

# **GENERAL PURPOSE STANDING COMMITTEE NO. 2**

**Monday 18 August 2014**

**Examination of proposed expenditure for the portfolio area**

## **HEALTH, MEDICAL RESEARCH**

**The Committee met at 9.00 a.m.**

### **MEMBERS**

The Hon. M. J. Pavey (Chair)

The Hon. D. Clarke  
The Hon. G. J. Donnelly  
The Hon. J. A. Gardiner

The Hon. P. Green  
Dr J. Kaye  
The Hon. S. J. R. Whan

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### **PRESENT**

**The Hon. Jillian Skinner**, *Minister for Health, and Minister for Medical Research*

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### **CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS**

Corrections should be marked on a photocopy of the proof and forwarded to:

Budget Estimates secretariat

Room 812

Parliament House

Macquarie Street

SYDNEY NSW 2000

**CHAIR:** Good morning. I declare open the hearing of the inquiry into the budget estimates 2014-15. Before I commence I acknowledge the Gadigal people who are the traditional custodians of this land, and I pay respect to the elders past and present of the Eora nation and extend that respect to other Aboriginals present. I welcome Minister Skinner and accompanying officials to this hearing. Today the Committee will examine the proposed expenditure in the important portfolios of Health and Medical Research.

Today's hearing is open to the public and is being broadcast live via the Parliament's website. A transcript of today's hearings will be placed on the Committee's website when it becomes available. In accordance with the broadcasting guidelines, while members of the media may film or record Committee members and witnesses, people in the public gallery should not be the primary focus of any filming or photography. I also remind media representatives that you must take responsibility for what you publish about the Committee's proceedings.

It is important to remember that parliamentary privilege does not apply to what witnesses may say outside of their evidence at the hearing. So I urge witnesses to be careful about any comments you make to the media or to others after you complete your evidence as such comments would not be protected by parliamentary privilege if another person decided to take action for defamation. The guidelines for the broadcast of proceedings are available from the secretariat.

There may be some questions that a witness could only answer if they had more time or with certain documents to hand. In these circumstances witnesses are advised that they can take the question on notice and provide an answer within 21 days. Any messages from advisers or member's staff seated in the public gallery should be delivered through the chamber and support staff and the Committee clerks. Minister, I remind you and the officers accompanying you that you are free to pass notes and refer directly to your advisers seated at the table behind you. Transcripts of this hearing will be available on the web from tomorrow morning.

Finally, I ask everyone to turn off their phones for the duration of the hearing. All witnesses from the department, statutory bodies or corporations will be sworn in prior to giving evidence. I remind the Minister that she does not need to be sworn in as she has already sworn an oath to office.

**ROHAN JOHN HUNGERFORD HAMMETT**, Deputy Secretary, Strategy and Resources, NSW Health,  
**MARY CHRISTINE FOLEY**, Secretary, NSW Health,  
**KERRY CHANT**, Deputy Secretary, Population and Public Health, and Chief Health Officer, NSW Health,  
**KENNETH DOUGLAS WHELAN**, Deputy Secretary, Purchasing and Performance, NSW Health,  
**KAREN JAN CRAWSHAW**, Deputy Secretary, Governance, Workforce and Corporate, NSW Health, and  
**JOHN SIDNEY ROACH**, Chief Financial Officer, NSW Health, sworn and examined:

**CHAIR:** I declare the proposed expenditure for the portfolios of Health and Medical Research open for examination. The questioning for the Health portfolio will run from 9.00 am. to 11.00 a.m. The questioning for the Medical Research portfolio will run after morning tea from 11.15 a.m. to 12.25 p.m. Government members have decided to reserve their right to questions. As there is no provision for a Minister to make an opening statement, we will begin with questions from the Opposition.

**The Hon. GREG DONNELLY:** I will start my questioning on the matter of the Northern Beaches hospital. After coming to office in March 2011 when did the Government decide to go down the path of a private hospital?

**Mrs JILLIAN SKINNER:** As you know, we went to the election with a commitment to build a Northern Beaches hospital—this had been a commitment by the former Government as well—on the site which is now the one where it will proceed. As part of the process of determining how we would build that facility we did some market sounding. We had a look at the clinical services plan, the circumstances of the two existing hospitals and the population of the district. We did a market sounding to find out the interest of the private sector—

**The Hon. GREG DONNELLY:** I am sorry, I am just looking for roughly the time period. When was that decision taken to proceed with the plan?

**Mrs JILLIAN SKINNER:** After the market showed there was very strong interest.

**The Hon. GREG DONNELLY:** When was that?

**Mrs JILLIAN SKINNER:** I have the dates. I think we first started—do you remember?

**Dr HAMMETT:** There was a market sounding undertaken in November 2012.

**Mrs JILLIAN SKINNER:** Then a request for interest—

**The Hon. GREG DONNELLY:** Followed that some time?

**Mrs JILLIAN SKINNER:** Yes.

**Dr HAMMETT:** That is right.

**Mrs JILLIAN SKINNER:** I think it was May in 2012.

**The Hon. GREG DONNELLY:** I will move on to the document referred to as the "Northern Beaches Health Services Redevelopment: A new wave in healthcare ", which is subtitled, "Requests For Proposals Executive Summary". With respect to the request for proposals, can you indicate to the Committee how many businesses or hospital operators had shown some interest in the proposition of proceeding with the planned private hospital?

**Mrs JILLIAN SKINNER:** I am happy to answer to the best of my knowledge but you have to understand that because this was a tender process with the private sector I was personally not involved in any of the details on this.

**The Hon. GREG DONNELLY:** Sure, but we are talking about the businesses themselves.

**Mrs JILLIAN SKINNER:** I think there were three actual hospital operators. I think Dr Hammett is the person to answer.

**The Hon. GREG DONNELLY:** Thank you.

**Dr HAMMETT:** We had four respondents to the initial expression of interest documents—

**The Hon. GREG DONNELLY:** Who were they?

**Mrs JILLIAN SKINNER:** Did we ever publish that?

**Dr HAMMETT:** I am not sure that that information has been made available at this point. I will have to take that on notice.

**Dr JOHN KAYE:** We know about the Adventist; that is public knowledge.

**The Hon. GREG DONNELLY:** We know of three. We know of Healthscope Limited, Ramsay Health Care Limited and Adventist HealthCare. Who is the fourth one?

**Dr HAMMETT:** I need to take that on notice because I am not sure if there are commercial-in-confidence matters that apply to that proposal.

**The Hon. GREG DONNELLY:** In this question I am just identifying the businesses or the entities, not their actual proposition. Surely we can find out who the fourth operator was.

**Mrs JILLIAN SKINNER:** When it finalised there were three in the running.

**The Hon. GREG DONNELLY:** But my question was how many were in the running.

**Mrs JILLIAN SKINNER:** Three.

**The Hon. GREG DONNELLY:** No, there were four proponents. That was the answer given. It came down to three, so who was the fourth one?

**Dr HAMMETT:** Just to be clear, there was an expression of interest process to which four applicants responded—

**The Hon. GREG DONNELLY:** And my question is, Who is the fourth one?

**CHAIR:** Order! Let the witness answer the question.

**The Hon. GREG DONNELLY:** My question is straightforward: Who is the fourth proposal?

**Mrs JILLIAN SKINNER:** We are trying to answer that.

**Dr HAMMETT:** I have tried to answer. I will need to take advice on that as to whether there are any matters of commercial-in-confidence that preclude me giving that information.

**The Hon. GREG DONNELLY:** The document I am referring to clearly indicates that the Seventh Day Adventist on reflection did not proceed with its proposal. We are left with Healthscope and Ramsay Health Care Limited. The question is: Who is the fourth?

**Mrs JILLIAN SKINNER:** If, indeed, there was a fourth.

**The Hon. GREG DONNELLY:** There is a fourth; we have been told there was a fourth. Why is it such a big deal?

**The Hon. JENNIFER GARDINER:** Point of order: The Minister and her officers have indicated they will take the question on notice. That is the answer.

**CHAIR:** I uphold the point of order. It is clear that the witnesses have—

**The Hon. GREG DONNELLY:** It is just denying the public an opportunity to know who they were. This is part of the problem: people not seeing the transparency behind the proposal.

**CHAIR:** Order! The Hon. Greg Donnelly—

**The Hon. GREG DONNELLY:** It has been the issue all the way through from the start: no transparency.

**CHAIR:** Order! The officials have indicated that when they check they will provide an answer, ensuring it does not—

**The Hon. GREG DONNELLY:** The question is: Why can't the public know about the fourth proposal. It is a very simple question.

**CHAIR:** They have taken the question on notice.

**The Hon. GREG DONNELLY:** They are at the table. They have got the answer; they will not release it. The question is: Why will you not release it?

**The Hon. David Clarke:** Point of order: They have taken the question on notice; they are entitled to take it on notice. I would have thought that resolves the issue.

**The Hon. GREG DONNELLY:** With respect to the proposals—we know there are four—were any of them from an overseas operator, let me put it that way?

**Mrs JILLIAN SKINNER:** I do not know because my hands were way off this. I don't know.

**The Hon. GREG DONNELLY:** Dr Hammett, can you tell us? Was it Macquarie University?

**Dr HAMMETT:** Mr Donnelly, I have indicated I need to take advice as to whether I could reveal the details of the party to the expression of interest. I am afraid I cannot answer further than that other than to say I am happy to provide the information to the Committee once I have taken advice.

**The Hon. GREG DONNELLY:** You have the answer and you are not providing it, and I think that is unreasonable. I will move on but you have been completely unreasonable. I am not talking about actually seeing the so-called commercial-in-confidence document, I am talking about a proponent, that is all, someone who put up their hand in the very early stages. You are saying that is a State secret. That is complete nonsense. I refer to the framework that is being used to evaluate the two proposals that have now manifested. I refer to page 7 of the Request for Proposal Executive Summary, if you have a copy there?

**Dr HAMMETT:** I have not got a copy. Have you got a copy of the document there?

**The Hon. GREG DONNELLY:** Yes, I have it in front of me.

**Dr HAMMETT:** Would it be possible to table the document for us?

**The Hon. GREG DONNELLY:** The Northern Beaches hospital is one of the most significant projects on the books at the moment for NSW Health and you say you do not have the Executive Summary in front of you? For heaven's sake, this is a document in the public domain—

**Mrs JILLIAN SKINNER:** We have moved on because we are well and truly into the process of having a look at the final tender documents. I can assure you it is all absolutely on track.

**The Hon. JENNIFER GARDINER:** Point of order: The Minister and her staff are not expected to have every document relevant to the Health portfolio sitting in front of them. If the member would like to provide it to the witness so he can—

**The Hon. GREG DONNELLY:** This is the major document which outlines the proposal. I just find it extraordinary the health Minister and her staff come to this hearing without this document.

**The Hon. JENNIFER GARDINER:** There could be three executive summaries for all I know.

**The Hon. GREG DONNELLY:** No, there is one executive summary.

**The Hon. JENNIFER GARDINER:** Why can't the witness see the document to which you are referring?

**The Hon. GREG DONNELLY:** Because I have only got one copy and I wish to ask a series of questions relating to page 7.

**The Hon. JENNIFER GARDINER:** We have a secretariat and we could stop the hearing and they could copy it.

**CHAIR:** Would you like it copied?

**The Hon. GREG DONNELLY:** On page 7 of the document, which you do not have—which I find extraordinary—it refers to the RFP, request for proposal. Have the documents associated with what was put to the two successful entities that have come forward—when I say "successful" in the sense that they have identified themselves as wishing to bid—been put into the public domain?

**Dr HAMMETT:** Mr Donnelly, coming back to your earlier question, I have been advised that we can let you know that the fourth proponent was Macquarie University Hospital operations who responded to the expression of interest [EOI].

**The Hon. GREG DONNELLY:** When did they withdraw?

**Dr HAMMETT:** I would have to check the exact date but they did not proceed to the RFP stage.

**The Hon. GREG DONNELLY:** It would be appreciated if you could take that part of the question on notice. Going back to my question in relation to the documentation that was put to the final two proponents who were active in this bid, has it been put into the public domain?

**Dr HAMMETT:** There were two documents that were actually produced, one of which was information that was available publicly and one that contains matters going to the commercial nature of any potential bid, which have not been released as part of the commercial-in-confidence process.

**The Hon. GREG DONNELLY:** My question relates to the documentation created by the department that was put to the actual proponents to consider. Are you saying part of it is in the public domain and part is not?

**Dr HAMMETT:** Correct.

**The Hon. GREG DONNELLY:** With respect to the part that is not in the public domain, I understand that is associated with commercial and legal requirements of the Northern Beaches hospital. Is that correct?

**Dr HAMMETT:** Yes, that is my understanding.

**The Hon. GREG DONNELLY:** In terms of the commercial dimension to it, why would that not be something that would be in the public domain for outside individuals, Opposition parties, organisations and people, to look at? Why is it not in the public domain?

**Mrs JILLIAN SKINNER:** Can I answer in a different way? When the former Government put out its capital works plan where there was expected to be involvement of the private sector, it never identified the full estimated total cost.

**CHAIR:** Order!

**Mrs JILLIAN SKINNER:** Let me answer the question. It had a footnote on the budget papers saying "not provided for commercial purposes." The same thing applies to this. You do not flag with an interested party, you do not—

**The Hon. DAVID CLARKE:** Point of order—

**The Hon. GREG DONNELLY:** This is a brand new model of running a hospital in the State. In your own words it is a "brand new model".

**Mrs JILLIAN SKINNER:** It is, and a very exciting one.

**The Hon. GREG DONNELLY:** Why would it not be in the public domain?

**The Hon. DAVID CLARKE:** A question has been asked of the Minister. Can the Minister finish giving her answer without interruption?

**CHAIR:** I think that is an entirely appropriate point of order.

**Mrs JILLIAN SKINNER:** I do not think he wants to hear it.

**CHAIR:** Would you please let the witnesses, including the Minister, answer the question respectfully that is asked of them?

**Mrs JILLIAN SKINNER:** I am surprised that the Hon. Greg Donnelly does not understand that in any enterprise there are commercial matters that are not made public because it would jeopardise the viability of the project entirely.

**The Hon. GREG DONNELLY:** This is the department's documents, not the company's documents.

**Mrs JILLIAN SKINNER:** No, I can assure you that in all of these matters where it is considered commercial-in-confidence it is to make sure that we get the best possible deal for the public, with taxpayers' funds, and for the patients who will benefit from this fabulous hospital.

**The Hon. GREG DONNELLY:** The two proponents that are left in the game are Ramsay Health Care Limited and Healthscope Limited. In terms of the framework to evaluate the two proposals that are on the table, I understand those two responses came back to the department in about May 2014 and they are currently being evaluated, with a decision and an announcement to be made later this year?

**Mrs JILLIAN SKINNER:** Correct.

**The Hon. GREG DONNELLY:** With respect to the two proposals, how much information will be put into the public domain for the public of New South Wales to scrutinise what is a proposal of a very new model of dealing with the operation of hospitals in New South Wales? What will be put into the public domain?

**Mrs JILLIAN SKINNER:** Material that is not commercial-in-confidence will be made public. This Government is proud of the transparency that it has created for the first time in everything it is doing in Health. Where there is no commercial-in-confidence involvement, that sort of information will be made available.

**The Hon. GREG DONNELLY:** This is a very significant groundbreaking project. How will the department define "commercial-in-confidence"? This is not a trite question.

**Mrs JILLIAN SKINNER:** That is through negotiation. We will get legal opinions about what is commercial-in-confidence and what is not.



**The Hon. GREG DONNELLY:** I am not being clever here. There is no firm definition. It is something that will be evolving through the process, is that right?

**Mrs JILLIAN SKINNER:** Every project, whether it is one involving the Government or others, has a framework around it that actually determines what is commercial-in-confidence.

**The Hon. GREG DONNELLY:** This is a very significant proposal.

**Mrs JILLIAN SKINNER:** Yes and you are being very significantly rude about asking the questions.

**The Hon. GREG DONNELLY:** I have to say you are not providing many answers to what are quite reasonable questions.

**Mrs JILLIAN SKINNER:** For a start, yes, we do have that document by the way. It is on the website; anyone can read it. We have just now pulled it up on the website. It is there, it is not hidden, it is transparent, everyone has got it.

**The Hon. GREG DONNELLY:** I have not said anything about it.

**Mrs JILLIAN SKINNER:** No, you suggested that we were derelict in our duty by not having it. We now have it.

**The Hon. GREG DONNELLY:** There is some documentation on the website currently?

**Mrs JILLIAN SKINNER:** Correct, and has been for some time. Anyone can look at it.

**The Hon. GREG DONNELLY:** In regard to the definition of "commercial-in-confidence", you are saying that there is no specific definition that will be used to essentially guide the department in its determination of what is commercial-in-confidence in this groundbreaking process. This is something that is just going to evolve over time as you negotiate the final proposition. Is that right?

**Mrs JILLIAN SKINNER:** No. It will be based on legal advice as we sign up the agreement going forward.

**The Hon. GREG DONNELLY:** You will not have a definition in your mind that you will be using. You will be just taking legal advice and it is something that will evolve over time, bearing in mind this is a brand new project.

**Mrs JILLIAN SKINNER:** Yes, and it is still being discussed with the two parties. It is still alive and it would be entirely inappropriate to talk about any of the arrangements that are being made until the contract is signed. At that point we will make available that information that does not jeopardise the commercial arrangements.

**The Hon. GREG DONNELLY:** That will be put into the public domain?

**Mrs JILLIAN SKINNER:** What is not considered to be a commercial matter will be put in the public domain, as is everything we now do in Health—unlike what happened when Labor was last in government. You hid everything.

**The Hon. GREG DONNELLY:** No, that is not true.

**Mrs JILLIAN SKINNER:** We are far more transparent.

**The Hon. GREG DONNELLY:** With respect to the working conditions of employees at the new site when it is built and operating, I understand there is in effect, if I can describe it using the colloquial term, a savings clause or a savings provision for employees for a two-year period. Is that the case?

**Mrs JILLIAN SKINNER:** The employees currently employed at both Manly and Mona Vale will be offered the same conditions and retain all of their entitlements for a two-year period, yes.

**The Hon. GREG DONNELLY:** With respect to the employees who commence as employees afresh—in other words, not transferring from a New South Wales operating hospital—how will their wages and conditions be determined?

**Mrs JILLIAN SKINNER:** I do not know the answer to that. Perhaps Ms Crawshaw can answer that.

**Ms CRAWSHAW:** That would be a matter for a private hospital operator. Obviously there are award arrangements, and the Fair Work Act applies in relation to the private sector employees.

**Dr JOHN KAYE:** That is the Commonwealth award.

**Ms CRAWSHAW:** The Commonwealth arrangements, yes.

**Dr JOHN KAYE:** The modern award.

**The Hon. GREG DONNELLY:** In summary, that is a matter that is hands off for the Government. That is really between the successful proponents and their employees, as they will be at that point in time.

**Ms CRAWSHAW:** That is my understanding.

**Mrs JILLIAN SKINNER:** Yes, and we have an obligation for the two-year period for those that are transferring from—

**Dr JOHN KAYE:** And you will pay for that?

**Mrs JILLIAN SKINNER:** That is guaranteed under the terms of the tender process.

**The Hon. GREG DONNELLY:** Beyond the fixed two-year period, what will happen to the terms and conditions with respect to those transferred employees?

