

**REPORT OF PROCEEDINGS BEFORE**

**SELECT COMMITTEE ON THE AGISTMENT OF  
HORSES AT YARALLA ESTATE**

**INQUIRY INTO THE AGISTMENT OF HORSES AT YARALLA ESTATE**

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**At Sydney on Wednesday 7 August 2013**

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**The Committee met at 11.00 a.m.**

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**PRESENT**

The Hon. R. Borsak (Chair)

The Hon. T. Khan (Deputy Chair)

The Hon. L. Foley

Dr J. Kaye

Mr S. MacDonald

The Hon. E. Wong

**CHAIR:** Welcome to the second public hearing of the Select Committee into the Agistment of Horses at Yaralla Estate. The Committee's terms of reference require it to pay particular regard to the actions of the Sydney Local Health District, eviction of community members whose horses were agisted on the estate and the audit conducted by blueVisions. In responding to those issues today, the Committee will be hearing from the chief executive of the Sydney Local Health District. On Monday the Committee heard from other key stakeholders, including the NSW Police Force, blueVisions and the City of Canada Bay Council. Members also visited the Yaralla Estate and heard the views of more than 20 community members at a public forum at Concord RSL and Community Club. I thank all community members who spoke at and attended the forum.

The Committee has previously resolved to authorise the media to broadcast sound and video excerpts of its public proceedings. Copies of guidelines governing the broadcast of proceedings are available from the table by the door. In accordance with the guidelines, the media can film Committee members and witnesses, but people in the audience should not be the primary focus of any filming or photography. In reporting the proceedings of this Committee, the media must take responsibility for what they publish or what interpretation is placed on anything said before the Committee. Witnesses are advised that if there are any questions which they are not able to answer today but which they would be able to answer if they had more time or certain documents at hand they are able to take questions on notice and provide answers within 14 working days.

Witnesses, members and their staff are advised that any messages should be delivered through attendants or the committee clerks. I also advise that under the standing orders of the Legislative Council any documents presented to the Committee that have not yet been tabled in Parliament may not, except with the permission of the Committee, be disclosed or published by any member of the committee or by any other person. Witnesses are advised that if they consider at any stage during their evidence that their response to a particular question should be heard in private by the Committee they should state the reasons and the Committee will consider that request. I remind witnesses that the freedom afforded to them by parliamentary privilege is not intended to provide an opportunity to make adverse reflections about specific individuals. Witnesses are asked to avoid making critical comments about specific individuals and instead speak about general issues of concern.

**TERESA ANDERSON**, Chief Executive, Sydney Local Health District, sworn and examined:

**CHAIR:** Would you like to make a short opening statement?

**Dr ANDERSON:** Sydney Local Health District welcomes the opportunity to set the record straight about Yaralla. The district is the trustee of the Dame Eadith Walker estate and is and always has been committed to ongoing community access and the agistment of horses on the estate. The district has important responsibilities to ensure that the site is effectively managed for the safety of our patients, the staff, the public and the horses. Under the Walker Trusts Act 1938, the Yaralla Estate was established first and foremost as a health facility. The estate was left to Royal Prince Alfred Hospital by Dame Eadith Walker to be used for the convalescence of patients. The original bequest established Yaralla as a hospital for the reception and restoration of convalescent patients from hospitals in Sydney and elsewhere.

The trust is almost solely concerned with the establishment of benevolent provision of health care. The agistment of horse is mentioned only briefly and as only one of a number of options for the use of the open space. The trust prevents the Minister from making directions unless the Minister is of the opinion that a lease or a licence will detrimentally affect the administration of care of patients in the facilities on the site, thereby confirming that the primary intention of the site is health care.

Sydney Local Health District takes its responsibilities and role as a trustee very seriously. We will always manage the Yaralla Estate in keeping with the intent of the original bequest. The bequest's core responsibility is to provide health care to some of the most vulnerable people in New South Wales. Today this includes patients with HIV/AIDS dementia, aged care patients in our day dementia programs, people with chronic renal disease requiring dialysis and children and adolescents with severe mental health problems. The bequest also provides for public access to the site and the option for agistment of horses.

Sydney Local Health District is a \$1.4-billion organisation. We employ almost 10,000 staff and provide healthcare services to more than 580,000 residents of inner western Sydney and to a large population of people residing outside the district who require access to tertiary and quaternary healthcare services, including the burns unit at Concord Hospital, trauma intensive care services and transplantation surgery. In 1996, the then Central Sydney Area Health Service, a former trustee, leased to a single operator an area of land for the agistment of horses for a nominal annual sum of \$16,000. That licence was issued on the basis that the licensee would maintain the property, including fencing, so that valuable health dollars were not spent on the maintenance of paddocks and fences for private horses.

Since its formation in January 2011, the district has become increasingly concerned about the operator's ability to fulfil the terms of the agistment licence. These mounting concerns included a series of complaints from neighbours about excess noise at night, a notice from the City of Canada Bay Council and the Heritage Branch regarding unauthorised civil works and the removal of protected trees by one of the agisters, horses breaking through fence lines and two horses found grazing on the helipad of Concord Hospital, a principal tertiary referral hospital which provides specialist burn services and which needs to be accessible 24 hours a day, seven days a week, 365 days a year. This placed staff and the public at risk and increased the risk of injury to the horses.

