within two or three days they are effectively ready to be competed on. That is part of the reasoning for my decisions.

The Hon. MARK LATHAM: Right. In your summary you say, "The Barrie Smith Motorsport appear to have a schedule in place that will allow them to comply with the tight frame for the installation of a new surface to get ready for this scheduled event in early 2018." Was there any evidence that Barrie Smith could meet his timetable for importing these mats and accessing the sand, other than just an assurance from him? Did anyone say, "Where is your evidence that you can get these things off the dock overseas and into Australia?"



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JOHN VALLANCE: Not that I am aware of.

The Hon. MARK LATHAM: No?

The CHAIR: Sorry, just quickly: Did the committee accept that at face value? Is that your evidence, or did the committees of which you were a member accept that representation from Mr Smith at face value?

JOHN VALLANCE: I would say yes.

The CHAIR: Okay. You did not take any other steps to interrogate whether that was feasible?

JOHN VALLANCE: No.

The CHAIR: And it was your understanding that he was sourcing that material from overseas?

JOHN VALLANCE: Yes, and that was told to us—that the mats were coming—

The CHAIR: From overseas?

JOHN VALLANCE: Yes.

The CHAIR: And no-one mentioned to you they were in fact actually likely to come from Wallaby Hill?

The Chair fails to understand the construction of an Ebb & Flow arena. ALL the overseas components included in the tender document for the SIEC arenas were actually delivered & installed at SIEC.

The sand mix was never going to be imported and that is the ONLY item moved from Wallaby HILL, The sand mix for the SIEC Outdoor arena was mixed at SIEC.

The Wallaby Hill material represented only about 5% of the total cost of the Project.

JOHN VALLANCE: I had one meeting where I was introduced to the Office of Sport. At that stage I had been asked to provide expert knowledge, I suppose. I do not think I had been asked to sign off on the material—or the installation of the surface at that stage.

The CHAIR: But you said in your opening statement that you certified it as being fit for purpose. That is correct?

JOHN VALLANCE: Ultimately I did, yes.

The CHAIR: You were both in the evaluation panel on the tender and then, when the actual material was installed, you returned to certify it as being correct.

JOHN VALLANCE: As fit for purpose—safe, and fit for purpose.

The Hon. MARK LATHAM: Did you know at that time about these grommets that were in the surface?

JOHN VALLANCE: At what time was that, Mr Latham?

The Hon. MARK LATHAM: When you signed it off in January 2018?

JOHN VALLANCE: I was aware that there were some grommets in there and I believe in my initial submission I said that there were some, but there was not a proliferation of them.

The Hon. MARK LATHAM: Why did you sign it off if there were these pieces of plastic in there that were not supposed to be there and it was using second-hand materials from Wallaby Hill in noncompliance with the tender spec?

JOHN VALLANCE: The Office of Sport had allowed the noncompliance.

Refer to the email from Darren Crumpler in Appendix E of my original submission.

Darren listed the conditions under which the Wallaby Hill surface would be accepted. All these conditions were satisfied and so the installation of the Wallaby Hill surface (remember certified by OTTO as a new surface) went ahead.



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JOHN VALLANCE: No. When the athletes tested it, there were maybe one or two or three grommets. The showjump riders who tested the arena had no issue. They thought it was absolutely fantastic.

The CHAIR: But the evidence we got was that this was a problem that was likely to be exposed with use and that, therefore, the people who first used it would not have noticed it and that as the arena was used is when the magnitude of the problem was certified. That is what we have been told. As a result of that, the Office of Sport has to spend **\$300,000-plus** to fix it, which is about 10 per cent of the original cost. What I am trying to understand, Mr Vallance, is when you signed it off as being fit for purpose was it a correct judgment?

JOHN VALLANCE: Yes.

The Chair is incorrect making the above statement that the Office of Sport had to spend \$300,000 plus to fix it which is about 10 per cent of the original cost. 10 per cent would make the project a \$3,000,000 project and the tender amount was \$735,438. BSM paid for the rectification which was performed over two days at a total cost of approximately \$5,000!!!