**Mrs JILLIAN SKINNER:** I would imagine it is part of a negotiated situation with the employees and their new employer. They can choose to negotiate a position or they can leave and reapply for employment back in the public health system. We have said that for any employee that did not want to work in this private hospital treating public patients we would find them work within the Northern Sydney Local Health District. We reckon there will be more jobs in the district than there are in the two hospitals they are replacing.

**The Hon. GREG DONNELLY:** The position, as I understand it, with respect to new employees and the position beyond the two-year savings period is that it is a hands-off position with respect to the New South Wales Government, that it is entirely a matter between the proponent, the operator and their employees.

**Mrs JILLIAN SKINNER:** Absolutely, as it is with any private hospital operator under the provisions of the Fair Work Act.

**Ms CRAWSHAW:** It is the Fair Work Act arrangements. I am not sure that is hands off. It is the Fair Work Act Commonwealth arrangements that protect the vast majority of employees who are not State-based employees.

**CHAIR:** It is time for questions from the crossbenches.

**Dr JOHN KAYE:** I want to continue with the theme of the Northern Beaches Hospital and have a quick chat about the probity arrangements involved in it. I refer to the situation that occurred at the InfraShore project, about which you would be aware, where your predecessor's former chief of staff ended up running the show for a private contractor. What guarantees do we have that none of your staff or senior bureaucrats, having negotiated this contract, will end up leaping across and reaping the benefits of the private sector?

**Mrs JILLIAN SKINNER:** I cannot speak for every one of the 100,000 employees in NSW Health. I do not think my chief of staff is in a hurry to move. In any case, you know we have some provisions about distance of time before taking up other employment.

**Dr JOHN KAYE:** I am sure you are aware of the donations that have come from one of the two bidders, Ramsay Health Care Pty Ltd and an associated entity called Paul Ramsay Holdings Pty Ltd. You would be aware of the donations they have made to the Liberal Party since 2007.

**Mrs JILLIAN SKINNER:** I am but not in any detail. I believe they have donated to both parties.

**Dr JOHN KAYE:** You would be surprised to hear it is more than \$250,000 since 2007?

**Mrs JILLIAN SKINNER:** I have no knowledge of amounts or anything.

**Dr JOHN KAYE:** Given the current climate, what has just happened in Newcastle today and the significance associated with government decision-making that is perceived to have been biased by substantial campaign donations, what are you going to do to make sure that the community does not assume the whole project was a favour for a very wealthy mate?

**Mrs JILLIAN SKINNER:** I can assure you I have not received any donations from anyone, so I can clear that up on my part. The whole process of evaluating these tenders is at arm's length from government, involving people quite independent from government. I believe we have been extremely careful about probity issues, which is why I cannot answer some of the detailed questions about this contract and the discussions.

**Dr JOHN KAYE:** But you would accept that by taking what is a radical step of putting a public hospital entirely in the hands of a private provider you have created a massive opportunity for the large private health providers, one of which was a substantial donor. The total donations to the Coalition parties including federally was \$1.345 million since 2007. You would be aware that this would be perceived as The Nationals and the Liberal Party, which are massive recipients of donations, creating big business opportunities for a major donor?

**Mrs JILLIAN SKINNER:** As far as I know everyone could have been donors. They do not have any favoured status in my book.

**Dr JOHN KAYE:** I appreciate you do not get any donations yourself but you belong to a political party and that political party receives donations. You do not look at the health industry donors to the party and have concerns about at least a perception of probity associated with them?

**Mrs JILLIAN SKINNER:** You could draw this conclusion to everything. You could say there is a perception of probity to your colleagues on your right from the unions for whom they have just been asking questions. The reality is this is a project that is totally independent, there has been a great deal of care taken to ensure that it is fair, all parties have been treated equally and there is no favour given to one or another.

**Dr JOHN KAYE:** I accept the appellation "to your right". I am not sure about "colleagues".

**Mrs JILLIAN SKINNER:** I am talking about your Labor colleagues.

**Dr JOHN KAYE:** In answering that question you have neatly avoided what I was putting to you, which was not specifically about whether you were favouring Ramsay in the terms of the resolution of the contract bidding process. My recollection is that you spend more than \$14 billion a year on health. You are opening up a significant proportion of that to the private sector. One of the biggest operators in the private sector is Ramsay Health Care. It is also a major donor to the Liberal Party. You have not taken any steps to look at those dots and make sure there is no way they can be joined up?

**Mrs JILLIAN SKINNER:** I do not believe they will be joined up.

**Dr JOHN KAYE:** Minister, I just did.

**Mrs JILLIAN SKINNER:** I believe that both Ramsay and HealthShare and others who have been mentioned have got totally blemish-free reputations and will not be persuaded by any donations they may have made to anyone. They are good operators right across the system. They are recognised worldwide. They run fabulous hospitals around the world.

**Dr JOHN KAYE:** I recall a previous government making a similar answer with respect to Jeff McCloy when I asked a question in another portfolio. Minister, the second question with respect to probity is: Have you checked whether any government MPs hold land within a five-kilometre radius of the proposed development?

**Mrs JILLIAN SKINNER:** No.

**Dr JOHN KAYE:** Do you think that is a significant issue within the current climate?

**Mrs JILLIAN SKINNER:** I have no idea. They might live within a five-kilometre radius. I cannot answer that question.

**Dr JOHN KAYE:** You accept that if somebody—not you, Minister—owned land with a five-kilometre radius or a substantial proportion of land within a five-kilometre radius, they might stand to gain?

**Mrs JILLIAN SKINNER:** No, I do not.

**Dr JOHN KAYE:** You do not think that is correct?

**Mrs JILLIAN SKINNER:** I do not think they will stand to gain, no.

**Dr JOHN KAYE:** You do not think if you had a commercial block near the hospital that sudden intensification of use of that site from being mostly wallabies and other animals to being possibly hundreds of thousands of patients a year would add value to a block of land?

**Mrs JILLIAN SKINNER:** I suspect no more than any other hospital anywhere will change the impact on its neighbours. I should remind you that this site was chosen by the Labor Government, not my Government.

**Dr JOHN KAYE:** I appreciate that but you pushed ahead with it?

**Mrs JILLIAN SKINNER:** Oh absolutely. It was also a recommendation, by the way, of a committee of the upper House.

**Dr JOHN KAYE:** Has the Government or any government agencies purchased shares in either Ramsay or Healthscope?

**Mrs JILLIAN SKINNER:** No, I do not believe they have. Certainly we have not.

**Dr JOHN KAYE:** Can you take that on notice and get back to us as to whether there has been any purchase of shareholdings or other equity products in Healthscope or Ramsay or any of the Ramsay associated entities?

**Mrs JILLIAN SKINNER:** From the point of view of Health?

**Dr JOHN KAYE:** Well, Health or any other government agency?

**Mr ROACH:** Government agency?

**Dr JOHN KAYE:** Yes?

**Ms CRAWSHAW:** Like the Treasury Corporation?

**Dr JOHN KAYE:** Well TCorp would be one, for example?

**Mr ROACH:** No, Health does not have the power to invest in shares.

**Dr JOHN KAYE:** No, I appreciate that but what about TCorp or other government agencies?

**Mr ROACH:** You would have to ask the Treasurer.

**Mrs JILLIAN SKINNER:** That is not for us to answer, I am sorry.

**Dr JOHN KAYE:** You are entering into a negotiation over a very radical project and you do not know who the shareholders in that project are. Have you done anything to look at the shareholdings within, for example, Ramsay?

**Mrs JILLIAN SKINNER:** I have not personally, no.

**Dr JOHN KAYE:** Has the department, the ministry or health infrastructure?

**Mrs JILLIAN SKINNER:** No.

**Ms CRAWSHAW:** As a private hospital operator they would have gone through the normal checks that happen when you are awarded a licence and I do not believe there is any information before us that would suggest that that licence should be removed from them on fitness and propriety grounds.

**Dr JOHN KAYE:** But Ms Crawshaw, you would accept, I would imagine, that it is a very different matter to entering into what will be, over its lifetime, a multibillion dollar contract with a company on the one hand and issuing them with a private health operator's licence on the other hand. There would be very different standards and you would have very different questions to ask?

**Ms CRAWSHAW:** But the fitness and propriety—

**Dr JOHN KAYE:** I was not asking you about fitness and propriety; I was asking about the shareholdings within the company. Who owns Ramsay Health Care, for example?

**Dr HAMMETT:** Perhaps I could just add that the evaluation of both of the bids put in as part of the RFP process includes a detailed assessment of their commercial ability to meet the terms of service provision over a long-term contract so the evaluation team certainly has looked at the commercial structures that both the proponents are proposing to ensure that the project can operate successfully.

**Dr JOHN KAYE:** Would that include looking at who owns shares in these entities?

**Dr HAMMETT:** I would have to take that on notice.

**Dr JOHN KAYE:** Can you check, for example, when Healthscope made it to the next stage whether it was known that the previous equity investment owners TPG and Carlyle Group as of this week still owned 38 per cent of the company?

**Dr HAMMETT:** I believe that was known at the time.

**Dr JOHN KAYE:** So it would have been known at the time that 38 per cent of the profits made on this operation would have been expropriated from Australia and from New South Wales?

**Dr HAMMETT:** No, I do not believe that necessarily follows. There was awareness of the ownership of Healthscope at the time they responded to the expression of interest. There was also awareness that they were going to a market listing during the course of this letting of a RFP. The subsequent arrangements regarding where moneys go is certainly not known at this point.

**Dr JOHN KAYE:** Is it not a matter of concern to you, Minister, that at this stage Healthscope is substantially a multinational corporation and so a substantial portion of public money taken as profits would leave New South Wales and leave Australia?

**Mrs JILLIAN SKINNER:** My concern is to get the best possible hospital and operator for the people of the northern beaches and that is my primary concern. I am not concerned about anything other than we get the best possible arrangements for patients on the northern beaches, public and private, and a hospital that we are so proud of that others from around the world come to have a look at. That is what I think we are heading for.

**Dr JOHN KAYE:** What are your arrangements in case the final provider builds the hospital and then falls over—what contingency? Who is the provider of last resort in that situation?

**Dr HAMMETT:** As part of the requests for proposals there are detailed and quite significant arrangements put in place to ensure that there are incentives for the operator to keep operating throughout the term of the contract and in particular there are abatements that will be levied and payments that would be made to the State should the operator default on their contract arrangements.

**Ms CRAWSHAW:** There would also be step-in rights in that contract in the unlikely event that that occurs.

**Dr JOHN KAYE:** Step-in rights is not a fitness exercise; it is the right but not the obligation of the public sector provider to step in and run the hospital, so people on the northern beaches would ask the following question: Suppose you award the contract to one of the providers and it goes ahead. That provider, because of its trading arrangements elsewhere, goes belly up and is unable to continue to trade. What will happen to their public hospital provision?

**Dr HAMMETT:** There are guarantees contained within the RFP document, commercial guarantees, that would require the parent company and their financiers to make significant substantial payments to the State should they wish to step away from that contract.

**Dr JOHN KAYE:** It is one thing to say should they wish to make a commercial decision to step away but the question I am asking is: There is no entity left. If you award it to company A and everything associated with it suddenly goes belly up and you have nothing, who is going to provide—

**Mrs JILLIAN SKINNER:** This is about as likely to happen as pigs might fly.

**Dr JOHN KAYE:** With respect, Minister, a colleague of mine asked a former roads Minister about what would happen if—

**The Hon. STEVE WHAN:** Port Macquarie.

**Dr JOHN KAYE:** Port Macquarie is a good example.

**Mrs JILLIAN SKINNER:** Port Macquarie need not have gone the way it did. It was a political decision of government at the time.

**Dr JOHN KAYE:** Nonetheless, Minister, whether or not it is likely, you would appreciate that people would be concerned about an arrangement in which their public hospital was in the hands of a private provider and they would want to know something about a provider of last resort?

**Mrs JILLIAN SKINNER:** We will come and take it over if that eventuates.

**Dr JOHN KAYE:** And that is an absolute guarantee, Minister, is it?

**Mrs JILLIAN SKINNER:** That is part of the arrangements. We are the provider. We will be taking it over.

**Dr JOHN KAYE:** And will you take the debts when they go belly up?

**Mrs JILLIAN SKINNER:** No.

**Dr JOHN KAYE:** You have insulated New South Wales against any debts—debts against the building?

**Mrs JILLIAN SKINNER:** Do not forget that this is all still part of a contract that is being negotiated. It has not been finalised yet.

**Dr JOHN KAYE:** I know that, Minister. I appreciate that; it is a fair point but what I am saying is that you are in the process of negotiating. It is good that we are asking this question now because we want it locked in. We want to know—

**Mrs JILLIAN SKINNER:** You can feel confident that it is going to be a fabulous hospital that the public will have a very strong interest in.

**Dr JOHN KAYE:** That is a "trust me" answer not a genuine answer.

**Mrs JILLIAN SKINNER:** It is a genuine answer.

**Dr JOHN KAYE:** You said you can be confident that they will have a fabulous hospital. My question was specifically: What will happen if the provider goes belly up? There were two questions. Is there an absolute commitment that the hospital will continue to operate?

**Mrs JILLIAN SKINNER:** Yes.

**Dr JOHN KAYE:** And secondly, if there are debts against any of the capital equipment or the building itself, is there any risk those debts would come to the State?

**Dr HAMMETT:** The answer is no, Dr Kaye.

**Dr JOHN KAYE:** There is no risk?

**Dr HAMMETT:** No, there is not. The commercial arrangements that have been put in place for the RFP protect the State from any liability of that nature.

**Mrs JILLIAN SKINNER:** Can I answer as well, particularly in relation to the commercial-in-confidence questions that were asked previously, that the Royal North Shore Hospital public-private partnership [PPP] has commercial in confidence, including financial structure and rates, but not overall cost. The overall cost was discussed after the deal was completed. That is by Labor. It is a very common arrangement when you are entering into partnerships of this kind.

**Dr JOHN KAYE:** I understand, Minister, but this is not a common arrangement—to hand over the entire operation of a public hospital to a private health provider.

**Mrs JILLIAN SKINNER:** Oh it is elsewhere; yes, it is.

**Dr JOHN KAYE:** Let us go elsewhere. Thank you for bringing that up. The Fiona Stanley Hospital in Western Australia—

**Mrs JILLIAN SKINNER:** It is not one of those. It is not, no. Joondalup is.

**Dr JOHN KAYE:** But you are saying the Fiona Stanley Hospital was not a public-private hospital.

**Mrs JILLIAN SKINNER:** Not of this nature.

**Dr JOHN KAYE:** What was the nature of Fiona Stanley?

**Dr HAMMETT:** The Fiona Stanley Hospital is a public-private partnership to build the hospital and to provide information technology [IT] services, but not to—

**Mrs JILLIAN SKINNER:** Correct. It is like North Shore.

**Dr HAMMETT:** It is more like North Shore.

**Dr JOHN KAYE:** It is more like North Shore, but you would be aware that there are similarities here because InfraShore will be building—I beg your pardon—one of the two bidders will be building the northern beaches hospital.

**Mrs JILLIAN SKINNER:** No, that is a totally different commercial arrangement.

**Dr JOHN KAYE:** I appreciate that.

**Mrs JILLIAN SKINNER:** Joondalup is the model.

**Dr JOHN KAYE:** Leaving aside the other models, the question I want to get to is this: What workforce, what staff numbers within Health infrastructure, will you make available to make sure that the project is carried out in a way that is managed properly and works, and is delivered on time?

**Dr HAMMETT:** Again, the arrangements, which the bidders are bidding to, stipulate requirements on delivery of the project and the nature and scope of the project. Again, within the legal documentation there are significant penalties, should the operators not be able to meet the commitments that they sign up to at the point they sign a contract.

**Dr JOHN KAYE:** Thank you for that. Can I just go back to one other question? I think it was you, Ms Crawshaw, who spoke about the fact that there was an award. In doing so, were you aware at the stage when you answered that question what the hourly rate for a nurse is in the modern award?

**Ms CRAWSHAW:** No, I am not familiar with the Commonwealth minimum award requirements.

**Dr JOHN KAYE:** You therefore would not be aware of the difference between the modern award rate and the rate paid in the public hospitals in New South Wales.

**Ms CRAWSHAW:** No, although I do know that some private hospitals in New South Wales pay above the minimum award arrangements, or the modern award arrangements.

**Dr JOHN KAYE:** One would definitely hope so. Ms Crawshaw, could you take on notice and get back to us through the Minister what the modern award rate would be, since that is what you mentioned—you said that would be part of the negotiation—and could you give us a document that compares what the annual income for a nurse on a modern award rate would be to a nurse on the State wage rate?

**Ms CRAWSHAW:** Okay, yes.

**The Hon. GREG DONNELLY:** Just before I go on to another area, Minister, can I just revisit this issue? I thought I heard you say that you had not received any donations from either of the two final proponents bidding on the new hospital. Is that correct?

**Mrs JILLIAN SKINNER:** I have not personally received any donations.

**The Hon. GREG DONNELLY:** In the return for Ramsay Health Care Limited for the period 1 July 2010 to 30 June 2011, why does it have you listed as receiving \$3,000 for a dinner?

**Mrs JILLIAN SKINNER:** I assume it is because I attended a dinner organised by others on my behalf, but I personally did not receive that money.

**The Hon. GREG DONNELLY:** You have not received that money, even though it has it in here—

**Mrs JILLIAN SKINNER:** Personally. I do not personally receive or handle any money. Any money raised by my campaign team would be listed on that, but I have personally not received any money.

**The Hon. GREG DONNELLY:** With respect to Healthscope Limited, therefore, you would not be aware that for the 2007-08 reporting period they donated \$10,000 to the Liberal Party New South Wales Division?

**Mrs JILLIAN SKINNER:** No, I am not personally aware, no.

**The Hon. GREG DONNELLY:** And for the reporting period 2007-08, Ramsay Health Care was done in two ways, through Ramsay Health Care Limited and Paul Ramsay and/or Paul Ramsay Holdings, which had donated almost \$300,000 to the Liberal Party. You would not know that?

**Mrs JILLIAN SKINNER:** I am certainly aware of newspaper articles about Paul Ramsay's support for the party, certainly since his death. It has been widely published.



**The Hon. GREG DONNELLY:** These are the returns.

**Mrs JILLIAN SKINNER:** No, I do not go through the returns. I am too busy being the Minister for Health.

**The Hon. GREG DONNELLY:** Okay. The fact that \$300,000 has been donated by Ramsay Health Care since 2007-08, that is something that you are unaware of.

**CHAIR:** The Minister answered the question.

**Mrs JILLIAN SKINNER:** I am unaware of it. I am aware of the amount of money the Nurses Union has donated to your campaign, though—huge amounts—and you have been asking questions on their behalf.

**Dr JOHN KAYE:** That is a strong accusation, Minister.

**The Hon. GREG DONNELLY:** You do not find any concern in that Paul Ramsay or Ramsay Health Care Limited donated \$100,000 to the Warringah FEC?

**Mrs JILLIAN SKINNER:** Look, I know from media reports, Paul Ramsay was a strong supporter of the Liberal Party. I know no details beyond that.