These persistent problems finally led to the operator being issued with a termination of licence notice in November 2012. In turn, the operator issued termination advice to the horse agisters in December 2012. The district commissioned an expert report with the aim of finding a long-term solution to the problem. The district and I as the chief executive are not experts in the provision of agistment for horses. Since that time, the district has held a series of meetings with the operator, the horse agisters, local members of Parliament and the City of Canada Bay Council. There is no doubt that Sydney Local Health District sought a practical solution to ensure that the site was properly and safely managed.

On 18 April, the district—that is, me as the chief executive—signed a heads of agreement with the Mounted Unit of the NSW Police Force for the agistment of horses at Yaralla. The option provided mutual benefits for those organisations and in particular dealt with the maintenance of the agistment of horses on the site and access to the public, which are both consistent with the requirements of the trust. The agreement would have provided the district with expert management of the site while also providing much-needed facilities for a unit that offers an exceptional service to the wider community.

The district has an obligation to effectively manage limited health resources. The district acted with due diligence in entering into the agreement with the Mounted Unit of the NSW Police Force. Consistent with current government policy, the agreement would have ensured that there was an operator with the expertise required to manage the site and the resources to adequately maintain it so that health resources were not utilised to manage a property occupied by privately owned horses. The district is not committed to any particular entity leasing the site for the agistment of horses. The aim is to identify an experienced operator who can manage the site safely and effectively.

Following the concerns raised by the community in May 2013, the district made the decision to go to public tender to give the local horse agisters and others an opportunity to submit a tender for the agistment of horses. By mutual agreement with the NSW Police Force, the heads of agreement was terminated. A probity adviser was then engaged to give the community confidence that the process was open and transparent. It has always been the intention of the district to continue agistment of horses at Yaralla, but to ensure that this is done in a safe and sustainable manner. Yaralla is being updated to provide health services for the next generation of vulnerable people. It is always our intention to provide public access to one of the most beautiful open spaces in Sydney.

In response to the concerns raised by the Committee on Monday, I sought advice from the probity officer overseeing the tender process, Mr Rory O'Connor, and the Chief Procurement Officer, NSW Health, Mr David Gates, regarding Mr Turner's participation in the tender review committee given his involvement in the previous negotiations with the Mounted Unit of the NSW Police Force. The district does not believe it was inappropriate to have Mr Turner on the tender review committee given his expertise and knowledge of the estate, and this is consistent with government tender guidelines. However, both Mr O'Connor and Mr Gates advised that they support the district's desire to remove any public perception of a conflict of interest in the tender process and to achieve that Mr Turner will be replaced with a person nominated by the Chief Procurement Officer, NSW Health. Mr Turner will continue to oversee the completion of works on the estate and the upgrade of the facilities and will be retained to provide expert advice to the tender review committee should it be required. However, he will not participate in any of the evaluations.

Both Mr Gates and Mr O'Connor also support the district's proposed extension of the tender closing date until 30 September to give all interested parties adequate time to prepare their submissions and to allow the district the opportunity to give due consideration to the outcomes and findings of the parliamentary inquiry. I have correspondence from both Mr Gates and Mr O'Connor to that effect for the Committee. Yaralla Estate will continue to provide health care for the most vulnerable people in New South Wales as Dame Eadith Walker intended. NSW Health and Sydney Local Health District guarantee that Yaralla Estate will always be used consistent with the intent of the trust.

**Mr SCOT MacDONALD:** You have touched on my first question. Your report indicates that blueVisions has been around since 2010. Has there been any question about its independence, competence or any assertions about political affiliations? There were some insinuations earlier in the week about it being biased.

**The Hon. LUKE FOLEY:** They were more than insinuations; they were allegations.

**Mr SCOT MacDONALD:** Thank you for that clarification.

**Dr ANDERSON:** BlueVisions were on the prequalification panel for NSW Health since the early 2000s. They were actually appointed by the former Sydney South West Area Health Service in 2010, from that panel, according to Government procurement guidelines. They were engaged to assist us with the renovations of Dame Eadith Walker and hopefully, when you went yesterday you would have seen what a beautiful job that is. BlueVisions has extensive knowledge now of the site and particularly the heritage significance of that site. When it was identified that we needed to undertake a conditions report, it made sense for us to use blueVisions because they were already engaged on the site. They already understood the heritage significance of the site. It was cost effective for the District and no issues had ever been raised previously around the competence of—

**Mr SCOT MacDONALD:** At any level—a political level?

**Dr ANDERSON:** At any level.

**Mr SCOT MacDONALD:** I have six questions to get through reasonably quickly. Can you confirm to me, in your report at page 16, that the horse owners had no written contract or agreement with the operator. So the lessee, if you like, or the head agistors, obviously had some sort of licence or written agreement but when we get down to the horse owner level, there was nothing between the horse owner and head lessee.

**Dr ANDERSON:** The district has no knowledge and has not seen any formal agreements between the lessee and the agistors. The district has no formal or informal relationship with the agistors.

**Mr SCOT MacDONALD:** That gets me to my next question. In your words:

This raises clear concerns around public liability and workplace health and safety issues for the District. The District cannot contract out its duty of care.

