

Ms Tanya Bosch
Director, Budget Estimates
Room 812
Parliament of New South Wales
Macquarie Street
SYDNEY NSW 2000

Dear Ms Bosch

I refer to your letter of 21 December 2004 regarding questions taken on notice during the Budget Estimates Hearing on 20 December 2004.

The Reverend the Hon Dr Gordon Moyes asked a question, which was taken on notice, concerning legal costs incurred as a result of Mayne Group Limited's transfer of the operation of the Port Macquarie Base Hospital to Affinity Health Care, which appeared on page 30 of the Hansard transcript provided. In response to Dr Moyes' question, I can advise that:

As of 14 January 2005, the Health Administration Corporation has been invoiced legal costs and disbursements of approximately \$1.4 million in responding to Mayne Group Limited's proposed sale of the right to operate Port Macquarie Base Hospital to Affinity Health Care. This amount includes costs for litigation.

Further costs are expected to be invoiced at a later date.

Yours sincerely

Robyn Kruk
Director General