**The Hon. GREG DONNELLY:** But \$100,000 to the Warringah FEC—Tony Abbott's show?

**Mrs JILLIAN SKINNER:** He is responsible for that campaigning and that fundraising, not me.

**The Hon. GREG DONNELLY:** Are you aware of 2010-11, \$10,000 to Barry O'Farrell for a dinner?

**Mrs JILLIAN SKINNER:** Yes. I am not aware of that, no.

**The Hon. GREG DONNELLY:** Not surprised?

**Mrs JILLIAN SKINNER:** As I said, it has been noted in the press, the mainstream media, that Paul Ramsay was a very strong supporter of the Liberal Party.

**The Hon. GREG DONNELLY:** So the \$3,000 for your dinner, you are saying that was not your dinner?

**Mrs JILLIAN SKINNER:** It was a dinner on my behalf, yes, but I did not personally receive any of that money.

**The Hon. GREG DONNELLY:** Okay. So this was a Jillian Skinner dinner.

**Mrs JILLIAN SKINNER:** Yes, highly likely. I have done lots of dinners in my time.

**The Hon. GREG DONNELLY:** Sure. But you are sort of receiving a nice little earner on this one. For \$3,000, it says "Dinner with Jillian Skinner", so he paid \$3,000 to have dinner with you. Do you recall that dinner?

**Mrs JILLIAN SKINNER:** I am not aware of any amounts of money anyone paid to have dinner with me.

**The Hon. GREG DONNELLY:** Do you recall the dinner?

**Mrs JILLIAN SKINNER:** I have had lots of dinners. I was at one last night.

**The Hon. GREG DONNELLY:** So you do not recall that dinner where you received \$3,000?

**Mrs JILLIAN SKINNER:** Look, it could have been any number of dinners. I cannot remember.

**The Hon. GREG DONNELLY:** So you just do not recall.

**Mrs JILLIAN SKINNER:** I do not recall.

**The Hon. GREG DONNELLY:** Okay. Can I move on to the question of the John Hunter eye clinic, which has been closed since November 2012? As you know, Minister, the region is a very big region in the State.

**Mrs JILLIAN SKINNER:** Yes.

**The Hon. GREG DONNELLY:** Why did the eye clinic shut?

**Mrs JILLIAN SKINNER:** It was a discussion with the ophthalmologists with the local health district, and they wanted additional resources and those physical resources were provided. I understand there was still some discussion about staffing levels and I am very happy to advise you that in fact the clinic opened again this month.

**The Hon. GREG DONNELLY:** The John Hunter eye clinic?

**Mrs JILLIAN SKINNER:** Yes.

**The Hon. GREG DONNELLY:** In regard to resources that have gone into that upgraded eye clinic, can you give us a sense of what those resources are?

**Mrs JILLIAN SKINNER:** Look, I think there was some equipment. I have not got the full details but some equipment was provided some time ago and then I think there were some staffing requests. These have all been negotiated by the local health district chief executive. Every time I have been up there I have asked him about it and reassured myself that in fact urgent patients were still being treated within the hospital. It was not a matter of them not being treated. Negotiations were underway and they in fact led to the reopening of the clinic this month.

**The Hon. GREG DONNELLY:** It has just opened in the calendar month July or August, has it?

**Mrs JILLIAN SKINNER:** August, I believe it is.

**The Hon. GREG DONNELLY:** Can I move on to a matter of the Manning hospital at Taree?

**Mrs JILLIAN SKINNER:** Yes.

**The Hon. GREG DONNELLY:** Minister, you visited that hospital in August this year—I am sorry, rather in April this year.

**Mrs JILLIAN SKINNER:** I visited, yes I did.

**The Hon. GREG DONNELLY:** I think you were there on 3 April.

**Mrs JILLIAN SKINNER:** I did.

**The Hon. GREG DONNELLY:** At that hospital—and I have just got the news clipping here—you attended, you examined and in effect reopened or part opened some new equipment with respect to new-born babies in the maternity suite.

**Mrs JILLIAN SKINNER:** Yes. It was in fact a neonatal intensive care cot donated by Humpty Dumpty, with money that I allocated.

**The Hon. GREG DONNELLY:** Whilst you were there in attendance at the hospital, did you have any issues raised with you from the maternity staff about problems they were experiencing with respect to matters in that ward, in that part of the hospital?

**Mrs JILLIAN SKINNER:** I do not recall any specific matters raised by the maternity staff. I certainly met with a number of staff over morning tea and we discussed many issues. I am sure you will remind me.

**The Hon. GREG DONNELLY:** Did any doctors or clinicians or anyone in that hospital raise concerns?

**Mrs JILLIAN SKINNER:** I do not recall any particular concerns. We talked about many things.

**The Hon. GREG DONNELLY:** They were of a general nature at this morning tea?

**Mrs JILLIAN SKINNER:** Yes, it was a morning tea in a room like this with everyone walking around and milling about. We discussed a range of things such as patients occupying acute beds for extended periods who needed to go out to nursing homes.

**The Hon. GREG DONNELLY:** This is specifically with regard to the maternity hospital.

**Mrs JILLIAN SKINNER:** I honestly do not recall.

**The Hon. GREG DONNELLY:** I have a letter here that I will provide to you through the chair. It is a piece of correspondence directed to the staff. I will allow you to read it.

**Mrs JILLIAN SKINNER:** It is signed by Tricia Bulic, general manager of the hospital and states:

I write to inform you of the directions to be taken by the ... Hospital in response to a number of major avoidable catastrophes involving our obstetric service.

It goes on to state:

These events have prompted investigations in the form of Root Cause Analysis ...

**The Hon. GREG DONNELLY:** At about point three on the page there are four points listed.

**Mrs JILLIAN SKINNER:** Yes. The part you have highlighted outline a number of problems:

- Poor adherence to coordinated care ...
- The guidelines for management of obstetric patients are at the same time incomplete ...
- There is a lack of agreement on the correct way to manage patients, both between midwives and obstetricians ...
- There has been a disconnection ...

**Dr JOHN KAYE:** Can we have copy of that letter?

**CHAIR:** I ask the Hon. Greg Donnelly to formally table that document.

**Mrs JILLIAN SKINNER:** It states at the top of the second page:

I will not accept another avoidable death due to petty personality issues and inter professional disputes.

This is the first I have seen of this and it certainly was not raised with me.

**The Hon. GREG DONNELLY:** You visited the hospital that day.

**Mrs JILLIAN SKINNER:** Remind me of the date I visited the hospital?

**The Hon. GREG DONNELLY:** You visited the hospital, as I understand it, on 3 April.

**Mrs JILLIAN SKINNER:** That would be correct.

**CHAIR:** I ask the Hon. Greg Donnelly formally table that document.

**The Hon. GREG DONNELLY:** Yes.

**Document tabled.**

**The Hon. GREG DONNELLY:** The tone of this letter is very serious.

**Mrs JILLIAN SKINNER:** It is, yes.

**The Hon. GREG DONNELLY:** The letter refers to "major avoidable catastrophes". Is anyone at the table able to enlighten us with information about matters to do with this issue?

**Mrs JILLIAN SKINNER:** No. Mr Whelan, that would be your bailiwick.

**Mr WHELAN:** I am very surprised by the tone of the letter. Given that I manage performance, I would have expected that something as serious as this would have been brought to the attention of the chief executive of Hunter New England Health.

**The Hon. GREG DONNELLY:** Who would normally bring that to their attention?

**Mr WHELAN:** I would expect the general manager who wrote the letter should be discussing that with the chief executive of Hunter New England Health. I would then expect at our performance meetings where we meet regularly with chief executives of the local health districts [LHD] that this matter would have been discussed, but it has not been.

**The Hon. GREG DONNELLY:** This issue has not got out from the hospital; it has been festering. Is that what you are saying?

**Mr WHELAN:** To the best of my knowledge it certainly has not been raised with the Ministry in a performance meeting.

**The Hon. GREG DONNELLY:** Does anyone at the table have any knowledge of this matter?

**Ms CRAWSHAW:** No. We do have an incident management system and if it was of the nature that is described there of "avoidable deaths" it would normally be something that is reported to us and be a severity assessment code one requiring a root cause analysis. We would have to take it on notice and check with the Clinical Excellence Commission that has responsibility for that.

**The Hon. GREG DONNELLY:** This is talking of "avoidable deaths due to petty personality issues and inter professional disputes", which is a pretty serious claim.

**Mrs JILLIAN SKINNER:** It is, and for that reason I would like to take it on notice because how do we know the accuracy of that letter?

**The Hon. GREG DONNELLY:** With the greatest respect, it is signed.

**The Hon. STEVE WHAN:** Are you saying it is a forgery?

**Mrs JILLIAN SKINNER:** No, I am not saying it is a forgery. I would like to check the accuracy.

**The Hon. GREG DONNELLY:** It is signed by the general manager of the hospital.

**Mrs JILLIAN SKINNER:** Correct, and we would like to check with the general manager of the hospital and check the accuracy of the claims made within it. She has not written to me or anyone—

**The Hon. GREG DONNELLY:** She has written to all the staff.

**Mrs JILLIAN SKINNER:** No-one has raised it with the deputy secretary responsible for performance.

**The Hon. GREG DONNELLY:** With the greatest respect, Minister, is it Dr Jim Wills?

**Mrs JILLIAN SKINNER:** It has not come through to us or to the Clinical Excellence Committee.

**CHAIR:** Order! The Hon. Greg Donnelly will come to order. The Minister is answering your question. Let the Minister finish her answer before you ask another question.

**The Hon. GREG DONNELLY:** With the greatest respect, the Minister is ignorant of this issue, which is a very significant issue at this hospital.

**CHAIR:** Order! With great respect to the Hon. Greg Donnelly, the Minister has committed to looking into the issue, following it up and coming back to you.

**Mrs JILLIAN SKINNER:** Could I ask as a matter of interest—I agree that is a very alarming letter—how long you have had it?

**The Hon. DAVID CLARKE:** Point of order.

**CHAIR:** Order!

**The Hon. GREG DONNELLY:** The problem is you know nothing about it.

**The Hon. DAVID CLARKE:** Point of order.

**CHAIR:** Order! The Hon. Greg Donnelly will come to order. That is not true.

**Mrs JILLIAN SKINNER:** You have had that letter presumably since April.

**The Hon. DAVID CLARKE:** Point of order.

**The Hon. GREG DONNELLY:** This is the general manager of a hospital.

**CHAIR:** Order! The Hon. David Clarke on a point of order.

**The Hon. GREG DONNELLY:** It is just extraordinary.

**The Hon. DAVID CLARKE:** When somebody raises a point of order I think the point of order needs to be dealt with and other members who are conversing should desist. That is the normal process.

**CHAIR:** That is the proper process, the Hon. Greg Donnelly.

**The Hon. DAVID CLARKE:** The Minister was asked a question and she is entitled to answer that question. We cannot have two conversations going on at the same time. I do not know how the secretarial staff are able to transcribe all this; it is impossible to do that. This is an issue that keeps coming up again and again.

**The Hon. STEVE WHAN:** Is this a point of order or a speech?

**The Hon. DAVID CLARKE:** It is a point of order.

**The Hon. GREG DONNELLY:** I just find it extraordinary.

**CHAIR:** Order! I uphold the point of order and request the Hon. Greg Donnelly to let the Minister answer the question. She has indicated that she is taking the issue seriously. Let her finish answering the question before you ask the next question or make a speech.

**The Hon. GREG DONNELLY:** The issue is that we have a very serious problem here. There is ignorance at the table from the Minister and the respective official from the department who has carriage for this area of responsibility. Those are the facts.

**Mrs JILLIAN SKINNER:** Now can I answer?

**The Hon. GREG DONNELLY:** On the face of it, it appears as though deaths have occurred at this hospital.

**Mrs JILLIAN SKINNER:** Exactly.

**The Hon. GREG DONNELLY:** We have in this State a general manager from a significant hospital in regional New South Wales which has major and significant dysfunctions inside an important part of the hospital and the Minister knows nothing about it and the respective officer responsible for this area is completely ignorant of it. It is an extraordinary state of affairs.

**CHAIR:** Order! Is that a question or a speech?

**Mrs JILLIAN SKINNER:** No, it is a statement.

**CHAIR:** What is your question?

**Mrs JILLIAN SKINNER:** Could I answer the question, Chair?

**The Hon. GREG DONNELLY:** Moreover, the last paragraph states:

Participation in this process is expected for all Maternity staff and my clear intention is that we have an established way forward by July 1, 2014.

That date, 1 July, has come and gone. The letter continues:

Could you please prioritise all meetings regarding this matter.

So we have a completely—

**Mrs JILLIAN SKINNER:** You are making a speech. I would love to provide answers.

**CHAIR:** Order! The Hon. Greg Donnelly has asked a series of questions in that speech.

**The Hon. GREG DONNELLY:** It is part of a major hospital.

**Mrs JILLIAN SKINNER:** He is trying to be Luke Foley.

**CHAIR:** Order! You will now allow the Minister to respond.

**The Hon. GREG DONNELLY:** The Minister has no idea what is going on.

**Mrs JILLIAN SKINNER:** Neither do you.

**CHAIR:** Order! We are here to hear from the Minister and not to listen to speeches from the Hon. Greg Donnelly.

**The Hon. GREG DONNELLY:** The Minister knows nothing about this. The Minister has admitted that she knows nothing about it.

**CHAIR:** Order!

**The Hon. GREG DONNELLY:** Moreover the person from the department responsible knows about it. It is appalling.

**CHAIR:** As is your behaviour at budget estimates.

**The Hon. GREG DONNELLY:** No, it is not; this is a significant matter.

**Mrs JILLIAN SKINNER:** Please let me answer. I will quote you just now—

**The Hon. GREG DONNELLY:** It is appalling.

**Mrs JILLIAN SKINNER:** You said, "on the face of it". I would like to verify the accuracy of the claims in that letter. I would like to correct your record. You said I was there on 3 April, but I was there on 4 April. In order to make those visits I am provided by the local health districts with a brief about matters relating to the hospital. I have checked that brief and there is nothing in the brief to suggest there was any disquiet on the part of the general manager. I have undertaken to check this and to provide a written answer.

**The Hon. GREG DONNELLY:** On your watch, complete dysfunction.

**The Hon. DAVID CLARKE:** Point of order: Can the Minister answer without being continually interrupted after every few words?

**CHAIR:** Order! I uphold the point of order. The Hon. Greg Donnelly has asked the questions. He should now let the Minister answer.

**The Hon. GREG DONNELLY:** The Minister does not know.

**Mrs JILLIAN SKINNER:** I will have my own question and my own allegation of absolutely appalling behaviour on the part of Mr Donnelly, not just his bullying behaviour but the fact that he has a letter dated April—

**The Hon. DAVID CLARKE:** Point of order: It is the same point.

**The Hon. GREG DONNELLY:** I am not the Minister. It is on the Minister's watch that this has happened. We do not have a Minister or bureaucrat who understands what is going on.

**The Hon. DAVID CLARKE:** Point of order: Madam Chair, I have a point of order before you. It is the same issue that I have raised repeatedly and that is, the Minister being cut off in mid sentence when she is answering.

**The Hon. STEVE WHAN:** To the point of order: The Minister is not answering. She is attempting to ask members of the Committee questions, which is out of order. I ask you to direct the Minister to answer the question.

**The Hon. GREG DONNELLY:** To the point of order: This is Budget Estimates, where we get the rare opportunity to ask questions of the Minister and her staff. What the Minister wants to do is question me. The fact of the matter is, I am not on her staff, I am not in the bureaucracy nor am I the Minister. For the Minister to take up my time, as an Opposition member of this Committee, to ask me questions is completely inappropriate. The Minister knows that. This is time-wasting. The Minister does not know and should move on.

*[Time expired.]*

**Mrs JILLIAN SKINNER:** I would like to finish my answer.

**CHAIR:** Thank you.

**Mrs JILLIAN SKINNER:** I acknowledge the question about the need to get to the bottom of this letter. I will do so and I would say that I find it appalling that a letter that has been dated April has been in the hands of the Opposition for a long time when the Opposition considers it appalling. The Opposition should have raised this a long time ago so it could have been investigated thoroughly.

**The Hon. STEVE WHAN:** Minister, it has not been in my hands for a time.

**CHAIR:** We will turn to questions from the Christian Democratic Party.

**The Hon. PAUL GREEN:** My first question is to Dr Chant in regard to the Ebola virus breakout. How is New South Wales handling this issue?

**Dr CHANT:** New South Wales is working with other States and Territories, and the Commonwealth to ensure that we are prepared and have everything in place should we get a case of Ebola in Australia.

**The Hon. PAUL GREEN:** Have we had any cases in Australia that we are aware of?

**Dr CHANT:** We have had no cases of Ebola in Australia. We are well prepared. We have systems in place, should there be a traveller come to our shores. We have a designated Ebola virus hospital, which is Westmead, and plans are in place should someone become ill on a plane and require transfer. I should say that, whilst the situation is very concerning and very challenging, with our good infection control and with the appropriate management, we do not believe that there is any threat of a sustained Ebola transmission in the Australian context. It is not spread through the respiratory route and with our good infection control, our safe body handling practices and other systems of care, we should be able to contain any cases and give them the best treatment available.

**The Hon. PAUL GREEN:** What sort of evaluation tools? Do we have mock runs or something like that, where staff are trained in a mock situation in case there is an outbreak?

**Dr CHANT:** Since the outbreak happened we have corresponded and sent out warnings to our emergency departments because cases may come through our airports, but they may similarly be amongst travellers who may well present at any facility—given it is up to a 21-day incubation period. So information has gone out broadly across the State. The Chief Medical Officer has also written to general practitioners [GPs] to make them aware of it. We have had a number of case discussions with particularly Westmead, to look at its preparedness activities.

We have had a number of discussions with NSW Health Pathology, to look at the issues of specimen collection and how we would manage both patients and specimens for the diagnostics. The Institute for Clinical Pathology and Medical Research [ICPMR] at Westmead is our laboratory, co-located at Westmead. It has the facility to do Ebola testing. It is a polymerase chain reaction [PCR] based test. It is a technique to identify viruses. It is a methodology to test the genetic material of the virus. We have capacity at Westmead to test for Ebola, but the national reference laboratories are located in Melbourne, so we would be sending specimens in parallel and confirming any cases.

**The Hon. PAUL GREEN:** I appreciate we have a lot of systems, but have we had a mock run to test those systems?

**Dr CHANT:** We have a mock run—the Westmead Hospital has done a number of discussions with senior staff to prepare the two rooms that they have set aside in the Intensive Care Unit [ICU].

**The Hon. PAUL GREEN:** But we have not done something from the airport, for instance, the gateway?

**Dr CHANT:** There is a range of exercises that cover how we deal with people becoming sick on planes. There have been many exercises with the Australian Quarantine and Inspection Service [AQIS] border protection, and recently staff from the South Eastern Sydney Public Health Unit did meet with the AQIS staff at the airport to go through the mechanisms we would put in place. So yes, there have been those discussions and connection, including with ambulance.

**The Hon. PAUL GREEN:** Thank you. I think there is nothing better than a mock run to test systems if one does not have a real case—which we obviously do not want. I am sorry for my lateness earlier. The traffic was deplorable. I left at 5.30 a.m. and usually get here in a couple of hours. Minister, I will probably go over a couple of things that have been asked, but I want to clarify them. The employment contracts with Northern Beaches Hospital, as per two years, are they non-negotiable, or is the Government open to negotiating them to, say, a three-year to five-year period? May I clarify why I ask that? Most of the heavy negotiations we have done in the past four years, with transition-to-work conditions, have been with a three- to five-year transition, to give everyone ample opportunity to make those transitions.