What I am trying to ask is, in the absence of a written contract or agistment, sharefarming if you like, whatever the agreement between the horse owner and the agistor, it would be at that point, you would think, that issues such as insurance would normally be covered. That is my understanding of cultural—

**Dr ANDERSON:** The licence is attached to my papers and you will see in the licence that the responsibility for the insurance of the property is with the licensee and his responsibility would be to the agistors.

**Mr SCOT MacDONALD:** It is my understanding in these situations that the head lessee would normally have their own public liability, their own insurance, a range of different things. However, when you agist out, the person, horse owner, the cattle agistment, whatever, then equally has to have their own insurance and a range of other insurances.

**Dr ANDERSON:** That is my understanding.

**Mr SCOT MacDONALD:** You have no evidence?

**Dr ANDERSON:** Unfortunately, as I have indicated, the district and I personally am not expert in the management of agistments, but my understanding from my reading and from the experts who have advised me is that that would be the normal practice. And I understand that the code of practice for horse agistors is that each of them should have their own insurance and that they need to abide by the standards of practice and have policies and procedures on how the agistment is managed.

**Mr SCOT MacDONALD:** Moving to page 22. Southern Area Health had arranged a meeting with the Mayor of Canada Bay who did not turn up to the meeting, as I understand it. Was any explanation given for his non-appearance at that meeting?

**Dr ANDERSON:** My understanding is that it was a diary error. We did subsequently meet with Canada Bay Council.

**Mr SCOT MacDONALD:** That came good later but I did see it was with council officers, not with the mayor.

**Dr ANDERSON:** No, the mayor did attend.

**Mr SCOT MacDONALD:** He subsequently did attend—thank you. I just want to probe a little bit into the misinformation that seems to be circulating in the community. Can I read out to you some of the transcript from Monday evening at Concord? This was from the mayor and I will read it quickly. It is in the last section of his evidence:

Public access should not be denied and it looks like a sterile parcel of land that has been left there to go derelict, providing excuse for a future government to sell off the asset.

What would be the basis for publicly airing something like that when I thought that had been well and truly put to bed? It strikes me as a bit mischievous.

**Dr ANDERSON:** I think there is a misunderstanding about what we are doing—

**Mr SCOT MacDONALD:** I think you are being generous.

**Dr ANDERSON:** —at Dame Eadith Walker. The plans, as you see—and I think again there is some confusion.

**Mr SCOT MacDONALD:** But whose confusion is that? Is that the mayor?

**Dr ANDERSON:** I cannot comment on that. But what I can comment on is that there was concern that the horses won't be in the front paddocks. They are being rejuvenated. Again, I am not an expert on paddock management but we will be fertilising it. I do have a report that was given to Environmental Partners today about the fertilisation because I know there was worry that it would run off. But just as if we are fertilising our gardens, we would dig it in, that is what would happen in fertilising these paddocks.

May I show you what we are doing? The cyclone fences that were referred to are along here and they are being replaced. They are not different and in fact, if you have a look, this photo shows you the new and the old. This is the new; this is the old. You can see that they are exactly the same height. The only difference is, in fact, that we do not have the curled barbed wire on the new. They are silver and shiny but, over time, I am sure they will age like most fences do. But it is actually a replacement of like with like, it is not changing the look of the site.

The plans are that all of these 13 hectares will be used for horse agistment. There is an ability to move the paddocks and again, forgive me, I am not an expert, but we need to rotate the horses so that the paddocks have time to recover. So these markings are just to show that that rotation will occur. Where we have had the picket fences, we will have the same. The bollards are actually to protect the heritage trees. As you know, you should not be parking cars on the roots of very old trees. You will kill them. My responsibility, as a trustee, is to protect that land and to make sure that those trees in that beautiful road are actually maintained. So we have put in some parking areas. It is not to reduce the ability of people to park, it is just to enable them to park safely and appropriately.

I also heard that we were going to be restricting access by having an electronic boom gate. Again, I think that is a misunderstanding. Right at the moment we have a padlocked gate and a security officer has to come down and unlock that. Now, in Dame Eadith Walker, which is our HIV/AIDS/Dementia unit, we have very unwell patients there. So we need to be able to give ambulances access 24 hours a day, seven days a week. We cannot wait for a security officer to run down and open the padlock. It needs to be able to be electronically opened, to allow the ambulance to get in.

**Mr SCOT MacDONALD:** Remotely.

**Dr ANDERSON:** Remotely, that is right. So, the paddocks are being renovated, rehabilitated but people will still be able to walk in this area. There was also some misunderstanding about the dog unleashed area. People have said that dogs can go here unleashed but, as you know, in the City of Canada Bay's own rules you are not allowed to have unleashed dogs in public areas, unless the areas are defined as unleashed. My understanding—and again I am not an expert on horses—is that it is not an acceptable practice to have strange dogs that are not familiar with horses, in a paddock with horses. That is where injuries occur and, in fact, in Australia more injuries occur from horses than from any other animals. So my job, as the trustee, is to make sure that this is a safe place for the dogs—that is, the unleashed area—and a safe place for the horses, so the horses are not mixing with dogs that are not familiar with them. The dogs are able to be taken on leads down the middle and they can go into the end area. There is no restriction on people moving around this area of Yaralla, other than some signs that we have up that say: "Please do not approach our patients; respect their privacy". There are no fences around the Yaralla House, as you have seen. What we do not want though, is the public going up to the windows and looking in to patients who are recovering. If they were your children, your daughters and sons, you would not appreciate them having people peering in the windows when they are recovering. So the only restriction to access is to respect the privacy of our patients. As you know, Dame Eadith Walker was very clear that this estate was around helping our most vulnerable people.