JOHN VALLANCE: I watched the three showjump riders and showjumping has more impact on a surface than dressage or showing—they are low-impact events. If a horse is jumping an obstacle which is 1.6 metres high and 1.5 metres wide, they need a good surface that does not move away from them on take-off and does not slide away from them on landing. These riders started out at around 1.2 metres and just gradually worked up to about 145 and then, in the end, one of the riders—I think it was Billy Raymont—said, "John, put it up to 160." He wanted to feel what it was. They came out of there and said, "This is unbelievable."

The CHAIR: That is interesting and useful, but why then did we have to pay \$300,000 to repair the site less than a year after its installation?

Where did The Chair get this \$300,000? And if it was less than a year after it's installation, surely that would be a warranty issue and not for the Office of Sport to undertake?

The Hon. MARK LATHAM: So the taxpayer is lumbered with this problem, but down there at Wallaby Hill they were straight in there to correct it for Alex Townsend. They stockpiled the material and sent the problem to Horsley Park. That is what happened

The taxpayer was not lumbered with any problem – the pieces of Otto Perforated mat were greatly reduced by BSM and at their own expense.

The Hon. MARK LATHAM: Mr Vallance, can I just come back to the technical advisory committee process? Did you have conversations with Stephen Dingwall about the Barrie Smith tender?

JOHN VALLANCE: No.

The Hon. MARK LATHAM: Or Peter Dingwall?

JOHN VALLANCE: No.

The Hon. MARK LATHAM: There was also confusion, and the Office of Sport still does not really know, that in serving on the technical advisory committee Mr Farrar lodged a declaration of interest, which was nil, but they cannot find anything that you or Ms Farrell lodged. Do you remember lodging a declaration of interest?

JOHN VALLANCE: No, I do not.

The Hon. MARK LATHAM: No-one asked you, "Have you got any interests here you need to declare to make sure it's a clean process?"

JOHN VALLANCE: I understand what the conflict of interest is about. I cannot recall having made that declaration.

The Hon. MARK LATHAM: And how would you describe your relationship with Stephen Dingwall?

JOHN VALLANCE: When?

The Hon. MARK LATHAM: At any time? For instance, did you approve his selection on the New South Wales State jumping squad?



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JOHN VALLANCE: No, I am not a selector. At that stage I was not a selector.

The Hon. MARK LATHAM: You had not ever selected Stephen Dingwall for any position in the jumping fraternity?

JOHN VALLANCE: As I said, I was not a selector.

The Hon. MARK LATHAM: Had you had any commercial contact or arrangements with Stephen Dingwall in any other way?

JOHN VALLANCE: No.

The Hon. MARK LATHAM: How do you explain, in hindsight, Barrie Smith Motorsport getting this tender and, at the end of the day, was this not just a favour to Peter Dingwall that his son was doing the work?

JOHN VALLANCE: I find that preposterous. I think that is ridiculous, I am sorry.

Typical Mark Latham – badgering the witness with questions, the answer to which had already been noted.

The Hon. MARK LATHAM: But do you acknowledge now that it was an oversight in that the grommets came from Wallaby Hill, a property owned by a member of the board of Equestrian NSW, where the president of that body, his son was a financial beneficiary of doing the work and a financial beneficiary of moving this second-hand material to SIEC?

Dr GEOFF LEE: What was the question, Mark?

The Hon. MARK LATHAM: The question was do you believe it was an oversight that this major problem in the process, that the grommets came from Wallaby Hill, which is owned by Alex Townsend, who was on the board of Equestrian NSW, and the president of that board, Mr Dingwall, his son is a major beneficiary financially of the decision to source the material second-hand from Wallaby Hill? Shouldn't that that have been referred to O'Connor Marsden as a matter of course?

Mr Latham is badgering another witness with the same question answered previously. It has already been stated that Stephen Dingwall was never an employee of BSM. Nobody benefited financially from the decision to source the Wallaby Hill material. BSM actually incurred additional costs.