**Mrs JILLIAN SKINNER:** As I understand it, it was part of the request for the tender process that we described the two years, and that was the basis upon which the final two proponents submitted their bids. So to change it now would be difficult.

**The Hon. PAUL GREEN:** But not impossible?

**Mrs JILLIAN SKINNER:** I do not know. Perhaps Dr Hammett could assist.



**Dr HAMMETT:** It is certainly theoretically possible. The two-year period is set out in the request for tender documents and the bidders have bid back on that basis and it obviously has a commercial impact.

**The Hon. PAUL GREEN:** There were no variation suggestions in that tender process, that there might be variants in certain things like transition?

**Dr HAMMETT:** Not to that two-year period at this point. Subsequently there will be negotiations with the successful bidder and all manner of things may theoretically be put into those negotiations.

**Ms CRAWSHAW:** Can I note—and I need to confirm—but my understanding is that there are provisions under the Commonwealth Fair Work Act that require the continuance of the public hospital terms and conditions for up to five years. I need to double-check that, but that is my understanding. Obviously, that is contingent upon that legislation either remaining in place or if it is repealed. So the minimum obligation is two years in the contract, but at the moment my understanding is the legislative scheme from the Commonwealth is up to five. But I need to confirm that.

**The Hon. PAUL GREEN:** In terms of nurse-patient ratios in that new facility, will they be what the current style is, or will they be downgraded or upgraded?

**Mrs JILLIAN SKINNER:** We have a nursing-hour-per-patient scheme operating under the award negotiated back in 2011 in New South Wales and that would apply under the new arrangement with the provider, would it not?

**Dr HAMMETT:** For the initial two-year period, the employees who worked at Manly and Mona Vale hospitals will transfer on the same terms and conditions on which they were employed by NSW Health. Obviously, one of the responsibilities of the private hospital operator will be to work with its staff to deliver the best possible outcomes and how it will do that within that private hospital will be a matter for its management.

**The Hon. PAUL GREEN:** In terms of public-private partnerships, everyone is a bit nervous with public-private partnerships because we have not had a good run in other portfolios with them. What sort of success rate are you able to put against running a public-private partnership for this particular model?

**Mrs JILLIAN SKINNER:** We went and had a look, and we learnt a great deal from Joondalup in Western Australia. In fact we engaged the person who had been very involved in setting up that contract in prescribing the request for tender documents and helping us understand the learnings from that project. Plus Dr Hammett came with us over to Western Australia to have a look at the models. We have learnt from the things that they did there and it is going exceptionally well.

**The Hon. PAUL GREEN:** Why do public-private partnerships in health care fall over?

**Dr HAMMETT:** Can I expand on that? Within the health portfolio currently we have a number of public-private partnerships operating. They operate at a clinical service level. We have, for instance, the eastern heart pathology service at Prince of Wales Hospital. We have a number of co-located public and private hospitals that work very closely and share facilities. We have some specific public-private partnership projects that have built hospitals at Orange, and the forensic health facility. We have a public-private partnership arrangement, private contract that is in place out at Hawkesbury and at the Calvary Mater hospital in Newcastle.

Public-private partnerships have been operating for many years in this State very successfully, and indeed elsewhere around the country have been delivering extraordinary value to the taxpayer in terms of the ability to provide high-quality health services at potentially lower cost for the tax dollar and particular models in Western Australia, Joondalup, and now the new Midland hospital that is coming on line have been based very much on a public-private partnership approach that ensures the same quality of care but at a lower price; so the taxpayer benefits.

**The Hon. PAUL GREEN:** In terms of the buildings, one of the concerns that was made through representation to me was there are one or two buildings. Can you clarify for me, in this new development at the northern beaches are there one or two buildings?

**Dr HAMMETT:** Both of the proponents have submitted designs of the hospital facilities that they are proposing to build on the site. Those are again part of their tender that is being evaluated at the moment and the final design has not been decided on. What is clear from the designs is that the new northern beaches hospital will be an extraordinarily sophisticated facility that will provide a level of services that is not currently available for the residents of the northern beaches at Manly and Mona Vale hospitals.

**The Hon. PAUL GREEN:** Are you concerned that if there were a two building situation that that would compromise the efficiency and the abilities of staff to operate between two facilities rather than one facility?

**Dr HAMMETT:** I am sure the operators will be more concerned than we will to make sure that the hospital is operating as efficiently as possible and the design will factor that in.

**The Hon. PAUL GREEN:** This morning as I was driving up I heard on the radio that Shoalhaven hospital is having an issue with nursing staff. Minister, I think it was the Nurses and Midwives Association saying that for 14 weeks they have not really been listened to and then over the week there seemed to be a covering of shortages of beds. Do you have a comment on what is happening down there and why they may have been short staffed for 14 weeks up until the weekend?

**Mrs JILLIAN SKINNER:** Yes, I was made aware of it this morning through the media that you heard and in fact there has been a press release put out by the union about the beds. Again, I think it is ward A.

**The Hon. PAUL GREEN:** Medical ward, I believe.

**Mrs JILLIAN SKINNER:** Medical ward A. I am advised that this matter is now being rectified, but I might ask Karen Crawshaw to elaborate with further details.

**Ms CRAWSHAW:** I have recently been down to visit the Shoalhaven and recently went to medical ward A. I think there are issues there. I have raised the issues with the chief executive of the district and both she and I are in agreement that medical ward A is a very large ward at the moment; it is close to 40 beds. It needs to be split into two and properly staffed as two separate wards with the infrastructure that goes with that. I have confirmed with the chief executive this morning that that solution is in train.

**The Hon. PAUL GREEN:** It might be in train, but how are you going to resource it? Obviously there is a lack of resources if people are not putting the right amount of nursing staff on the ward.

**Ms CRAWSHAW:** I do not think it is a question of a lack of resources, and the district is required to comply with the award requirements for our nursing hours per patient day. It is totally unacceptable not to comply with the award requirements. It will not be tolerated.

**The Hon. PAUL GREEN:** That is the very point, for 14 weeks it has potentially, allegedly, been operating illegally with the shortage of numbers.

**Ms CRAWSHAW:** Totally unacceptable and they will need to bring in immediately casual and agency staff to fill any breach if there is a breach there at the moment.

**Mrs JILLIAN SKINNER:** That is our standard ruling on the award arrangements with nurses. We make sure that we are actually meeting that obligation.

**The Hon. PAUL GREEN:** And so it should be. In light of the local health district being in budget turmoil—and I am not saying that it is—

**Dr HAMMETT:** It is not.

**The Hon. PAUL GREEN:** In light of the fact that some hospitals always seem to find it hard to put the appropriate amount of staff on and the first place they cut it is in ward hours, is that the situation here? Is there a budget issue or is it an efficiency issue? Why has the governing body down there, which is responsible to supply the correct amount of nurses on the ward appropriate to the care needs, been operating with a staff shortage? Why has that been able to happen, given the fact that it is operating "illegally" outside those numbers?

**Mr WHELAN:** The first point I would like to raise is that the Illawarra Shoalhaven is not under budget pressure. They are actually one of the better performers, so this is not a resource or a budget issue. How it happened over the past 14 weeks, as you have said, as Ms Crawshaw said, it is unacceptable. As soon as we found out about it, we have intervened and instructed that the staffing ratios are brought back within the awards, and we will be monitoring this through our performance framework to make sure that it actually occurs.

**The Hon. PAUL GREEN:** I appreciate your answer, but it concerns me because we just had a letter read out by the Hon. Greg Donnelly and then we have this 14 weeks of staffing issues. You are the very top echelon of the Department of Health and these two key issues have not come to your desk. How is that so?

**Ms CRAWSHAW:** In fact the second issue— The second issue came to me directly on my visit, which was a matter of about three weeks ago, and I took that up and both rang and wrote to the chief executive, who I am advised this morning, has taken that up with management. It is a question of responsiveness of management and that is being addressed. I will continue to monitor this and will probably be sending down my workloads staff member. I have a staff member, one of whose jobs is to monitor across the State and make sure that staffing reviews are undertaken and our award is complied with.

**The Hon. PAUL GREEN:** When will it be fixed?

**Ms CRAWSHAW:** It should be fixed immediately. I have already said they have to comply with the award and that means bringing in casuals and agency staff to do that, and if they cannot do that they will have to flex down the beds. They will have to bring the beds down. You cannot staff below the award requirements. Now there are two things that give—

**The Hon. PAUL GREEN:** Sorry, I have only two minutes, Ms Crawshaw. How did that happen, after 14 weeks we get to this?

**Ms CRAWSHAW:** Well, I am obviously not managing the place, but clearly the monitoring by management failed and it needs to be sorted.

**The Hon. PAUL GREEN:** Obviously, we have been on the road with other inquiries and one issue was about Bourke not having the maternity services it once did. Is there any chance of that being reopened in the future?

**Mrs JILLIAN SKINNER:** Yes.

**The Hon. PAUL GREEN:** Does the Government have some reply to that inquiry?

**Mrs JILLIAN SKINNER:** Yes. As I understand it, the maternity staff there are engaged by an organisation outside of the local health district.

**Ms CRAWSHAW:** There has been a response provided. We just have to check its current status. Western NSW Local Health District is working collaboratively with Ochre Health to secure appropriately qualified medical staff to enable birthing services to resume in Bourke. But we would have to take the question on notice.

**The Hon. PAUL GREEN:** You can take it on notice. The main thing we are hearing in the field is that it is just unreasonable that mothers have to travel to Dubbo or somewhere.

**Mrs JILLIAN SKINNER:** Yes, and it is a real dilemma.

**The Hon. PAUL GREEN:** It is a dilemma.

**Mrs JILLIAN SKINNER:** In some of these small country hospitals it is a matter of staffing; making sure there is a safe staffing level so that mums and their babies are not put at risk. A review of the Bourke service is currently being undertaken by the Australian Rural Birthing Index project team, which was led by people from the University Centre for Rural Health. It aims to develop and validate an evidence-based composite index of need. This is all about planning for maternity services in rural areas. Bourke was suspended in 2009 due to a shortage of midwives and the local health district is trying to resolve that, as we have heard, through this organisation called Ochre, which provides the staffing.

**Dr JOHN KAYE:** That suspension is still in place, is it not?

**Mrs JILLIAN SKINNER:** Yes, because there is not sufficiently experienced staff to guarantee the safety of the mothers and their babies.

**The Hon. GREG DONNELLY:** Minister, my question is about the impact of the cuts announced by the Liberal-Nationals Commonwealth Government in May on Health in New South Wales. I draw on information in the public domain provided in statements by the Premier, the Treasurer and you. We understand that the hit to New South Wales, if I can put it that way, will be to the tune of about \$1.2 billion over a five-year period, is that your understanding?

**Mrs JILLIAN SKINNER:** The real impact is after the years 2017-18. It is not immediate.

**The Hon. GREG DONNELLY:** You are saying that there is not an impact?

**Mrs JILLIAN SKINNER:** Not immediately.

**The Hon. GREG DONNELLY:** So there is no impact on New South Wales between now and 2017-18?

**Mrs JILLIAN SKINNER:** Because there was a retiring health partnership agreement in relation to subacute beds and others, which was always to be the case with part of the deal from the former Federal Labor Government, we have picked that up. So the State Government has covered off, I think, \$220 million in this year's budget to ensure that we have covered off that. In relation to—

**The Hon. GREG DONNELLY:** Can I ask you then why would the Premier—

**CHAIR:** The Hon. Greg Donnelly will allow the Minister to finish answering his very important question.

**Mrs JILLIAN SKINNER:** In terms—

**The Hon. GREG DONNELLY:** But if she has answered it, why can I not move on to my next question?

**Mrs JILLIAN SKINNER:** Excuse me. Let me finish. For the longer term, because the activity-based funding arrangements under the Council of Australian Governments [COAG] continue, our increased activity meant that we covered the shortfall that might have been anticipated when the Federal Government budget was first brought down. But our activity and our income has grown. So we do not have a deficit in terms of Federal funding.

**The Hon. GREG DONNELLY:** Is the Premier of New South Wales really ignorant of all of this? If the Premier of New South Wales has been saying on the record that the cuts are to the dimension I have described and you are saying, well, no that's not the case—

**Mrs JILLIAN SKINNER:** No, I am not.

**The Hon. GREG DONNELLY:** Who do we believe then?

**Mrs JILLIAN SKINNER:** He said over the forward estimates; over the next few years; over the forward estimates.

**The Hon. GREG DONNELLY:** That is right, \$1.2 billion?

**Mrs JILLIAN SKINNER:** Yes. Not this year. They start in 2017-18.

**The Hon. GREG DONNELLY:** I am not talking about—

**Mrs JILLIAN SKINNER:** I am totally consistent with what the Premier and Treasurer have said.

**The Hon. GREG DONNELLY:** I do not think that is the case.

**Mrs JILLIAN SKINNER:** You should go and read the *Hansard*.

**The Hon. GREG DONNELLY:** I have it here.

**Mrs JILLIAN SKINNER:** I have been in the Parliament when they have said it.

**The Hon. GREG DONNELLY:** I have his media releases here and his actual transcript.

**Mrs JILLIAN SKINNER:** You just said to me "over the forward estimates".

**The Hon. GREG DONNELLY:** Yes, I know—

**Mrs JILLIAN SKINNER:** That does not start right now.

**The Hon. GREG DONNELLY:** —for the period 2013-14 to 2017-18.

**Mrs JILLIAN SKINNER:** Yes. Well, in 2017-18 we are affected.

**The Hon. GREG DONNELLY:** It is a \$1.2 billion hit to New South Wales?

**Mrs JILLIAN SKINNER:** Yes.

**The Hon. GREG DONNELLY:** Okay, thank you for that.

**Mrs JILLIAN SKINNER:** From 2017-18 we are affected.

**The Hon. GREG DONNELLY:** The Premier went beyond saying it may impact; he said that this is likely to lead to a cut in beds. In fact, 300 beds will have to be closed in New South Wales from 1 July 2014. What do you say about that?

**Mrs JILLIAN SKINNER:** In fact, I met with the nurses union about this because they were very alarmed.

**The Hon. GREG DONNELLY:** The Premier is the one who alarmed them. He said it.

**Mrs JILLIAN SKINNER:** I pointed out that there would be no need to close any beds because of the efficiencies that we had been able to implement here in New South Wales; that we were in fact getting extra money from the Commonwealth. It was unknown to the Premier at the time he made those comments because it was unknown to anyone because it was based on the future growth in service provision through activity-based funding; and we have closed no beds.

**The Hon. GREG DONNELLY:** In May, after the meeting with other State and Territory leaders, the Premier was very emphatic about the dimension of the cut over the forward estimates—

**Mrs JILLIAN SKINNER:** Over the forward estimates.

**The Hon. GREG DONNELLY:** Correct. Yes, I understand that. That was with respect to beds, but you are now saying that he is wrong?

**Mrs JILLIAN SKINNER:** I am saying that he said over the forward estimates.

**The Hon. GREG DONNELLY:** No, I am talking about the number of beds to be closed.

**Mrs JILLIAN SKINNER:** That is exactly what I am saying.

**The Hon. GREG DONNELLY:** He said it is 300.

**CHAIR:** Order! Let the Minister answer the question.

**Mrs JILLIAN SKINNER:** And I am saying that we have found that not to be necessary because of the efficiencies we have brought in, particularly some of the initiatives, I am pleased to say, that have been put forward by the nurses and doctors themselves working in the hospitals—new models of care that provide better health care and faster treatment without having to cut back any services.

**The Hon. GREG DONNELLY:** For the Premier of this State to come out after the announcement and say, "It's a real kick in the guts to New South Wales"—his words, not mine—what you basically are saying is, "No, he's got it wrong. It's not a kick in the guts. We'll muddle our way through." Is that what you are saying?

**Mrs JILLIAN SKINNER:** No, I am not saying that at all.

**The Hon. GREG DONNELLY:** Who is wrong? You both cannot be right?

**Mrs JILLIAN SKINNER:** I am saying that, through our great efficiencies and the wonderful work of those working and everything in NSW Health, we have found other ways to accommodate the growing demand, with our growth in budget by the way—a 5.2 per cent increase this year without having to close down or cut any services. The Premier was absolutely correct: over the forward estimates starting from 2017-18 when the activity-based funding arrangements under COAG conclude. That is when the impact will be felt.

**The Hon. GREG DONNELLY:** In the four months between May—

**Mrs JILLIAN SKINNER:** It is totally consistent with what he said.

**The Hon. GREG DONNELLY:** —and August this year—

**Mrs JILLIAN SKINNER:** Yes.

**The Hon. GREG DONNELLY:** —and we still are in August, so it is in fact less than four months, we have a complete change in the way this major problem facing the hospital systems in the Commonwealth is being seen through the eyes of New South Wales. This cuts issue was a big problem back in May—we will come to the co-payment issue in a moment. But now, "She'll be right. We'll muddle through and, really, it was misunderstood at the time. We can sort this out." Is that what you are saying?

**Mrs JILLIAN SKINNER:** No.

**The Hon. GREG DONNELLY:** Do you think the Premier needs a briefing by you or your office to explain to him what is going on in New South Wales with respect to Health?

**Mrs JILLIAN SKINNER:** No.

**The Hon. GREG DONNELLY:** Do you think he understands it?

**Mrs JILLIAN SKINNER:** Yes.

**The Hon. GREG DONNELLY:** He just misunderstood things, is that what you are saying?

**Mrs JILLIAN SKINNER:** No.

**The Hon. GREG DONNELLY:** What are you saying?

**Mrs JILLIAN SKINNER:** I am saying that I am totally consistent with what he said: In the forward estimates we would have a budget cut from the Commonwealth when COAG activity-based funding agreements change.

**The Hon. GREG DONNELLY:** I wonder where he got the 300 beds from. Did he just pluck that out of the air?

**Mrs JILLIAN SKINNER:** No.

**The Hon. GREG DONNELLY:** Well, where would that come from?

**Mrs JILLIAN SKINNER:** I do not know. Ask him.

**The Hon. GREG DONNELLY:** Maybe I will try to get something asked in the budget estimates hearing of the Premier.

**Mrs JILLIAN SKINNER:** Good.

**The Hon. GREG DONNELLY:** Moving to the issue of emergency departments in New South Wales and looking at the Bureau of Health Information, Statistics Research and Evaluation, I refer to the January to March quarters. January to March 2011 the figures show 526,005; January to March 2012, that is, 12 months later, the figure is 540,301; January to March 2013 it is 575,675; and January to March 2014 it is 614,438. They are quarterly figures in the Bureau of Health Information quarterly reports for the January to March quarters. Is that expected to increase next year? In January to March 2015 will we expect there to be an increase on the figure for this year?

**Mrs JILLIAN SKINNER:** We have seen a growing attendance at emergency departments for the past three years. In fact, since I have been in government we have had in emergency—

**The Hon. GREG DONNELLY:** I have just gone through the four years you have been in Government. They are the figures I quoted back to you.

**Mrs JILLIAN SKINNER:** Yes. You have not given a total. I can tell you that in terms of emergency, there was an estimated 2.77 million emergency attendances in 2014-15. It is a 3 per cent increase from the previous year and, importantly—

**The Hon. GREG DONNELLY:** Thank you, Minister, I can read the report. I have done that already. I will move on to the issue of the impact on the Commonwealth Government's announced co-payment with respect to Medicare, the figures that are being put out by credible people about the likely impact on the numbers of people visiting emergency departments arising from the introduction of the co-payment by the Liberal-Nationals Commonwealth Government. Has your department done any modelling on what is likely to be the increase in visits to our emergency departments in NSW Health arising from the introduction of the co-payment?