**Mr SCOT MacDONALD:** I have not got much longer. I just want to ask the same question in a different way, about some of these proposals or misinformation out there in the community about a Breakfast Point type development. In your view has that sort of misinformation—including what we took in evidence on it on Monday night—helped the process of resolving this or has it made it more difficult?

**Dr ANDERSON:** I think it has been challenging to get the facts across. We did have numerous conversations and put out media statements and, in the end, I paid for an advertisement to go in the local paper.

**Mr SCOT MacDONALD:** I am sorry, can I interrupt you there?

**The Hon. LUKE FOLEY:** Ask it again—ask it the third time. You can lead a horse to water but you cannot make it drink, mate.

**Mr SCOT MacDONALD:** You have spent Health resources, Health money that would otherwise go to patients and health services, in putting out the bushfires around Breakfast Point or some other proposal that people, such as we heard on Monday night, including the mayor, are floating. You have spent Health resources on putting out bushfires such as that.

**Dr ANDERSON:** Communication with the community is critical but it is hard. We have had numerous conversations with the local media and it was very difficult to get the facts out and it was important to reassure the community that there has never been any intention—and you will see from all of the documentation that we have provided—there is no evidence at all that the district or NSW Health has wanted to do anything other than make sure that that property is safe for the community and safe for my patients.

**Mr SCOT MacDONALD:** And it fulfils the Trust.

**Dr ANDERSON:** And safe for the horses—and fulfils the Trust.

**Mr SCOT MacDONALD:** Can you take on notice, and come back to the Committee with a costing of that money that you have spent, that you say would otherwise have gone to health services, to put out some pretty mischievous claims out there?

I finish with asbestos on page 25. You say asbestos removal, as part of that rehabilitation work. Can you give me a little of the sense of what is involved there? Someone came up to me in the room later on Monday night to talk to me a bit about that. I do understand that the local member, John Sidoti, is dealing with that, to his credit. But can you give me a sense about that please?

**Dr ANDERSON:** The reality is—and you have all been out to the estate—this is a very old estate and again, my expertise is not in asbestos, but we do have experts who provide us with advice. There is 19th and 20th century architecture and there are asbestos materials in them and so, it is reasonable to conclude that there would be some contamination over time. We recently identified that there was some asbestos there. We engaged Environmental Partners on 3 May to undertake the landscape design work for Yaralla and during that engagement, it required an assessment of the paddocks' condition and soil testing was undertaken. During that site inspection, on 16 May, Cecil identified areas adjacent to the private road that were suspected of having contaminated material. We were notified and we notified the lessee and asked him to contact the agistors because he has the contact details of the agistors; the district does not. That is the normal process.

The results were forwarded to us on 20 May. As soon as we were advised, we put fencing around the area and we instructed the removal contractor as soon as possible and that process is under way. WorkCover inspected the site. We had an email sent to MPK Asbestos and Demolition confirming there were no breaches, and they were satisfied with the removal process. It is my understanding that asbestos can be underneath the soil. With rain and movement it can come to the surface so we will continue to review that. The site is open to the public. Therefore, from time to time there has been some illegal dumping on the site but we monitor that and make sure that we have responded in a timely way to remove all of that waste.

**The Hon. LUKE FOLEY:** Could I take up from where Mr MacDonald left off? He went to the question of how many valuable health dollars have been spent on this exercise. Could you tell us how much you have paid blueVisions Management Pty Ltd.

**Dr ANDERSON:** For the condition report it was approximately \$8,000. For the ads that you referred to it was around \$3,000, but I can give you the exact figures. It was in the documentation that—

**The Hon. LUKE FOLEY:** You paid blueVisions Management \$3,000 for the ad. Did they write it for you?

**Dr ANDERSON:** We gave \$3,000 to the *Inner West Courier*—

**The Hon. LUKE FOLEY:** I am not asking you about that. How much have you paid blueVisions Management, Dr Anderson?

**The Hon. TREVOR KHAN:** Point of order: Mr Foley is persisting with what he did on Monday—that is, engaging in hectoring and badgering of the witness. Dr Anderson is here, I think, to assist. She is entitled to answer the question without his jumping down her throat half-way through answer.

**CHAIR:** Mr Foley should allow the witness to answer.

**The Hon. LUKE FOLEY:** Thank you, Chair. Dr Anderson, to be clear: I am asking you to please advise us how much the health district has paid blueVisions Management for this exercise.

**Dr ANDERSON:** It has paid \$8,000 for the condition report. They are also supervising the works on site, which includes engaging the contractors for the replacement of the fences et cetera. Exactly how much that is I will need to take on notice. Of course, we do have that.