**Mrs JILLIAN SKINNER:** For a start, there is no co-payment for general practitioners [GPs] yet. It is a matter that is yet to pass the Senate.

**The Hon. PAUL GREEN:** Hear, hear!

**Mrs JILLIAN SKINNER:** So everything that you are talking about is speculation.

**The Hon. GREG DONNELLY:** No, it is not speculation. With the greatest respect, the Minister for Finance was on the radio this morning, saying very clearly, "We are pressing on with our position."

**Mrs JILLIAN SKINNER:** Yes.

**The Hon. GREG DONNELLY:** That is the Commonwealth Minister for Finance who was speaking on the radio this morning.

**Mrs JILLIAN SKINNER:** Yes, I am sure that is the case. Is it going to end up exactly how it is proposed—

**The Hon. GREG DONNELLY:** So the question is—

**Mrs JILLIAN SKINNER:** —or is it going to be negotiated changes? Who knows?

**The Hon. GREG DONNELLY:** It is the Liberal-Nationals Commonwealth Government that is trying to do this.

**Mrs JILLIAN SKINNER:** Yes.

**The Hon. GREG DONNELLY:** Your mates. In regard to this co-payment the question is: Have you done any work or have you instructed any of the officers in the department to do any preliminary modelling work on the impact of the \$7 co-payment?

**Mrs JILLIAN SKINNER:** No, but I can tell you that there are many GP-type patients who have been attending emergency departments for a long time—

**The Hon. GREG DONNELLY:** The question is: Have you, Minister, or have you instructed anyone in the department—

**Mrs JILLIAN SKINNER:** No, I have not instructed anyone in the department to do modelling because it is a totally unknown situation.

**The Hon. GREG DONNELLY:** Has any of the officers at the table been involved with directing or associated with any work to do with the introduction of a Commonwealth co-payment, as announced in the Commonwealth budget in May this year?

**Dr FOLEY:** I will answer that. Yes, we have—

**The Hon. GREG DONNELLY:** You have. Have you told the Minister?

**Dr FOLEY:** Yes, we have done work in relation to the co-payment. We have not modelled particular possible volumes, et cetera—

**Mrs JILLIAN SKINNER:** No, we cannot.

**Dr FOLEY:** —because the particular details of what the co-payment is going to be is still up in the air. However, we are aware of the risk of the impact on emergency departments. The Minister has been very open about that from the announcement of the Federal budget, and our focus has been on looking at models where, if there were to be an increase in demand on emergency departments, can we look at other models of engaging general practice in association with our accident and emergency services to be able to absorb or mitigate that demand.

**The Hon. GREG DONNELLY:** Dr Foley, you have gone beyond the point I was at. I was actually asking a question about—

**Dr FOLEY:** Well, you have asked if any work had been done.

**The Hon. GREG DONNELLY:** Yes, but you are talking about—

**Dr FOLEY:** I am advising you, Mr Donnelly, of the work that we have been doing.

**The Hon. GREG DONNELLY:** That is my next line of questioning. The work that has been done up to this point of looking at the impact of a co-payment, that is what is in play here. The question is: Have you explicitly done any work on the impact of a co-payment that will be payable by persons visiting—

**Dr FOLEY:** If you mean by that have we modelled specific numbers and come out with different volumes of patients that might come, we have not done that.

**The Hon. GREG DONNELLY:** That was not my question.

**CHAIR:** Order! Can you reframe the question, because I am confused by your question as well, the Hon. Greg Donnelly? Please clarify what you are trying to ask.

**The Hon. GREG DONNELLY:** I am trying to establish what work has been done by the Minister or her staff or members here at the table from the bureaucracy of NSW Health. Looking at this issue of the introduction of a co-payment, what work has been done—



**Mrs JILLIAN SKINNER:** From the work done—

**The Hon. GREG DONNELLY:** Dr Foley has said there has been some work done.

**Mrs JILLIAN SKINNER:** Yes, some preliminary work. It is not modelling, it is not financial impact, it is not numbers because we do not know.

**The Hon. GREG DONNELLY:** With the greatest respect, Minister, at the start of questioning you did not even know work was being done.

**Mrs JILLIAN SKINNER:** Oh, rubbish. You asked a question whether there had been any modelling and, no, there has not. We have done a preliminary assessment of possible—

**The Hon. GREG DONNELLY:** You are being very slippery Minister, and you have been all morning.

**CHAIR:** Order!

**The Hon. GREG DONNELLY:** Very slippery.

**CHAIR:** Order!

**The Hon. GREG DONNELLY:** You know my question—

**Mrs JILLIAN SKINNER:** I can assure you I advised Parliament the day after the Federal budget was brought down that if there were to be any flow-on effect to the emergency departments, we would not have a co-payment in emergency, and so on.

**The Hon. GREG DONNELLY:** I am trying to understand the modelling work that has been done.

**Mrs JILLIAN SKINNER:** You keep asking about modelling. There is no modelling.

**The Hon. JENNIFER GARDINER:** Point of order—

**The Hon. GREG DONNELLY:** Dr Foley said there has been modelling.

**CHAIR:** Order! There is a point of order from the Hon. Jenny Gardiner.

**The Hon. JENNIFER GARDINER:** The member is misrepresenting the Minister's answer and the director general's answer. The question was about modelling. The Minister said there was not any modelling. The director general is now giving the committee—

**The Hon. GREG DONNELLY:** And that contradicts what Dr Foley said.

**CHAIR:** Order!

**The Hon. JENNIFER GARDINER:** —information about what preliminary work has been done, given that the detail is still not known.

**The Hon. GREG DONNELLY:** We have a contradiction in play.

**CHAIR:** Order! I uphold the member's point of order. I ask the Hon. Greg Donnelly to please show some respect to this process. Ask questions and let answers be given.

**The Hon. GREG DONNELLY:** Well, we have a slippery Minister here who will not answer properly.

**CHAIR:** Order!

**The Hon. GREG DONNELLY:** It was a straightforward question.

**CHAIR:** Order! Because the Minister may not be giving you the answer that you desire does not mean that the answer is not being given.

**The Hon. GREG DONNELLY:** She is not giving me a straight answer; that is the issue. She is not giving a straight answer.

**Mrs JILLIAN SKINNER:** Madam Chair, I ask Mr Donnelly to withdraw those remarks. I find them offensive.

**The Hon. GREG DONNELLY:** No.

**Mrs JILLIAN SKINNER:** Let it be on the record that he is absolutely offensive, in my opinion, and not representing the truth.

**The Hon. GREG DONNELLY:** Well, you are not representing the truth because you deny there was work being done—

**CHAIR:** Order!

**The Hon. GREG DONNELLY:** —and Dr Foley confirmed there was work being done.

**CHAIR:** Order! The Hon. Greg Donnelly will not interpret the answers to suit his own needs. Please allow the Secretary and the Minister to answer the question—which they are attempting to do—without your continuous belligerent interruptions.

**The Hon. GREG DONNELLY:** I am trying to find out what is the extent of the work that has been done.

**Mrs JILLIAN SKINNER:** That is not what you asked.

**The Hon. GREG DONNELLY:** It is a straightforward issue.

**CHAIR:** Order! That is a different question to what you asked earlier.

**The Hon. GREG DONNELLY:** I am told in the first instance no work has been done and then there has—

**Mrs JILLIAN SKINNER:** No.

**Dr JOHN KAYE:** Point of order: Can the question be asked without personal invective? Ask the question: What work has been done?

**Mrs JILLIAN SKINNER:** Thank you. That is a decent question.

**CHAIR:** Order! Thank you. That is a good question, Dr Kaye.

**Dr JOHN KAYE:** I want to know. I actually have an interest in knowing.

**Mrs JILLIAN SKINNER:** There was preliminary work done. It is not about modelling because we do not know the impact because we do not know the form, if any, of a co-payment, once it passes through the Federal Parliament. Of course we had a look at what we might do if there are increasing numbers of GP patients coming to our emergency departments. Of course we did that work.

**The Hon. GREG DONNELLY:** Let us be clear: You have done no calculations. The Department of Health has done no work specifically in terms of calculations about the impact of the introduction of a co-payment with respect to hospitals in New South Wales and visitations to emergency departments? There has been no work done.

**Mrs JILLIAN SKINNER:** We have done initial preliminary consideration without modelling because we do not know the numbers. We have no idea what we will pass through the Senate and, therefore, become Federal law.

**The Hon. GREG DONNELLY:** You are a very experienced Minister and you know that to do those calculations you need a model with assumptions in it, so do not tell me there is no model. There has to be a model to factor in—

**Mrs JILLIAN SKINNER:** Are you accusing me of lying?

**The Hon. GREG DONNELLY:** I am saying to you that you know what a model is.

**Mrs JILLIAN SKINNER:** I do, and we have not done any modelling because we do not have the figures. We do not have the actual figures.

**CHAIR:** Order! I request the Hon. Greg Donnelly to move on to another line of questioning. The Minister and the Secretary of Health have answered your question. Because you do not like the answer does not mean you can keep badgering them.

**The Hon. GREG DONNELLY:** Well, I still have not got the answer.

**CHAIR:** Order! They have answered the question. Move on to another question.

**The Hon. GREG DONNELLY:** I will finish this line of questioning with this question: Minister, what do you think about the idea of a co-payment?

**Mrs JILLIAN SKINNER:** There will be no co-payment in NSW Health.

**The Hon. GREG DONNELLY:** There will be no co-payment, what, over your dead body?

**Mrs JILLIAN SKINNER:** In NSW Health, there will be no co-payment, apart from what exists now through the use of private health insurance.

**The Hon. GREG DONNELLY:** There will be no co-payment in New South Wales, full stop, end of story?

**Mrs JILLIAN SKINNER:** Not in our emergency departments, which is what you are talking about.

**Dr JOHN KAYE:** She said, "In NSW Health", to be fair.

**Mrs JILLIAN SKINNER:** In the emergency departments.

**Dr JOHN KAYE:** There are certain things that are not within a Minister's gift, I would imagine.

**Mrs JILLIAN SKINNER:** In the emergency departments, which is what we are talking about.

**The Hon. GREG DONNELLY:** Have you had any discussions with the Federal Minister about this issue?

**Mrs JILLIAN SKINNER:** I have written to the Federal Minister on that one specific matter in relation to the proposed co-payment and that was in relation to its potential impact on immunisation rates.

**The Hon. GREG DONNELLY:** But what about the impact on emergency departments, which clearly is a big issue given what a number of people are saying in the community? Numbers of up to perhaps an extra 300,000 visitations have been reported. That figure has been placed in the public domain. Have you raised the issue of co-payments and the impact on emergency departments with him?

**Mrs JILLIAN SKINNER:** In general terms there have been discussions at the Health Ministers council.

**The Hon. GREG DONNELLY:** How many meetings have there been since the Commonwealth budget was delivered?

**Mrs JILLIAN SKINNER:** I believe there have been two—sorry, one and a teleconference.

**The Hon. GREG DONNELLY:** What did the Commonwealth Minister say about that issue? You obviously put the case of concern—

**Mrs JILLIAN SKINNER:** Not only me, but also others.

**The Hon. GREG DONNELLY:** What was his reply?

**Mrs JILLIAN SKINNER:** It was just a general discussion with all the Ministers. I cannot go into details for confidentiality reasons, just like Cabinet.

**The Hon. GREG DONNELLY:** Just a general discussion on something as significant as this?

**Mrs JILLIAN SKINNER:** Concerns were expressed, yes.

**The Hon. GREG DONNELLY:** Were those concerns expressed with great anxiety or where they just general—

**Mrs JILLIAN SKINNER:** We do not behave at that Minister's meeting like you do here.

**The Hon. GREG DONNELLY:** So people were indifferent, were they? They were prepared to accept—

**Mrs JILLIAN SKINNER:** I am not prepared to go into any detail. They are civil and courteous discussions. I chair the meeting.

**The Hon. GREG DONNELLY:** I now turn to an issue that has received some publicity over the past few days. As recently as 25 July this year NSW Health provided the following advice on loose-fill asbestos installation in houses, and I quote:

In 1993 the New South Wales Government evaluated the level of risk proposed by loose fill asbestos in the seven homes identified at the time in Queanbeyan, New South Wales, the assessment concluded that exposure to asbestos is likely to be very low provided the asbestos is undisturbed and sealed off from the living areas.

Does the Government still stand by that position or has its position altered?

**Mrs JILLIAN SKINNER:** A government response is being coordinated by the Heads of Asbestos Coordination Authorities [HACA], which is chaired by WorkCover NSW. NSW Health is represented on that body and the Chief Health Officer is part of that body. I will ask Kerry Chant to answer.

**Dr CHANT:** NSW Health's position is that asbestos is hazardous to human health and it is very important that we limit exposure to asbestos. In relation to the particular point raised in your question, the advice from NSW Health is that the exposure pathway; that is, people are not being exposed to the asbestos fibres, removes risk to their health. In 1993 we were involved in providing advice in relation to some work done in the seven homes identified at the time in Queanbeyan, New South Wales. That was following a call where I believe in the order of 350 homes had come forward for testing and there was a small number of homes tested. The level of exposure in those homes in 1993, which was some 15 years after the loose-fill asbestos was put in place, indicated that the risk was very low in the seven homes that were tested. As I said, there were only in the order of 13 homes identified—

**Dr JOHN KAYE:** You tested for fibre density, did you?

**Dr CHANT:** Airborne fibres. The report is actually on the HACA website, and I am happy to make available the website details and the details of that report. The other component is that I have a standing expert advisory committee that looks at air pollution issues and broader environmental risks. I have asked for that to be reconvened so that the independent expert panel, with a range of experts such as Professor Bruce Armstrong, Professor Guy Marks—

**The Hon. GREG DONNELLY:** That is separate to what the Minister just mentioned?

**Dr CHANT:** Yes, that is the expert panel. I have reconvened that to review all of the information that is becoming available. The Committee will be aware that on Friday, as part of the whole-of-government response, three initiatives were announced by government—

**Dr JOHN KAYE:** Dr Chant, will you please put those three initiatives on notice. This is now my time to ask questions.

**Dr CHANT:** Yes.

**Dr JOHN KAYE:** Not that what you are saying is not important or that you are not doing a good job, but I want to ask some questions. Minister, you will be aware that the Sunshine Coast hospital was a \$1.8 billion private-public partnership [PPP], not terribly dissimilar to what is proposed for the Northern Beaches Hospital. Minister Lawrence Springborg recently announced that he could not find value for money in a private sector proposal and it is going ahead as a public sector proposal. Minister, why could Minister Springborg not find value for money, yet you claim you can.

**Dr HAMMETT:** Dr Kaye, the Sunshine Coast situation was different to the Northern Beaches; there was already a pre-existing co-located private hospital on the Sunshine Coast with an operator in place, which happened to be Ramsay. In that setting the Queensland Government then went to the market looking for someone to operate a public facility. The market responded by saying it would be commercially difficult for another operator to step into that place. My understanding is that only one bid was received from the existing private hospital operator on site and that the price offered was not acceptable to the Queensland Government. That is very different to the situation with the Northern Beaches where there has been a strong market interest.

**Dr JOHN KAYE:** A greenfield site?

**Dr HAMMETT:** A greenfield site.

**Dr JOHN KAYE:** Strong enough that you have two surviving bids?

**Dr HAMMETT:** Correct, from the two biggest hospital operators in the country.

**Dr JOHN KAYE:** You were happy with two bids?

**Dr HAMMETT:** Yes.

**Dr JOHN KAYE:** My next question arises from a question asked by Mr Green to do with the nursing hours per patient day ratios. Mr Green asked if they would be transmitted to the new hospital. The answer is that they are currently protected in the State-based award, which means that the new hospital will not be operating under the State-based award—

**Mrs JILLIAN SKINNER:** For the two years for those employees they will be.

**Dr JOHN KAYE:** For those two years, but beyond those two years they will not be. Will the contract contain a nursing hours per patient day ratio constraint or—

**Mrs JILLIAN SKINNER:** As part of the request for tender we stipulated the workforce requirements, and that that would be considered in the final analysis. What happens beyond that two-year period is a matter that has already been disclosed between the hospital operator and the staff: They will go back to the Commonwealth provisions of Fair Work.

**Dr JOHN KAYE:** There will be no protection on nurse—

**Mrs JILLIAN SKINNER:** Fair Work protections.

**Ms CRAWSHAW:** There is the Fair Work protection, which for transferring conditions is up to five years, and I can confirm that is the case. The rider on that is if more than 50 per cent of the staff enter into an enterprise bargain with the new employer after the two years—

**Dr JOHN KAYE:** Enterprise agreement.

**Ms CRAWSHAW:** Yes. That overrides the ongoing maintenance of terms and conditions for the next part of that five-year period.

**Dr JOHN KAYE:** Terms and conditions that are within the State-based award or the modern award?

**Ms CRAWSHAW:** No. There is a provision in the Fair Work Act that if you—

**Dr JOHN KAYE:** That the State award continues for five years.

**Ms CRAWSHAW:** That is correct.

**Dr JOHN KAYE:** But at the end of five years there would be no protections beyond what was agreed to in the enterprise agreement?

**Ms CRAWSHAW:** Correct.

**Dr JOHN KAYE:** In effect the State will no longer have any control over nursing hours per patient day ratio in the new hospital?

**Ms CRAWSHAW:** After that period.

**Dr JOHN KAYE:** So after five years it is whatever the hospital thinks it can get away with within the constraints set by the performance. I presume the contract will specify certain levels of performance.

**Ms CRAWSHAW:** Yes, but it will also specify certain levels of safety and, like any other employer, workplace health and safety law will also apply. So there is a framework over and above nursing hours per patient day that does provide some safeguards to staff working in hospitals. Can I just—

**Dr JOHN KAYE:** But you understand that that was not necessarily a matter of nurse safety; it was a matter of patient safety and patient recovery?

**Ms CRAWSHAW:** There is patient safety and then there is staff safety. Clearly if you provide hours that are onerous to the point where it affects health and safety then you are running afoul of workplace health and safety obligations.

**Dr JOHN KAYE:** Because we are running short on time, would you mind providing the Committee with some details on what that would be on notice?

**Ms CRAWSHAW:** I can give you the details, yes.

**Dr JOHN KAYE:** I turn now to the issue of EnableNSW and patients in hospital who are ventilator dependant and maybe waiting to be discharged but cannot be discharged because there is not a ventilator in the home for them. Minister, are you aware that there are such patients in New South Wales?

**Mrs JILLIAN SKINNER:** No, I know that there are occasionally questions asked about EnableNSW and its capacity to deliver all of the equipment help that is needed. Let me see if I can find out some further details.

**Dr JOHN KAYE:** So you are aware of what I am saying here, and I probably did not express it as well as I could have. I am talking specifically about patients who are unable to leave hospital because they cannot get home ventilation equipment under the EnableNSW Home Ventilation Program, and for whom discharge would be the appropriate course of action. Concerns have been raised with us that the EnableNSW budget is constrained and that there are patients who are effectively trapped in hospital because of that constraint.

**Mrs JILLIAN SKINNER:** I am aware that there has been an increased demand for equipment through EnableNSW. As a result, there have been increased waiting times. I am advised that the increase in demand has since plateaued, and there has been a recent \$5 million enhancement of the Aids and Equipment Program that will assist in reducing waiting times. If you have specific examples of patients who are still in hospital because of a lack of equipment then I am happy to take those on notice.

**Dr JOHN KAYE:** I am sure I can get that to you, Minister. Can you tell us how many patients there are in that category?

**Mrs JILLIAN SKINNER:** I cannot off the top of my head.

**Dr JOHN KAYE:** Could you get that to us on notice?

**Mrs JILLIAN SKINNER:** Yes, I will.

**Dr JOHN KAYE:** Could you get to us on notice the number of patients and how much funding would be required to clear that backlog? What is the longest known time that those patients have been waiting in hospital from point of clinical discharge to point of actual discharge?

**Mrs JILLIAN SKINNER:** I will certainly take that on notice. Of course I have to provide a rider that it is not always a lack of equipment that prevents them from being discharged from hospital. Certainly it could be an element. I will provide that information.

**Dr JOHN KAYE:** Thank you, Minister. I understand. I appreciate that. I turn now to the issue of tobacco control. I have been critical of this Government with respect to one particular issue—that is, outdoor dining areas. Apart from that I would not be critical. I think we have a growing consensus on tobacco control. Minister, you would be aware that the now former Lord Mayor of Newcastle Jeff McCloy has a High Court challenge inter alia on the issue of the 2010 ban on donations from tobacco companies. Some legal academics are saying that is correct. Minister, you would be aware also that in the four years prior to that ban coming into operation the Liberal-Nationals Coalition took \$370,000 in donations.

**Mrs JILLIAN SKINNER:** You have reminded me regularly of that.

**Dr JOHN KAYE:** I did, yes—until you stopped doing it.

**Mrs JILLIAN SKINNER:** I personally never, ever accept a donation from anyone from a tobacco company.

**Dr JOHN KAYE:** I appreciate that. What is the Baird Government doing to stop us going back to the bad old days where tobacco money flowed to political parties?

**Mrs JILLIAN SKINNER:** As far as I am concerned, I have always put forward a very strong case from a health perspective about the benefit of retaining that ban, but in the end that is not up to me; it is up to the Liberal Party. You might want to address that question to Premier Baird.

**Dr JOHN KAYE:** I have actually addressed that question to the registered office of the Liberal Party. I have asked them. Minister, would you undertake to make the strongest representations that if the ban is lifted then the Liberal Party will not go back to taking donations?

**Mrs JILLIAN SKINNER:** I will give you a personal commitment to make very strong representations.

**Dr JOHN KAYE:** I appreciate that, and I thank you, Minister. Just while we are on that topic, I may have raised the issue of the licensing of tobacco retailing outlets last year—or maybe I raised it with Dr Chant, I cannot recall. I asked then what progress we were making towards licensing tobacco retail outlets as the next step in tobacco control. Minister, can you give us an update on that?

**Mrs JILLIAN SKINNER:** Yes, I will ask Dr Chant to answer that question.

**Dr CHANT:** The history is that the Minister gave a commitment to review that. As I recall, the Cancer Council had also made representations to look at a positive licensing scheme. We do currently have a negative licensing scheme. There has been a working group set up with representatives of the Cancer Institute NSW, the Cancer Council, the National Heart Foundation and also representatives of small businesses. That report will come to the Government with a series of recommendations. In general terms, I can say that the group accepted that the current system, with some tweaking and some strengthening of the enforcement provisions, was the best way forward. That report should be before the Government soon.

**Dr JOHN KAYE:** When will we see that report?

**Mrs JILLIAN SKINNER:** Soon.

**Dr CHANT:** Soon. We are just checking with the participants to get final agreement that the report reflects their advice into the process. We will then be providing that to the Minister.

**The Hon. PAUL GREEN:** I am aware that NSW Health is in the process of looking to fill more than 3,600 junior medical officer positions available through the State's public hospitals and health facilities. When will this process be finished and what are you doing to try to get many of these positions into rural areas?

**Mrs JILLIAN SKINNER:** These are the junior medical officer positions. I am very proud of what we have done in terms of workforce—for example, we now have 4,600 extra nurses by headcount. That is, 3,400 full-time equivalent [FTE]. In terms of doctors, we have had 979 intern positions this year, which is up 20 positions from last year. We are leading the country in terms of not only numbers but also funds allocated for this purpose. We also fund a further five intern positions in the Australian Capital Territory. An intern recruitment process is currently underway, with the first offers made in July 2014 for this year.

**The Hon. PAUL GREEN:** What percentage will be going to rural areas?

**Mrs JILLIAN SKINNER:** I cannot give you that answer off the top of my head.

**Ms CRAWSHAW:** We will take that question on notice.

**Mrs JILLIAN SKINNER:** Yes, we will take it on notice.

**Ms CRAWSHAW:** We do have a number of schemes. We have the rural preferential scheme for interns, which gives an early entry point for those graduates looking for an internship into rural New South Wales. I think we had 89 this year and I think we are offering 120-odd places next year. I cannot recall the precise figure.

**Mrs JILLIAN SKINNER:** It keeps going up.

**The Hon. PAUL GREEN:** Excellent, and so it should. Can you comment on the concerns in the media that up to 40 per cent of New South Wales high school students are missing important immunisations for measles, mumps and rubella, particularly given the recent public health alert in Western Sydney?

**Mrs JILLIAN SKINNER:** I will make a couple of comments and then I know Dr Chant is very anxious to talk about this—she has dedicated a lot of her working life to this issue in the past few months. Overall we have a pretty good immunisation rate. The problem is that there are pockets where parents are not doing the right thing, as far as I am concerned, in terms of immunisation.

**Dr CHANT:** The issue with measles is that we are recommending that people have two measles injections to increase the likelihood of them having lifelong protection against measles. There were some historical scares.

**The Hon. PAUL GREEN:** Just as a point of clarification, when are they having the two shots? Is it in their teenage years?

**Dr CHANT:** No, the general schedule is now at 12 months and then at four years. I can double-check that.



**The Hon. PAUL GREEN:** No, that is fine.

**Dr CHANT:** They have two injections basically in the childhood schedule. But the schedule has changed. What we are concerned about is there being enough susceptible young people sufficient to have sustained transmission. In other parts of the world measles is endemic, and we find that travellers generally bring measles back into Australia. We have some under-immunised populations—largely because they missed out on having enough doses when they were children. There were also a number of health scares associated with autism. You might remember the combined measles, mumps and rubella [MMR] vaccine scare around autism and other health scares—

**Dr JOHN KAYE:** Health scares?

**Dr CHANT:** Well, allegations and linkages were made that have since been disproved and debunked as myths. There were a variety of factors that contributed to some cohorts of children potentially being under-immunised. As well, there may be new immigrants to the country who missed out on having the primary course of vaccinations.

**The Hon. PAUL GREEN:** Dr Shepherd says here that around 120,000 high school students are not immunised.

**Dr CHANT:** Dr Shepherd is Director of Communicable Diseases in Health Protection NSW. In response to this, what we are actually doing is going into a range of high schools across south-western Sydney and Western Sydney in particular. We will then evaluate the need to extend that to further high schools if that is a successful model of catching up. The advice I have had is that that has been a successful intervention. It is basically capturing children for whatever reason, whether it is because they came in and did not have access to vaccination because they had been born in another country or perhaps missed out on the two doses of measles, mumps and rubella [MMR] containing vaccine in their childhood schedule. We are aiming to pick them up to reduce the pool of susceptible children.

**The Hon. PAUL GREEN:** I know we would like a zero rate of unimmunised children to have to follow up on, but what is the target rate?

**Dr CHANT:** We aim for immunisation coverage in the order of 95 per cent receiving full immunisation. That is the thing we aim for in our childhood immunisation schedule. We are doing well, but that has improved. It means that we are picking up children now who are in their teenage years or in their young adult years who perhaps were at a time when we did not have such high levels of immunisation. The aim of the school-based program is to capture those children

**The Hon. PAUL GREEN:** One of my favourite questions is about the refresher course offered to nurses to get back into the industry. Can you provide me with information regarding how these scholarships are going? How many scholarships were offered during the last financial year, how many applications were received during the last financial year and how many were approved? Will you consider making these scholarships available to nurses returning to work on a casual or part-time basis—for example, working parents whose children have just started at school?

**Mrs JILLIAN SKINNER:** This was more of a burning issue last year because of the changes to the registration of health professionals through the Australian Health Practitioner Regulation Agency [AHPRA] scheme, the national scheme. They tightened up on the requirement for recency of practice, which is what I think you are talking about in particular.

**The Hon. PAUL GREEN:** Yes.

**Mrs JILLIAN SKINNER:** There was quite a campaign because it was considered quite expensive. We agreed, and that is why we provided full scholarships for those who wanted to take them up. They were taken up. There were still scholarship places left over and I think it has waned. I do not think we have any people applying.

**The Hon. PAUL GREEN:** It was 60 last time, was it not?

**Ms CRAWSHAW:** There were 60 on offer, but they were not all taken up.

**The Hon. PAUL GREEN:** That is right. How many were there this year?

**Ms CRAWSHAW:** I will have to confirm the numbers, but I believe it has been less than 10.

**The Hon. PAUL GREEN:** The second part of the question is: Will you consider this for casual or part-time workers?

**Ms CRAWSHAW:** Casuals no, because casuals are not committed to us for employment. We looked at part time. It depends upon the level of part time. The difficulty with part time is that you do have to get a certain amount of clinical time in; so there is a practicality around getting your clinical hours up.

**The Hon. PAUL GREEN:** An agency nurse would surely be more likely to be a casual worker. If you were previously doing agency work and you wanted to get back into the field doing agency work—

**Mrs JILLIAN SKINNER:** They would have to be registered to be employed as an agency nurse. They cannot be registered unless they have recency of practice, so that is already covered off. Again, this is really done at a national level. The standards and requirements are set at a national level. I think we have really bedded it down now.

**The Hon. PAUL GREEN:** One of issues before was that they had to come to the College of Nursing for training.

**Mrs JILLIAN SKINNER:** That is right.

**The Hon. PAUL GREEN:** Have we become a bit more innovative and put some in regional areas?

**Mrs JILLIAN SKINNER:** Yes, I think there has been some provision.

**Ms CRAWSHAW:** There is some, but there is still some requirement to come to metropolitan Sydney to do some of that.

**The Hon. PAUL GREEN:** Such as block practice?

**Ms CRAWSHAW:** Yes.

**The Hon. PAUL GREEN:** NSW Health is warning that some tattoo inks could be carcinogenic and there are calls for a crackdown on unregistered backyard tattooists. What steps are you taking to crack down on the backyard tattoo industry and what steps is New South Wales taking to increase public awareness of the risk involved?

**Dr CHANT:** I think that you are referring to some testing of tattoo inks that were found and some warnings that we issued.

**The Hon. PAUL GREEN:** Yes, they contained some contaminants that had been linked to some potential adverse health outcomes.

**Dr CHANT:** That is right. In response to that we provided advice through our public health units and to tattooists around those inks. Because there is also importation issues associated with the inks we have worked with the importers of those products. In terms of your question around the general enforcement of tattoo parlours, our public health units work with local council and tattooists. The main concern we have is around infection control and having stringent infection control in tattooing. We have advice around the risks associated with backyard tattoos and young people tattooing each other. We have hepatitis C prevention. There is an awareness film targeted at young people that highlights the risks associated with tattooing. We provide a lot of information and fact sheets around the blood-borne virus risks associated with tattooing.

**The Hon. PAUL GREEN:** Is that education being run through schools?

**Dr CHANT:** There is general information, as I understand it, in the Personal Development, Health and Physical Education [PDHPE] curriculum, which reports to the general issues of how blood-borne viruses are

transmitted. I am not familiar with the particular content, but I know that those sorts of issues would be touched on in that curriculum.

**The Hon. PAUL GREEN:** As tattooing is becoming more popular it might be worth raising it.

**Dr CHANT:** Similarly the skin-piercing components will also be picked up as having the same sort of blood-borne virus transmission risk.

**CHAIR:** That brings the questioning in relation to the Health portfolio to an end.

**(Short adjournment)**

**ROHAN JOHN HUNGERFORD HAMMETT**, Deputy Secretary, Strategy and Resources, NSW Health,

**MARY CHRISTINE FOLEY**, Secretary, NSW Health,

**KERRY CHANT**, Deputy Secretary, Population and Public Health, and Chief Health Officer, NSW Health, and

**JOHN SIDNEY ROACH**, Chief Financial Officer, NSW Health, on former oath:

**CHAIR:** The Committee will resume to examine estimates for Medical Research.

**The Hon. GREG DONNELLY:** Before we get into the questioning on Medical Research, can you clarify for the Committee it is your intention to stay on as a member of Parliament beyond March 2015?

**Mrs JILLIAN SKINNER:** Absolutely. I am very happy to put that on the record. I have been preselected for the Liberal Party branch and I am delighted to announce I am staying.

**The Hon. GREG DONNELLY:** That is very unambiguous.

**Mrs JILLIAN SKINNER:** No ambiguity. It is very relevant to this estimates hearing, I know.

**The Hon. GREG DONNELLY:** I thought I might get that in before the end. Can I move on to the issue we touched on tangentially in the earlier part of the hearing, which is apposite to this discussion about medical research? You made the position clear about the \$7 GP co-payment but, of course, as part of that announcement the Commonwealth indicated that \$5 of that would go into medical research. What is your response to that proposition that has been put by the Commonwealth? Obviously medical research is important for all Australians, and of course New South Wales represents approximately a third of the Commonwealth in round terms. What is your response to what the Government is proposing?

**Mrs JILLIAN SKINNER:** I think all money that is put into medical research is money well invested, frankly. If that is to come to pass, I believe it is not just from the co-payment but from other health savings that are made by the Commonwealth. As I understand it the details are that it will be in a trust where the interest would be payable in several years time. As I said, all investment in medical research to my mind will help the people of New South Wales, and the country in this case.

**The Hon. GREG DONNELLY:** But the effect is that there is a sting in the tail, which is \$5 of an amount that you do not accept should be imposed in the first instance. That means you really have to oppose it. Is that right?

**Mrs JILLIAN SKINNER:** No.

**The Hon. GREG DONNELLY:** I am not trying to be clever here.

**Mrs JILLIAN SKINNER:** No. I certainly would not oppose it.

**The Hon. GREG DONNELLY:** In principle, you say yes to medical research but this proposition put on the table by the Commonwealth is not acceptable, is it?

**Mrs JILLIAN SKINNER:** I am not saying. I am not commenting about the Commonwealth position. I have not and I will not now. I am the New South Wales health Minister. I have said we will not make a co-payment in this State. I am now into the Medical Research estimates hearing.

**The Hon. GREG DONNELLY:** Yes. It is medical research we are talking about. With respect to the CSIRO, as you are aware it has received cuts by the Liberal-Nationals—

**Mrs JILLIAN SKINNER:** It is not within my portfolio. I am Medical Research.

**The Hon. GREG DONNELLY:** Let me finish.

**Mrs JILLIAN SKINNER:** I am Medical Research.

**The Hon. GREG DONNELLY:** No, let me finish. They will cut it by \$115 million. As an organisation, it does some outstanding research, which does enter into the field of medical research. Will that cut that is going to be experienced by the CSIRO have any impact on any joint or co-projects that might exist between New South Wales and the CSIRO?

**Mrs JILLIAN SKINNER:** I do not believe so, but I am focused on what New South Wales Health and what the State health system does in terms of medical research.

**The Hon. GREG DONNELLY:** Yes. Minister, this is a serious question. It goes to the question of: Are there any projects that the State may be involved in that might overlap with this and therefore there is a matter of concern that the CSIRO—

**Mrs JILLIAN SKINNER:** We do have projects in partnership with the CSIRO. I do not know whether they are affected by any changes.

**The Hon. GREG DONNELLY:** That is what I am getting at.

**Dr CHANT:** In my portfolio area, I am aware of some cooperation or collaborations with CSIRO. I am not sure of the nature of those or the funding parameters around that, so I will have to take that on notice. But we do work with the CSIRO where they have relevant expertise for us.

**CHAIR:** So you are taking that question on notice?

**Dr CHANT:** I will take it on notice.

**The Hon. GREG DONNELLY:** In regard to any potential impact, you will take that on notice. On the issue of the science strategy for this country—and obviously we have a deep interest in this for New South Wales, being the size it is—the Chief Scientist, Ian Chubb, has been very outspoken about the need to have a national science strategy. Is this a matter that you believe in your role as the New South Wales health Minister on which you wish to engage the Federal Government over a national science strategy?

**Mrs JILLIAN SKINNER:** When we, in Opposition, determined to establish a separate portfolio of Medical Research, it shifted the Office of Science and Medical Research away from the industry-based portfolio, which is what existed under your Government, into the Office for Health and Medical Research, under NSW Health. I focus entirely on the health and medical research elements of the portfolio. Of course, I am concerned and interested in science, but my particular focus is on the medical research elements.

**The Hon. GREG DONNELLY:** Let me put the question another way. To the extent that, if you look at the issue of science and research, medical research forms a component of that and, in fact, depending on how you want to look at it, a not insignificant amount of money gets spent on medical research. We have an initiative that is being presented and argued that we need to have a national science strategy. It is not asking you to make any concessions or to telegraph what your position will be, but are we prepared to engage with the Commonwealth Government over this issue of speaking up, so to speak, for medical science in the context of this debate around a science strategy?

**Mrs JILLIAN SKINNER:** I speak up for medical research all the time. I am very pleased, in fact, that the Commonwealth Government has set up the Medical Research Future Fund, as you point out. We also work and, of course, we benefit through clinical grants through the National Health and Medical Research Council, which we underpin through our substantial investment in the NSW Medical Research Support Program and other initiatives. But, in terms of having conversations or directly lobbying the Government about specifics on science, I have not been involved.

**The Hon. GREG DONNELLY:** Minister, can you indicate to the Committee what work, if any, that you are aware of, has been done by NSW Health into research of the impact of coal seam gas exploration and mining. And if you could do so, elaborate on what is being done or what is planned to be done on what is an important economic social policy issue.

**Mrs JILLIAN SKINNER:** We have done work in that area and it is Dr Chant's area.

**Dr CHANT:** One of the key issues around coal seam gas and NSW Health's role in this—and many different Government agencies have a role to play in building the understanding—is understanding how the health impacts on community arises from what exposure, and plausible exposure pathways are established in coal seam gas mining. I think it highlights your previous question that some of that will be dictated by understanding the hydrogeology of the environment and engineering technology needs to be brought to that. So at the moment there are pieces of work being done by some Commonwealth agencies to understand some of those elements and the Chief Scientist has also led some work on behalf of the New South Wales Government in terms of looking into coal seam gas mining for the Government.

So when we have been asked to review proposals we have looked at it very much through the lens of understanding the exposure pathways: the hydrogeology and what chemicals are used. I understand that one of the challenges in this space is that you cannot adopt learnings from other countries because they are often done in different settings, different shale or different hydrogeology. So the impacts have to be very well understood and localised, and that is why one needs to bring all the sciences together in understanding it. Once the science is established, in terms of its impact—particularly NSW Health's concern as to its impact on water, because of the ingestion pathway—once that is understood, we can then, from other studies, extrapolate and do a health risk assessment based on that.