**The Hon. LUKE FOLEY:** Ron Turner told us on Monday that he negotiated the arrangement with the mounted Police that resulted in the 18 April heads of agreement that you were a signatory to. How much was blueVisions Management paid for that work by Mr Turner?

**Dr ANDERSON:** I will have to take it on notice. He did not negotiate the agreement. I met with Mr Turner and one of my staff to discuss the initial findings of his condition report, which indicated that there were significant problems with the estate. As an officer of the Crown my job, when a risk is identified, is to take appropriate action. In his draft report Mr Turner made a number of recommendations, one being to have an organisation—

**The Hon. LUKE FOLEY:** With respect, Dr Anderson, you are not answering my question. I am asking how much his company has been paid for all of the work that he has undertaken. I am not asking simply for the preliminary work but for all of the work he has done since and the work he continues to do for your health district regarding the Yaralla paddocks. Can you steer us to an approximate amount that the health district has committed to blueVisions Management Pty Ltd for all of their work and all of Mr Turner's work since you engaged them?

**Dr ANDERSON:** No, I cannot. I will take that on notice because it also includes oversight of the renovation of Dame Eadith Walker Convalescent Hospital, which has been going on, now, since 2010 under the former Sydney South West Area Health Service. I can, of course, get that information for you.

**The Hon. LUKE FOLEY:** They never had to tender for all of this work, did they? You just gave it to them.

**Dr ANDERSON:** The Government has a pre-qualifications program, which was put in place, I understand, under the former Labor Government. It is really important that we follow the appropriate procurement processes, and we had done that. BlueVisions has been on the pre-qualifications panel since around 2002. I cannot tell you the exact date.

**The Hon. LUKE FOLEY:** The very large job here, to be accurate, was given by you, Dr Anderson.

**The Hon. TREVOR KHAN:** Point of order: It is the same point of order that I took before. Mr Foley is interrupting the witness as she gives her answer. She should be entitled to answer the question as she sees fit, as long as she is generally relevant.

**The Hon. LUKE FOLEY:** To the point of order: When the witness deliberately seeks to evade the question and not answer the question, I am entitled to seek to bring her back to the question.

**The Hon. TREVOR KHAN:** Further the point of order, there is absolutely no basis for that last assertion. She is assisting this Committee and she is entitled to give her answer.



**The Hon. LUKE FOLEY:** Further to the point of order: I am not going to allow the witness and Mr Khan to tag team to eat into my half hour. If I have to seek an extension of time so that we are here for several hours so that I can ask the questions I want to ask and get answers to those questions, then that is what I will do.

**The Hon. TREVOR KHAN:** Further to the point of order: I have no problem as far as time is concerned, but civility is a reasonable basis on which to proceed on with questions to this witness. Uncivil interruption of a witness is not appropriate.

**CHAIR:** I will rule. We will take whatever time is needed in relation to this matter, as you said. I think proceedings have been quite civil to date. I am not going to continue to allow you to take frivolous points of order.

**The Hon. LUKE FOLEY:** Dr Anderson, who from the health district first approached the Mounted Police Unit regarding the potential for the Mounted Police Unit to lease the Yaralla paddocks?

**Dr ANDERSON:** BlueVisions made a recommendation in their draft report that the New South Wales Mounted Police Unit be approached because they were aware that they were looking for agistment facilities. That meeting with the Mounted Police Unit was facilitated by blueVisions with my Director of Capital Assets and Contract Services, Ms Debbie Flood. They met with the Mounted Police Unit on 18 January. In attendance at that meeting were Ron Turner from blueVisions; Debbie Flood, the Director of Capital Assets and Contract Services for the district; Inspector Kirsten McFadden; and Leading Senior Constable Rod Cillero.

**The Hon. LUKE FOLEY:** Thank you, Dr Anderson. When was the health Minister's office brought into the loop on the negotiations with the Mounted Police Unit?

**Dr ANDERSON:** Under the Act, as you are aware, the Minister can give a direction in relation to the use of Yaralla. I approached the Minister's office to ask if it was reasonable for me to have a discussion with the Mounted Police Unit, given that the purpose was exactly the same—the agistment of horses.

**The Hon. LUKE FOLEY:** When did you make that contact with the health Minister's office, Dr Anderson?

**Dr ANDERSON:** In mid-February.

**The Hon. LUKE FOLEY:** Is blueVisions Management Pty Ltd the only corporate firm with close connections to the Liberal Party that you have engaged in this process?

**Dr ANDERSON:** I am not aware of any connections of my contractors with any political party. It would be inappropriate for me to investigate what connections people have. I go to the pre-qualification panel for any procurement under \$150,000, as per the government procurement guidelines, which have been in place for some time.

**The Hon. LUKE FOLEY:** With respect, Dr Anderson, you do not expect us to believe that you have not seen media reports on the very large donations that blueVisions have made to the Liberal Party. Are you telling us that you have never seen those reports? Are you completely unaware of them?

**Dr ANDERSON:** I have only just recently seen reports in relation to this matter when the discussions were occurring in the media. I had not seen, and had no knowledge of, any relationship prior to being advised through the media.

**The Hon. LUKE FOLEY:** Have you held any discussions with blueVisions lobbyist Mr Michael Photios about this matter?

**Dr ANDERSON:** Apart from what I have seen in the media, I am not familiar with Mr Photios at all. I would not even know what he looks like.