**The Hon. GREG DONNELLY:** Has this work done by NSW Health manifested in publications or papers?

**Dr CHANT:** I think NSW Health has been reviewing international experience and evidence, reviewing and formulating how we would go about a health risk assessment, or what sort of health risk assessment and what sort of issues would need to be covered in the context of a health risk assessment. That is from the point of view of NSW Health. Then the Chief Scientist has done some work on undertaking an independent review of coal seam gas-related activities in New South Wales. I have enlisted the support of our expert advisory committee on particular issues around coal seam gas, to give expert advice.

**The Hon. GREG DONNELLY:** Has that committee produced any response, perhaps even a preliminary response, about some of the issues you have asked it to look at in terms of coal seam gas exploration or not?

**Dr CHANT:** All the Chief Scientist's work is available and has been publicly released. It would be captured in the minutes where there have been particular issues around coal seam gas. I think the expert panel—I will have to double-check—was just asked to comment on the relevance of health studies in this field. The position that we have taken—particularly with coal seam gas, as with coal dust—is that the key element is understanding exposure pathways. That is where we draw on our colleagues and other scientific disciplines to understand what sorts of concentrations one gets in water, what would be the dispersion pathways, what would be the substances involved and then, from that, we impute health risks associated with that.

**The Hon. GREG DONNELLY:** I understand what you have just said but has that resulted in any firming up of an understanding of some of these issues that have been looked at?

**Dr CHANT:** Yes, as I said, we keep ourselves well apprised of this. But as I also highlighted, until there are particular initiatives and local circumstances, we have provided advice about the sorts of elements that would need to be in a health risk assessment that would satisfy NSW Health.

**The Hon. GREG DONNELLY:** Have you had any discussions with Queensland Health, which is a health body in a State that has significant coal seam gas mining? Presumably, it would have some knowledge and expertise.

**Dr CHANT:** There is a structure called NHealth that sits under the Australian Health Protection Principal Committee and reports to that committee, on which the chief health officers of all the States and Territories sit. NHealth deals with environmental issues and, clearly, coal seam gas, as well as a number of other environmental issues, is on that working committee. Through that mechanism we can exchange information and learnings across the States and Territories.

**The Hon. GREG DONNELLY:** Yes, but that was not my question. My question was: Have you been in contact and dealing with Queensland Health over its work on the coal seam gas issue?

**Dr CHANT:** I believe—I would need to confirm this directly—and have the firm understanding that in health protection New South Wales has engaged with Queensland around its experience with coal seam gas.

**The Hon. GREG DONNELLY:** If you would not mind taking that question on notice and provide also any relevant information or insights provided to New South Wales from Queensland Health on this issue?

**Dr CHANT:** I will. Thank you.

**The Hon. GREG DONNELLY:** What work has NSW Health done and what recommendations and advice is it providing those interested to find out about how particulate dust, specifically with respect to coal, is best dealt with and managed?

**Dr CHANT:** We have had a lot of information on this issue. The Air Pollution Expert Advisory Committee chaired by Professor Guy Marks basically has done a lot of work on what are the important aspects we need to understand in relation to the impacts of coal dust on the community. Several studies have been initiated in partnerships, one of them with the CSIRO and the Environment Protection Authority [EPA], to look at speciation of coal dust. One issue for us is to better understand the nature of the causes of the pollution, particularly in Singleton and Muswellbrook. Through a speciation method they can actually determine the source of that, which then will allow us to better characterise and better understand what are the controls that could be put in place to manage that. That report is being publicly available and provided back to the community.

There also has been an analysis. Initially, there were some calls for some health studies in the Hunter and New England area and there were a range of different methodologies looked at by our expert advisory committee. The conclusion at the outcome of that was that health studies were not relevant and risked finding no effect because of one of the issues of the sample size. We have a good understanding of the impacts of air pollution and they are drawn from very large international studies. Once we know the level of particulate pollution we then can attribute that to the population. Hence, it can actually be misleading to try to do studies on small populations because you risk finding no effect when, in fact, there is actually a small level of effect. We have done some other work, which is all on the website and the minutes of the expert advisory committee and all its deliberations are available. I would be happy to provide the web link for that.

**The Hon. GREG DONNELLY:** If you could do that, that would be great. That concludes my time.

**Dr JOHN KAYE:** Minister, I shall commence with the issue of saturated fats. Without wishing to pick on you, I noticed that you put cream on your scone.

**Mrs JILLIAN SKINNER:** Oh, it is shocking! But it is low-fat cream.

**Dr JOHN KAYE:** But you have not eaten the cream on your scone.

**Mrs JILLIAN SKINNER:** No, I am too embarrassed.

**Dr JOHN KAYE:** That may have been because I embarrassed you over the matter.

**Mrs JILLIAN SKINNER:** Yes, exactly.

**Dr JOHN KAYE:** I have a serious question. Two weeks ago in the *New Scientist* an article reviewed the dietary advice governments have been giving populations with respect to saturated fat over the past 20 years and suggested the conclusion that perhaps we have got it wrong on saturated fat.

**Mrs JILLIAN SKINNER:** Yes, I saw that.

**Dr JOHN KAYE:** That, in fact, it really is all about calories, kilojoules and energy density.

**Mrs JILLIAN SKINNER:** And sugar. I stopped drinking skim milk.

**Dr JOHN KAYE:** Without wishing you to give off-the-cuff dietary advice in this budget estimates hearing, which would be a mistake—

**Mrs JILLIAN SKINNER:** I am good at it.

**Dr JOHN KAYE:** —and without wishing to change people's approach to their diets, those who have been restricting their saturated fat intake, is there a move within the New South Wales Ministry of Health and associated bodies to review the dietary evidence with respect to saturated fat and begin the process of concentrating more on kilojoules and energy density? Dr Chant, you may wish to comment also.

**CHAIR:** Before you answer, Minister, at some point we would like you, Dr John Kaye, to declare your interest in this subject and your amazingly successful weight-loss campaign and calorie restrictions.

**Dr JOHN KAYE:** I do have an obsession. For two years I have been obsessed with kilojoules and have lost substantial weight as a result. I thank the Chair for putting that into *Hansard*. It is very kind of her.

**Dr CHANT:** The National Health and Medical Research Council [NHMRC] recently updated the dietary guidance. That process needs to keep pace with new and emerging evidence. As a Chief Health Officer I would be looking forward to continual revisions of that. It is important to note though that the approach we have taken in New South Wales, and even in the dietary guidelines, is a very pragmatic approach to whole foods and eating wisely.

There are some things we know that have simple messages—like with soft drinks, we should be drinking water as the first drink choice. One of the challenges we have at the moment is that the community is really confused with all the messages from the latest studies. Coming back to the basics of preparing as much fresh food as possible, preparing fruit and vegetables, and in the broad categories of recommendations for healthy eating is probably what we need to message. I agree with you: we need to do a lot of work in understanding the science. But ahead of the science we need to be landing on this concept of whole food groups and eating a balanced diet.

**Mrs JILLIAN SKINNER:** Although this is not strictly medical science or research, we have had some remarkable success in some of our programs that are designed to deal with obesity, particularly in children. I would like to table part of the Get Healthy information programs, which would be of interest to the Committee. We run this out of the Office of Preventive Health. It has snapshots of the guidance we are giving to children and others on obesity and healthy eating.

**CHAIR:** We will accept those documents.

#### **Documents tabled**

**Dr JOHN KAYE:** I am happy for that to be tabled. I have seen some of those excellent documents. I shall return to that program later. The health profession generally—I am not pointing a finger at NSW Health, although I have been part of this in legislative responses to issues, et cetera—has been fairly ruthless with the issue of saturated fat. I recall one health professional told me that my obsession with trans fats was getting in the way of messaging around saturated fats.

**The Hon. GREG DONNELLY:** It is not your only obsession.

**Dr JOHN KAYE:** I take the interjection; it certainly is not my only obsession, but certainly has been one of them. How do we now respond to that given emerging evidence that the total quantity of saturated fats in a diet is not an indicator of health or otherwise but, rather, and in fact, it is the energy density of one's diet. How does NSW Health respond to that?

**Dr CHANT:** We do it as part of the clinical community. We engage in discussions with our clinician colleagues who often are giving that advice, be it in general practice or our diabetes clinicians. Creating the forums for having those discussions and, clearly, for any new evidence we have there are a variety of forums in which we can discuss the relevance. Some of the initiatives, such as the 8700 kilojoule campaign, have started to give some sense to kilojoules, getting some perspective: people understanding if they buy the muffin how many kilojoules it has. Whilst the 8700 is a generic number and can be criticised because it is not relevant to



everyone's particular circumstance, it gives a ballpark sense for the community to recalibrate that concept of energy in, energy out.

**Dr JOHN KAYE:** The classic situation is somebody who is in a supermarket who wants to buy yoghurt, which is traditionally understood as a whole food and a healthy food. They see it is low fat. I am certainly not trying to pick on anybody or on what we have done in the past, but because we have been programmed that saturated fat is bad, we go for low fat. The current evidence is suggesting that if the low fat has more sugar in it, we should stay away from it and if the full fat yoghurt has no sugar in it, it is probably a better choice for you than the low-fat yoghurt.

**Dr CHANT:** They are valid points. What I will undertake to do is to go back and see how the health star rating deals with those things. The new initiative is the health star rating. The good thing about that is presumably over time that can be a receptor for changes in science. I will go back and look at that new emerging evidence. Having said that, it is important that often one study alone—

**Dr JOHN KAYE:** I was not trying to say we should suddenly all start eating full fat yoghurt and become calorie restricted, although as I pointed out, calorie restriction is a good thing to do.

**Dr CHANT:** Provided that the foods you are eating meet your other nutritional requirements.

**Dr JOHN KAYE:** When you talk to people about health they often say, "Yes, but that is what you are saying this year. Last year you said something different." Then there is the phenomena that people are switching off entirely on health advice, which is the last thing we want them to do. If we are going to transition away from the dire warnings that we have given about saturated fat in diets, has any thought been given to the way in which we do it so that we do not create a degree of cynicism amongst the population?

**Dr CHANT:** We have been having a number of discussions with some of the key groups about what is simple messaging to people. A lot of our programs have not pilloried a particular food group and have taken a much more whole food group—the balanced five and eat five vegetables and two fruit. It has not taken a particular approach of pillorying certain things. Clearly in the National Health and Medical Research Council guidelines there are recommendations about the use of low-fat milk above certain age thresholds.

We have recognised this issue ahead of this research, how different people say salt is the problem, this is the problem, and that provides a confusing environment. So we have done some work across some of the agencies such as the National Heart Foundation and others to say, "Can we come up with simple messages that we all agree so that the communication can be straightforward?" The Government released the Healthy Eating Active Living strategy. That indicates work in a number of domains that I think support the objectives of getting much clearer and more useable information to consumers.

**Dr JOHN KAYE:** I will come back to those programs later on and ask another question, which is more to the Minister. Minister, I wanted to get some advice on the budget from you. The budget is not broken down. It talks about teaching and research. Teaching includes interns and first-year resident medical officers. It shows a 4.3 per cent increase between 2013-14 and 2014-15. When it is adjusted for inflation it is an increase of approximately 1.8 per cent. The budget shows that the number of interns between 2013-14 and 2014-15 increased by 1.6 per cent. The number of first-year resident medical officers increased by 4.2 per cent. I am not trying to pit training against research. As a former academic, you would know that I see them as going hand in hand. What then happened to the total amount of money available specifically for the research component of teaching and research?

**Mrs JILLIAN SKINNER:** I am happy to start the answer but then will call on John Roach, the Chief Financial Officer. One of the footnotes you will notice in the budget is that some of the program funding looks to have changed quite dramatically from last year. That is partly the categorisation of what was in that particular program budget. It is now because of the far greater accuracy of pinpointing what is provided through the activity-based funding model. If you look at all the tables you will find that they balance out in the end. John, can you give some greater detail on the different elements in that program?

**Mr ROACH:** That is correct. Under the Independent Hospital Pricing Authority [IHPA], we had a change in coding of certain expense types and that is factored into the overall program on how we split it by service categories. Much of the variation is to do with that. There are variations, obviously, for times when we

might have one-off grants for researchers or others. That can be a factor from time to time. In the last financial year there were small ones that were one-offs.

**Dr JOHN KAYE:** Is it possible to get the number of dollars that were in the budget that went specifically to strategic research last year compared to this year? I appreciate what you are saying about the IHPA and the change in coding but in the end there is a certain number of dollars that went into research.

**Mrs JILLIAN SKINNER:** I can give you some specific information about some of it. Some of the money that you are talking about would be for the research that doctors and others do on their rounds in a hospital so it is within their obligations as an employee of the hospital, but there are other specific programs such as the Medical Research Support Program that I mentioned, which has had a substantial funding increase this year. One of my favourite programs is the genomic research program that has been established in consultation with the Garvan Institute. Recently we called for submissions for grants. There is money set aside for research hubs. A substantial amount of money has been spent on the National Cancer Institute Program, the career support program and the research infrastructure program. There is a transitional support program.

**Dr JOHN KAYE:** Minister, will you take on notice the following question? You have mentioned six—

**Mrs JILLIAN SKINNER:** I can keep going.

**Dr JOHN KAYE:** You mentioned the Medical Research Support Program, the Cancer Institute and your favourite, the Sydney Genomic Collaborative Program. You were probably about to talk to the medical device seeding fund.

**Mrs JILLIAN SKINNER:** Absolutely.

**Dr JOHN KAYE:** Rather than going through the numbers here, could you get back to us with those?

**Mrs JILLIAN SKINNER:** Yes, I would be delighted.

**Dr JOHN KAYE:** What was the funding for those in the 2013-14 year and what is the funding in 2014-15, broken down initiative by initiative so that we can get a handle on what is happening with research?

**Mrs JILLIAN SKINNER:** Yes. Of course some are new programs or initiatives altogether.

**Dr JOHN KAYE:** It would be good for you to include those as well.

**Mrs JILLIAN SKINNER:** Yes, absolutely.

**Dr JOHN KAYE:** And indeed programs that have not been funded this year but that were funded last year. I have one more question, Minister. Before I rudely cut you off, you mentioned success with childhood obesity programs. Rather than outlining the programs, can you tell us what rate of decrease has been achieved in child obesity and how do you know your programs have achieved that? I am happy for Dr Chant to answer the question.

**Mrs JILLIAN SKINNER:** She is very anxious to answer.

**Dr JOHN KAYE:** I can see that.

**Mrs JILLIAN SKINNER:** She is very proud of the work that has been done.

**Dr JOHN KAYE:** I do not want to create any anxiety. Dr Chant, you should answer the question.

**Dr CHANT:** As you understand, childhood obesity was going up. The evidence we have got is that we have been plateauing. Our gold standard measurement is using the span survey, which is an in-schools test of around 6,000 children that are randomly selected across age groups.

**Dr JOHN KAYE:** It involves measurement, does it not? It is not a survey.

**Dr CHANT:** It is physical measurement. They do ball skills and physical activity measures.

**Dr JOHN KAYE:** Body mass index [BMI]?

**Dr CHANT:** They do BMI. They collect some information on risk factors as well. It is a very intensive study. The report goes to a tome and a summary report is provided. That has been the gold standard measure upon which we have been benchmarked. Luckily we are one of a few States that has a longitudinal measure in that regard. That will be in our schools in 2015 and we should have the results by July 2015. It takes a while to get traction with your programs and you have got a scale. The approach that New South Wales is taking is to get scale and to reach across the primary schools in regard to support for physical activity and nutrition programs. We are confident we are now measuring the reach of those programs across our local health districts and we are confident that we are scaling those programs and that the program integrity remains intact. The Hunter program was a pilot program where there was a significant investment of money ahead of the NPA on prevention, which enabled us as a State to scale-up the title program.

**Dr JOHN KAYE:** NPA being the national partnership agreement?

**Dr CHANT:** Yes, on prevention. That enabled the State to scale-up the programs and draw on the experience of the Hunter. In the Hunter a 1 per cent year-end decline on childhood obesity was found. Again, that report is on the web and I am happy to make it available to you. The programs we then scaled across the State drew on the experience in the Hunter. So we are confident that next year we will see a decline. We have got some data—I think you are aware of the limitations of a population health survey where there is self-reporting—but because children are a small subset of the population health survey it does blip around a little bit.

We have seen a decline from 2012 to 2013 but we do not want to oversell that. That was actually a 5 per cent decline, which is unlikely to be real. Again, we are hoping that gives us some early indication that the trend might be going in the right direction but you will see some careful words if you go to Health statistics where that report is also available. We would be happy to make that available to you. Adult obesity has basically been stabilising but in that there are clearly concerns within the differential performance of males and females in some age groups within that profile.

**Dr JOHN KAYE:** I have been gifted another quick question on this by way of a supplementary question. Can you establish causality to the programs the Minister was talking about?

**Dr CHANT:** The only program where we can attribute direct causality is one of our programs called Go4Fun. That is a targeted intervention, an equity program where we bring in the parents of the child and the child and take them through. That was based on work in the United Kingdom. We have measured the outcomes and got direct attribution to the program.

**Dr JOHN KAYE:** That is a low socio-economic status program, is it not?

**Dr CHANT:** It is a targeted program, an equity program which acknowledges that some people will need greater assistance. It is impossible for us even in tobacco to attribute one component of a multifaceted thing. But what we do know is that if an enabling environment is created then children are a useful way of influencing parents. If we start to, I suppose, make normal some of these behaviours such as physical activity, drinking water instead of soft drink, eating and preparing food, and move the culture change, as we have seen in tobacco, it normalises those behaviours. In the international evidence we had in preparation of the NSW Healthy Eating and Active Living Strategy we had the University of Sydney do a literature review. Again, we are never going to have randomised control of trials in population health but from drawing and synthesising the evidence, and looking at all the dimensions of the evidence, in working with children there seems to be a strong evidence base for setting those foundations early.

**Dr JOHN KAYE:** And there are physiological reasons why you would want to avoid childhood obesity rather than focus your resources into adult obesity?

**Dr CHANT:** You are right. Children set up habits and a child who enters adulthood obese is likely to continue.

**Dr JOHN KAYE:** And there are physiological changes in obese children that have a lifetime—

**Mrs JILLIAN SKINNER:** Just to bring this back to a medical research element, there is absolutely wonderful work going on at places like Victor Chang by a young woman there on epigenetics where she studied the diet of mice pre-conception and through pregnancy and found the impact on birth weight and later size of offspring and this has then led to other things like diabetes. I think work is now going on extrapolating that into human situations.

**Dr CHANT:** For example, as a controlled trial we are using the Get Healthy NSW information and coaching service and integrating that into obstetric models of care for women to look at weight management in pregnancy, and that will be reported. The Go4Fun program required the parents to attend about two times a week, which was actually quite challenging for the group targeted. They have just done an evaluation of a once a week program and again that seems to have had the same achievements in terms of outcomes, so that will allow more flexibility and reach for that program. We are continuing to learn the best way to deliver the programs and we are also very mindful of access to rural communities. We are playing with a couple of other different models for delivery of the program in rural areas where it may be more appropriate to deliver the Go4Fun program out of a school environment to avoid the parents having to travel or it being more easy for them.