**The Hon. LUKE FOLEY:** He would just deal directly with your chair, Ron Phillips, and your Minister, Julian Skinner—not with you—would he not?

**Dr ANDERSON:** I have no knowledge of Mr Photios other than the comments that have been made in the media.

**The Hon. LUKE FOLEY:** I go back to my earlier question: Can you assure us that no other corporate firms with Liberal Party connections have been used by you in this exercise? Can you give us that assurance, Dr Anderson?

**Dr ANDERSON:** I do not know the political affiliations of any of my contractors, Mr Foley. I run a \$1.4-billion organisation. I have many contractors. It would be inappropriate for me, when I am awarding contracts, to know anything about their political affiliations.

**The Hon. LUKE FOLEY:** Tell us about the engagement of Conrad Consulting and Capital Pty Limited. Tell us about the advice they have given you.

**Dr ANDERSON:** The district engaged Conrad Capital some time ago. I met the consultant through a committee that I am on. The committee is about educating our staff on the new funding reform. I have been on that committee for over 18 months now. I am seen as a valued member of that committee. I have made a lot of contacts within NSW Health. Like all good public servants, I use the experience of people that I come across. We had issues—

**The Hon. LUKE FOLEY:** How much have you paid them, Dr Anderson?

**Dr ANDERSON:** I cannot recall, off the top of my head, but I will take that on notice.

**The Hon. LUKE FOLEY:** You have spent valuable Health dollars on engaging Conrad Capital to provide spin-doctoring advice on this matter, have you not?

**Dr ANDERSON:** The advice is around communication with our community.

**The Hon. LUKE FOLEY:** Spin-doctoring advice indeed.

**Dr ANDERSON:** Last year, Mr Foley, as part of the new funding reform we undertook an innovative thing that no other district had undertaken—that is, we presented the budget of the district publicly. We had over eight forums for our staff on our budget so that we could unpack it—

**The Hon. LUKE FOLEY:** With respect, that has nothing to do with my questioning.

**Dr ANDERSON:** It has everything to do with that, because—

**The Hon. LUKE FOLEY:** Can I please bring you back to the questions around Conrad Capital? Are you aware that Conrad Capital is an Australian \$1 company whose sole director is John—also known as Jack—Simos? Are you aware of that?

**Dr ANDERSON:** No, I am not.

**The Hon. LUKE FOLEY:** Are you aware that—

**The Hon. TREVOR KHAN:** Point of order: How is this relevant to our terms of reference?

**The Hon. LUKE FOLEY:** To the point of order: Conrad Capital has been engaged and paid money to provide communications advice to this witness on how to communicate what the health district has done in this matter. Nothing could be more centrally relevant than examining that engagement.

**CHAIR:** We will tease it out and see. I find there is no point of order.

**The Hon. LUKE FOLEY:** Are you aware that John 'Jack' Simos is a former Chief of Staff to former Liberal Party Leader Peter Collins? Are you aware of that?

**Dr ANDERSON:** No, I am not.

**The Hon. LUKE FOLEY:** I have emails that include correspondence between you and the executive chairman of Conrad Capital, Richard McKinnon. He is the representative of the firm who provided you with communications advice, is he not?

**Dr ANDERSON:** Yes, that is correct.

**The Hon. LUKE FOLEY:** Richard McKinnon, we are told, on the Conrad Capital website, embodies the American dream. It says there:

Richard has provided business services in strategy, marketing, communication, and human resources to companies in the aviation, health care, infrastructure, power, and construction industries. He also has advised many state and local government organizations ... Richard currently serves as Planning Commissioner for the City of Santa Monica ...

It is legitimate, is it, for you to spend valuable Health dollars on engaging the Planning Commissioner for the City of Santa Monica, to give you spin-doctoring advice? Is that a reasonable use of valuable Health dollars, Dr Anderson?

**Dr ANDERSON:** Mr McKinnon has provided me with the support. As I said, since we had our budget presentations last year, it was a unique way of presenting information—

**The Hon. LUKE FOLEY:** This is unique: engaging the planning commissioner of the City of Santa Monica and forking out valuable Health dollars to get his advice. That is unique, is not it, Dr Anderson?

**Dr ANDERSON:** Mr McKinnon's rates are consistent with those—

**The Hon. LUKE FOLEY:** Tell us what are his rates?

**Dr ANDERSON:** I will take that on notice.

**The Hon. LUKE FOLEY:** You just told us they are consistent. What are they?

**Dr ANDERSON:** They are. When I first engaged him we looked at the provision of support around being able to get these messages out to the community and, in the spirit of transparency, we invited the major metropolitan media to attend our budget presentations. As I said, I met Mr McKinnon on the committee that I am on, which has been—

**The Hon. LUKE FOLEY:** In Santa Monica or in Sydney?

**Dr ANDERSON:** In Sydney.

**The Hon. LUKE FOLEY:** That is something, I guess.

**Dr ANDERSON:** That has been looking at how we make sure that our staff and the community understand about activity-based funding, which is a new funding model at a Commonwealth and a State level. So getting the messages clear, accurate and transparent is really important in terms of our communication with the community.

**The Hon. LUKE FOLEY:** To wrap up the line of questioning that my colleague Mr MacDonald embarked on, when it comes to the expenditure of valuable Health dollars, apart from the engagement of large Liberal Party donor blueVisions Management Pty Ltd and apart from the engagement of the \$1 company Conrad Capital—whose sole director is John, alias "Jack", Simos, former Chief of Staff to former Liberal leader Peter Collins—are there any other Liberal-aligned corporate outfits that you have forked out money to to help you through this process? Are there any others that you want to put on the table today?

**Dr ANDERSON:** I am not aware of the political affiliations of the people I work with. We are a \$1.4-billion organisation. You will be pleased to know that our district came in on budget. We are very fiscally responsible. Our district was one of the only districts in New South Wales that met all of its surgical targets. We saw our patients within the clinically appropriate time. We manage our health services well.

**The Hon. LUKE FOLEY:** Thank you, Dr Anderson; I have not asked you about any of that. I am asking you direct questions relating to the terms of reference of this inquiry. So can we move on? You released the tender last Thursday—that is, exactly one day after public submissions to this inquiry closed—did you not?

**Dr ANDERSON:** That is correct.

**The Hon. LUKE FOLEY:** I put it to you that you did that very deliberately so that no-one could make a submission to our inquiry on the terms of the tender. That is why you put it out on 1 August and not before, is it not?

**Dr ANDERSON:** It took some time to prepare the tender documentation. We have experts in the management of horses and paddocks on the tender review committee—

**The Hon. LUKE FOLEY:** Mr Ron Turner, for one.

**Dr ANDERSON:** —and the Crown Solicitor is overseeing the process to make sure that the documentation is appropriate and to make sure that we are not in the position of having a manager of the site who does not appropriately manage it. So we are being very clear in the tender specifications about the requirements of ensuring that the licensee takes responsibility for the ongoing maintenance of the fences and the paddocks. And so it took some time to get that documentation in order and it is being managed—

**The Hon. LUKE FOLEY:** And Mr Ron Turner worked hard on that, did he not, Dr Anderson?

**Dr ANDERSON:**—and it is being managed by HealthShare as per our normal processes. It is not the district that places the tender documentation out for public review; it is actually HealthShare. That is not a process that is within the control of the district.

**The Hon. LUKE FOLEY:** You have told us about the clear specifications that you went to great trouble to ensure were in the tender. Ron Turner played a significant role in the development of those tender specifications, did he not?

**Dr ANDERSON:** He was one of many people, and there are experts in the provision of horse management on that panel other than Mr Turner. The panel was convened as per the Ministry of Health and New South Wales government procurement guidelines. We have a probity officer, Mr Rory O'Connor—

**The Hon. LUKE FOLEY:** We will get to him in a minute.

**Dr ANDERSON:**—who is overseeing that process.

**The Hon. LUKE FOLEY:** I do want to get to Mr O'Connor but, if you will bear with me, there are a couple of other things I would like to ask you about first. Initially the Sydney Local Health District told community members that the tender would be open for around eight weeks. Then last Thursday it placed a tender on the tender website that ran for only three weeks. That is correct, is it not, Dr Anderson?

**Dr ANDERSON:** We indicated that we would follow normal government procurement guidelines. The length of time of the tender was determined by the tender committee in consultation with HealthShare. I did not have any influence over the length of time of that tender—

**The Hon. LUKE FOLEY:** No, that was probably Ron Turner's initiative, was it not?

**Dr ANDERSON:** Given the size of the tender, it is a relatively small cost. Therefore, normally it would not have a long lead time. However, given the comments on Monday, as I said, I approached the probity officer and the chief procurement officer and we have extended the timeline so that we can take into due consideration the outcome of this inquiry, and also to give interested parties an opportunity to prepare their tender specifications.

**The Hon. LUKE FOLEY:** I put it to you, Dr Anderson, that your district went from telling interested parties that you would run an eight-week tender to then embarking on a three-week tender as a deliberate exercise in awarding the contract before this Committee could report back to the Parliament. That is what you did, is it not?

**Dr ANDERSON:** The district followed the normal New South Wales procurement guidelines for tendering.

**The Hon. LUKE FOLEY:** How did you go from an eight-week tender to a three-week tender? That was Mr Ron Turner's work again, was it?

**Dr ANDERSON:** It was the tender review committee—

**The Hon. LUKE FOLEY:** That Mr Turner sat on.

**Dr ANDERSON:**—which had the Crown Solicitor and others on it. He was one of a number of people; and that is overseen by a probity officer.

**The Hon. LUKE FOLEY:** Let us get to the probity officer.

**Dr ANDERSON:** It is not normal for the chief executive—

**Mr SCOT MacDONALD:** I hope he does a better job than Macca's.

**The Hon. LUKE FOLEY:** He is Macca's, you dope. You are using Ian Macdonald's probity officer Rory O'Connor, are you not?