**The Hon. PAUL GREEN:** I would just add that there is a great *Seinfeld* episode on non-fat yoghurt. Late the other night I was watching television and about six different foundations were urgently calling for funding. The one that particularly struck my heart was the one seeking funding for brain cancer research. Does the Government sponsor brain cancer research and, if so, how much? What are our plans for the future?

**Mrs JILLIAN SKINNER:** As a general rule clinical research is done at a different level through the NHMRC, they are peer-reviewed submissions and then they move through to successful bidders. But there are some elements of cancer research that we underpin through the Medical Research Support Program, which provides funding for the independent institutes—I have mentioned Victor Chang, Garvan Institute, Centenary Institute et cetera—and a lot of those institutes would be doing this kind of research. But Cancer Institute NSW also has a budget for cancer research, particularly translational projects. This is where they support the researchers doing particular research and then linking it to application in a healthcare setting. We have allocated considerable funding to—

**The Hon. PAUL GREEN:** I cannot recall where I read the article but was there a call on the State Government to consider increased funding for brain cancer research?

**Mrs JILLIAN SKINNER:** I think there are always calls for the State Government to do funding like this. It really is more at the national level, although I am very proud of the fact that we have seven translational cancer research centres. They have received between \$6.35 million and \$6.5 million over five years—I can give you details about this—and they are at the University of New South Wales, Sydney Catalyst, Cancer Alliance, Hunter Cancer Research Alliance and Sydney Vital, which is administering the University of Sydney across northern Sydney. There are a number of these programs and the grants they cover may include brain cancer but I am not absolutely sure.

**The Hon. PAUL GREEN:** One of your passions is organ donation.

**Mrs JILLIAN SKINNER:** It is.

**The Hon. PAUL GREEN:** I was watching a program the other day that said organ donation has decreased rather increased. Do you have a comment on what we are doing about that?

**Mrs JILLIAN SKINNER:** You might be aware that we put out a State organ plan in 2012. That was on the back of a horrible year for New South Wales where we were way down, the lowest in the country by a long shot. As a consequence of some of the initiatives that have been introduced—things like switching to the national register instead of the driver licence register, the promotion of the importance of having the conversation with your family, the training and appointment of the staff in our hospitals, particularly individuals and doctors called designated requestors to work with families—in the next year we saw a massive increase in the number of donors and the number of organs.

Unfortunately, we have not quite reached that point, but I am very pleased to tell the Committee that the number of people where consent has been refused—because families have said no to their loved ones' wishes—has gone down and we are making inroads. And just last week you probably saw me on television

attending the launch of a plan that one of our local health districts has put in place to underpin the work we are doing. They have set up a separate unit within Royal Prince Alfred Hospital. This is one of the major donor transplantation centres—along with St Vincents, Westmead and others. They are appointing an academic, in a joint appointment with the University of Sydney, to look at a whole lot of other initiatives that we might look at in terms of increasing donation.

**The Hon. PAUL GREEN:** Will that plan be replicated in all of the other local health districts?

**Mrs JILLIAN SKINNER:** I think a number of the other local health districts have their own initiatives in place without publishing plans. One of the other things that the Sydney Local Health District have indicated is that they are willing with this academic to work across the local health districts, as should be the case. I can give you some statistics. There were 88 deceased donors in 2012—and, as you would understand, there can also be live donations—compared with 77 in 2011. In 2013 it went up 102. So we were going in the right direction. We had the highest ever annual total and a 16 per cent increase in donor numbers that year. So I was very proud of what we did after we released our plan. But it has now gone down a little, which is why we always have to try to keep ahead of the game.

**The Hon. PAUL GREEN:** Were you expecting it to go back down after that initial increase?

**Mrs JILLIAN SKINNER:** I hoped not; I hope that we continue to go up. Sometimes when there have been media reports about this and the heartbreaking stories about people waiting for organs to be donated there has been frustration expressed—"Look at all of the people dying; why can't I have an organ?". The advice I have is that of the people who die only about 1 per cent are eligible to be donors. That is because they die in the wrong place, their organs are not medically suitable for donation or the family refuses. So it is not that there is this absolutely massive number of organs out there not being used.

**The Hon. PAUL GREEN:** There was a question asked earlier about coal seam gas and medical research around that. Has the Government been involved in any research to do with wind turbines?

**Dr CHANT:** The National Health and Medical Research Council has recently done a full literature review process. One of our members, Professor Wayne Smith, has been on that panel independent of his role in NSW Health. It was an expert panel established under the NHMRC. Regardless of his position on that NHMRC panel, NSW Health has been surveying the literature around wind farms. We agree with the position articulated by the NHMRC. We have provided that advice, and I think we probably have a fact sheet on our website that articulates that.

**The Hon. PAUL GREEN:** I note recent comments by Mr David Borger, the Western Sydney Director of the Sydney Business Chamber. He said:

"It's vitally important we develop a stronger vision for innovation industries in Western Sydney. The Westmead medical research precinct provides the strongest opportunity to generate additional high order, highly skilled jobs for the future."

What steps is the Government specifically taking to support the growth and development of the Westmead medical research precinct?

**Mrs JILLIAN SKINNER:** We are taking \$50 million of steps. To start with, we have actually allocated \$30 million to the Westmead Millennium Institute for Medical Research capital program and \$20 million to the Children's Medical Research Institute, both of which are part of the Westmead hub. You may be aware that last year we allocated \$1 million to start the planning for the redevelopment of the Westmead campus. There is money in this year's budget to start work on stage one, which would be the clinical block of that hospital. It is estimated in total to be worth over \$400 million.

As part of the campus plan, there will be consideration given to how we can enhance the capacity of the Westmead Millennium Institute for Medical Research and associated bodies to provide greater input into the medical research elements of not only that campus but also across the State. I am very pleased to tell you that I will be going out in the next few weeks to open those facilities along with Minister Dutton and the local members of Parliament.

**The Hon. PAUL GREEN:** The University of Western Sydney has announced its intention to develop a campus in the heart of the Parramatta CBD. Are any of those institutions integrative that you know of?

**Mrs JILLIAN SKINNER:** Absolutely. In terms of our development of the campus plan, Health Infrastructure has been taking the lead role on this, along with the local Western Sydney Local Health District. They have engaged with 1,000 clinicians just in considering the first stage of that development. In the larger campus plan development they have involved the University of Western Sydney, the University of Sydney, the research institutes, the private hospital which is co-located and a number of other interested parties to come up with a comprehensive picture of what the whole Westmead campus, which of course at the moment encompasses all those facilities plus the Children's Hospital at Westmead, would look like into the future. It is a very exciting project. I know that the Hon. Paul Green will be very interested in seeing the final plans. We will put them out once they have been completed.

**The Hon. PAUL GREEN:** I have just one further quick question. Minister, I know that you do not have a magic ball to determine what the Federal Government are doing with the co-payment, but how would you see that impacting New South Wales medical research if it were to go through?

**Mrs JILLIAN SKINNER:** The establishment of the medical research fund the Commonwealth intends to put in place as I understand would build up until it reached a certain point, and I think at about seven years hence they would make available some of the interest earned on that capital investment. It would of course be very welcome in New South Wales, and everywhere. I believe that medical research is not some add-on extra health; I think it is a fundamental element of health. Of course that would be beneficial.

**CHAIR:** The Hon. Greg Donnelly now will ask questions.

**The Hon. GREG DONNELLY:** I would like to return to the theme of obesity, particularly with respect to young people. I have not had a chance to review the documents that have been tabled this morning but I am just wondering, Minister, and perhaps Dr Chant, with respect to Get Healthy New South Wales and the work it is doing, does it have a linkage back directly to some of the medical research work that is being undertaken presently by NSW Health? Is there an articulation of the program back to the active ongoing work being done in the area of research?

**Dr CHANT:** It is totally embedded in it. All of the initiatives I spoke about are basically very much examples of where we have embedded translational research within them. For instance, we look at the data from the Get Healthy coaching service. We look at whether it is reaching rural people. We look at whether it is reaching Aboriginal people. We look at the socio-economic status of the individuals and who it is reaching. We then look at issues such as dropout rates. We are evolving the program—for instance, in response to our work with clinicians around diabetes risk we have developed screening at the front end. So now people who enter the program get screened for diabetes and then referred back to their general practitioner using the Australian Type 2 Diabetes Risk Assessment Tool [AUSDRISK].

As I mentioned, we are developing the obstetric platform in partnership with our clinical colleagues; and that has been evaluated as a research trial to look at this. Similarly, we are interested in how we make this a one-stop shop so that people can give mentoring around alcohol and brief interventions for tobacco as well. We are looking at how it can be integrated into models of care. One of our local health districts is looking at how potentially this could be offered to people on waiting lists for elective hip replacement with a view to getting them fitter for attendance and also having better outcomes and reducing length of stay in hospital.

**The Hon. GREG DONNELLY:** The work for the present initiative Get Healthy NSW is being undertaken by an organisation on behalf of NSW Health?

**Dr CHANT:** We basically tender out the service. Basically there are service specifications for that service. We have a monitoring system. We want to monitor dropout rates and we do audits within it to check that the quality of the service is done. We follow up some subgroups of the population to have the quality controls, but clearly we have outsourced. We have said that a private enterprise is best placed. A private service can run the service.

**The Hon. GREG DONNELLY:** Who is the current provider?

**Dr CHANT:** It used to be Medibank Solutions and it is now being transitioned to Healthways. It transitioned in January, so it was through a procurement process run for us by Healthdirect.

**The Hon. GREG DONNELLY:** That will run for a period of years?

**Dr CHANT:** That will be run for a number of years. I would have to check, but it is at least four years with an option to continue beyond that.

**The Hon. GREG DONNELLY:** Is it a competitive tender for that?

**Dr CHANT:** It is a competitive tender for that. I would also like to draw your attention to the fact that this service is run in Queensland and the Australian Capital Territory [ACT], and Tasmania, unfortunately, has just had to withdraw due to lack of funding.

**The Hon. GREG DONNELLY:** I am sorry, but this is the one run by Healthways—the same program?

**Dr CHANT:** Yes. Basically, we set it up. New South Wales initially set up Get Healthy under Medibank Solutions as the delivery arm, and other States came on board and run the program as well. The model we have now is we have the one tendered service provider but it provides it on behalf of each of the different States, and Healthdirect assists us with the contract management because Healthdirect has experience in what would be the expectations of a call centre. This basically delivered. It has got professional staff. It is delivering 10 episodes of care. It delivers information as well, but it is important that the quality controls are in place. It is also important that we drive a very efficient model because the more we can keep the price down as long as the service standards are high, the more capacity we have to reach additional people.

**The Hon. GREG DONNELLY:** With Healthways, can I get some information? Did a number of organisations put up their hand for that tender?

**Dr CHANT:** Healthways, as I recall, there was a tender specification developed and there was a tender process undertaken. From my awareness, we used or drew on the Healthdirect's experience in procuring call centre services. They went out to the market. There was a program group that determined eligibility against the criteria and it would go through the normal probity procurement processes for signing off on a preferred tenderer. Then the services transitioned from Medibank Solutions to Healthways. I have to acknowledge the work that Medibank Solutions did in facilitating that transition to Healthways.

**The Hon. GREG DONNELLY:** In that probity check that would have been done, would that have picked up the fact that Healthways Australia had donated \$10,000 to the Liberal Party New South Wales Division?

**Dr CHANT:** I would have to go back to my procurement branch and ask, but generally it probably would not have come to the attention of anyone in that procurement process. It would have been ministry staff and Healthdirect. We would have followed correct procurement processes from NSW Health.

**The Hon. GREG DONNELLY:** And that does not ask questions associated with donations to political parties?

**Mrs JILLIAN SKINNER:** Were they not signed up before the change of government?

**Dr CHANT:** No. They would have been just recently, just transitioned to Healthways, which has transitioned.

**Mrs JILLIAN SKINNER:** Oh, to Healthways.

**Dr CHANT:** To the best—I would have to outline for you the probity procurement processes.

**The Hon. GREG DONNELLY:** Perhaps if you just note this down: 27 August 2010 was a \$3,000 donation for an attendance at a function; 18 November 2010 was a \$5,000 donation for attendance at a function; and 25 January 2011 was a \$2,000 donation for attendance at a function. So that is \$10,000 to the Liberal Party New South Wales Division.

**Dr CHANT:** Yes.

**The Hon. GREG DONNELLY:** You are saying that with respect to the probity check exercise that is conducted in regard to the guidelines you presently operate under, there is not to this point any exploration, examination or questioning of organisations tendering for projects like this or canvassing programs like this to declare that they have made political donations?

**Dr CHANT:** Look, I am probably not aware of the details.

**Mrs JILLIAN SKINNER:** Can I just say that this takes the bureaucracy into a political domain that is not its responsibility. You are asking it to take on a political role, which is part of the separation between the bureaucracy and the—

**The Hon. GREG DONNELLY:** No, not at all, Minister. It is not a political role at all. I am trying to understand whether the probity exercise that has been generally described—

**Mrs JILLIAN SKINNER:** I know what you are asking.

**The Hon. GREG DONNELLY:** —does engage in an examination of these issues. It is not a political exercise at all.

**Dr CHANT:** I would have to discuss that with our chief procurement officer to look at what documentation they look at when it goes through, but I can clearly say our intent is to get value for money and a quality service provider. We are quite passionate about the benefit of the Get Healthy coaching service and its ability to integrate in clinical care. We are very pleased that we have seen a real increase in health professionals that have been slow to come on board. We have more work to be done in that way in making it streamlined and embedded in services of care. But I think it is a real opportunity.

**The Hon. GREG DONNELLY:** I am sorry to interrupt, but I understand—and correct me if I am wrong—that there are about 5,100 participants in the program presently.

**Dr CHANT:** So participants—

**The Hon. GREG DONNELLY:** If you do the numbers, that works out at roughly \$588 per head and a GP visit costs around \$36.30. Cost-benefit analysis is very important, as the Minister sort of elaborated in her—

**Dr CHANT:** Just to be clear, it is not just one visit. It is 10 episodes of mentoring and support at reaching objectives. It produces a weight loss, which is clinically relevant and reduces diabetes risk. It also has an element that we have enhanced by ensuring linkages to other services, such as the Quitline and tobacco interventions.

**Mrs JILLIAN SKINNER:** It is very good for everyone.

**Dr CHANT:** We also see it as a platform. We have added the Ausdiab Risk scale. The area that you are talking about in the cost estimate of about \$600, we are very keen to drive that down.

**The Hon. GREG DONNELLY:** Would you agree it is around that figure at the moment?

**Dr CHANT:** Sorry—we are currently engaging Sydney university to do a re-costing of that and that is because often when you set up infrastructure there are a lot of one-off costs and infrastructure builds with it and close monitoring that, in essence, at some point over the lifespan of the program will need to be changed in its contribution. We are trying to drive the unit costs down so that it is a very cost-effective intervention. At the moment we are in the growth phase of growing this product and its brand recognition. Some of the challenges have been getting recognition of the product. That often takes time. It probably has taken time for the Quitline to get up, but now the Quitline is in our language and we want to see the Get Healthy coaching service and the Healthy Workers initiatives—

**The Hon. GREG DONNELLY:** Sorry to interrupt, but are you saying that you see taking Get Healthy NSW to the same sort of standing as the Quitline as the objective?

**Dr CHANT:** Yes.



**Mrs JILLIAN SKINNER:** Yes.

**Dr CHANT:** Yes, I do. I do see that as the objective. I think it is a quality program. I am particularly interested in it. Over time we may have eligibility criteria around it or other things, but what I am really pleased to see is that it is meeting the needs of rural remote people. Telephone-based services are particularly useful in reducing some of the equity barriers in those areas. I am pleased to see that from a socio-economic perspective the lower two quintiles are disproportionately represented in it, but it is a program that I really want to be a high-quality program. As I said, we are working with the obstetricians around creating it as a sort of a partnership model to manage weight gain in pregnancy. I see it has a great mini-potential, but we do want to drive the costs of the service provision down. But it is 10 visits, so in comparison with a GP visit, it is probably not fair.

**The Hon. GREG DONNELLY:** To finalise this part of the question, in relation to the contract itself, the contract that Healthwise Australia has is a \$2.5 million contract as I understand it. Is that right?

**Dr CHANT:** I will have to take that on notice.

**The Hon. GREG DONNELLY:** If you would be good enough, whilst you are doing that, to check the expiration date of the contract. You said it was four years?

**Dr CHANT:** My recollection is that there was something around four years, with some ability to extend beyond it, if all parties were agreed. But I would have to double check because that is just my recollection.

**The Hon. GREG DONNELLY:** If you would be good enough to check and respond, that would be good. I move on to the issue of the matter of the NSW Forensic and Analytical Science Service [FASS] and to the question of the closure of the NSW Food Authority laboratory facilities. Has the cost-benefit analysis report that was done with respect to the decision taken by the Government been placed in the public domain?

**Mrs JILLIAN SKINNER:** This service is one that has been purchased by the NSW Food Authority, so it is outside my portfolio area. What that authority has advised is that it is working with FASS as it transitions testing to other providers.

**The Hon. GREG DONNELLY:** So that is as far as it goes in relation to what you are aware of?

**Mrs JILLIAN SKINNER:** As I am advised it is because the food testing is done by other parties.

**Dr CHANT:** If I could just say that the former NSW Division of Analytical Laboratories—which is now the NSW Forensic and Analytical Science Service—did undertake some testing for the NSW Food Authority, as part of the contract. What has now occurred is that the NSW Food Authority has developed the tender specifications for that service. I am pleased to say that Health Protection, NSW Health, has had input into that because clearly we are interested in making sure the timeliness and range of services offered meets the needs of NSW Health which investigates food-borne disease outbreaks.

**The Hon. GREG DONNELLY:** And you are confident that that has been achieved?

**Dr CHANT:** That is right. As I understand it—and I would have to find out where the process is up to—they were going out to tender to see whether the private sector would be prepared to meet the tender specifications.

**Dr JOHN KAYE:** And NSW Health will not be tendering?

**Mrs JILLIAN SKINNER:** No.

**Dr JOHN KAYE:** Why not?

**Dr CHANT:** I would have to ascertain whether they were proposing to. I am not aware that food laboratories were but we are clearly interested in ensuring that the capability for food testing to underpin our role in the investigation of food-borne disease outbreaks is preserved.

**Mrs JILLIAN SKINNER:** I am advised that there are other nationally accredited laboratories capable of providing this work at a cost-effective rate, which will be considered by the NSW Food Authority.

**The Hon. GREG DONNELLY:** You mean cheaper than what is currently provided for?

**Mrs JILLIAN SKINNER:** I think at a quality therefore which is at a cost-competitive rate.

**The Hon. GREG DONNELLY:** That means cheaper, does it?

**Mrs JILLIAN SKINNER:** Well, it is low demand for us. It is not the primary work for us. It could mean it is more effective and more efficient. That is my advice. May I add a supplementary answer to the question about political donations?

**CHAIR:** Yes, Minister.

**Dr JOHN KAYE:** Which one?

**Mrs JILLIAN SKINNER:** I have now been advised that the Chief Procurement Officer in NSW Health advises that political donations are not a part of the procurement process guidelines. That is, donation to any party.

**CHAIR:** Thank you Minister Skinner and the officers from NSW Health for your participation in the budget estimates process today. We look forward to receiving your answers to questions taken on notice within the next three weeks. The secretariat will be in contact with you in order to formalise the questions that were taken on notice today.

**(The witnesses withdrew)**

**The Committee proceeded to deliberate.**

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