**Dr ANDERSON:** The probity officer is actually—

**Mr SCOT MacDONALD:** Point of order: That was an interesting little exchange—

**The Hon. LUKE FOLEY:** Thanks for the set-up, Scot.

**Mr SCOT MacDONALD:** But is it usual practice to actually shout at a witness—to browbeat a witness?

**CHAIR:** Order! No, it is not usual practice. Mr Foley will mitigate his language and his volume, please.

**The Hon. LUKE FOLEY:** Dr Anderson, why on earth, after all that has come out at the Independent Commission Against Corruption in recent months, are you using Ian Macdonald's probity auditor? Could you tell us that, please?

**Dr ANDERSON:** The probity auditor was actually someone who was giving advice to a process that we were going through in the disposal of the Queen Mary Building. That is where that contact came from. We use a range of probity officers.

**The Hon. LUKE FOLEY:** Could you not have picked one other than Ian Macdonald's probity auditor just to give the community some confidence in your process?

**Mr SCOT MacDONALD:** He was the Government's probity officer; not Ian Macdonald's.

**The Hon. LUKE FOLEY:** Why did you pick Macdonald's probity auditor, Dr Anderson?

**Dr ANDERSON:** I have no knowledge of Mr O'Connor's connections with anyone other than that he was involved in the disposal of the Queen Mary Building.

**The Hon. LUKE FOLEY:** Let me enlighten you, Dr Anderson. Rory O'Connor, your probity auditor whom you cite today—I did not bring him into this discussion; you did—and who you choose to sprinkle holy water over this dodgy exercise, was the probity auditor who ticked off on the Doyles Creek mining licence. That is who you have used. Do you maintain now that it is appropriate for you to get your probity advice from Ian Macdonald's probity auditor? Do you stand by that?

**Dr ANDERSON:** I am not aware of his connections and I am not aware of any concerns that have been raised in relation to Mr O'Connor.

**The Hon. LUKE FOLEY:** I am raising concerns now.

**Dr ANDERSON:** I will take it on notice and discuss it—

**The Hon. LUKE FOLEY:** I am raising concerns about the tender specifications. I am putting it to you that the tender has been entirely rigged by Ron Turner to ensure that community members can never get their horses back into the Yaralla paddocks. And I invite you to tell us now that you will abandon this rigged tender and allow this committee to report to the Parliament before you take any further action. Will you give us that undertaking, please?

**Dr ANDERSON:** I have given an undertaking that we will delay the closing of the tender to enable due consideration of the findings—

**The Hon. LUKE FOLEY:** But the tender is rigged, Dr Anderson; it has been rigged by Ron Turner for one outcome. Will you please tear it up so that our Committee can do the job the Parliament has given us to inquire and report back to the Parliament on the future agistment of horses at Yaralla? I am inviting you to show some respect for the Parliament and its processes and abandon this rigged tender. Will you please give us that undertaking now?

**Dr ANDERSON:** The district has deferred the closure of that tender. I will take your comments on notice. The district does have important responsibilities to make sure that that site is well managed. We will be going to tender—

**The Hon. LUKE FOLEY:** So you stand by this tender process, do you?

**Dr ANDERSON:** —we will be going to tender for the management of the site. The district is not expert in the management of agistment for horses. We are committed to the agistment of horses and we will need expert management that will be obtained through a tender process. We will make sure that the community has confidence in that tender process. We will take due consideration of the outcome of this inquiry.

**The Hon. LUKE FOLEY:** Dr Anderson, let me be clear with you. I put it to you that this tender process is rigged; it has been rigged by Ron Turner for one outcome.

**Mr SCOT MacDONALD:** Point of order: We have now had this put to the witness, I think, four times. It has been answered in nearly exactly the same words, I think, three or four times now. Do we have to hear it again and again?

**CHAIR:** Order! There is no point of order. Mr Foley is entitled to ask questions. He has his allotted time and he will proceed. I think we need to have a deliberative in relation to this matter.

**The Hon. LUKE FOLEY:** To the point of order: You could not make this up. We have here Michael Photios, the planning commissioner of Santa Monica and Ian Macdonald's probity adviser. You could not write a soap opera that was more outlandish than this. Mr Chairman, on the basis of your suggestion, I propose that you clear the room in order that this Committee may deliberate in private on the evidence of this witness and the actions of the Sydney Local Health District that, I submit, are showing contempt for the processes of this committee and the Parliament.

**CHAIR:** Order! I so find. I think we need to have a deliberative.

**(Short adjournment)**

**CHAIR:** Before reconvening the hearing I shall make a couple of announcements. In the deliberative meeting it was resolved, on the motion of the Hon. Luke Foley, that the Committee instruct the Chair to write to the Chief Executive, Sydney Local Health District and request that the current tender for the Dame Eadith Walker Estate agistment licence be abandoned and that no further tender with respect to the future agistment of horses at the estate be undertaken by the Sydney Local Health District until the Committee reports to the Legislative Council on 19 September 2013, and that the Committee seek a reply from the Chief Executive, Sydney Local Health District by close of business on Friday 9 August 2013. Further, that Mr Turner is to be sent written questions on notice to which he has seven days to respond from the date of questions sent. Finally, the Committee will also write to individuals named in today's hearing to allow them the opportunity to respond to comments made about them today. We will now resume questions.

**Dr JOHN KAYE:** Dr Anderson, some of the questions I am about to ask you are by nature fairly specific and you may wish to take them on notice. In your submission you include two handsome little photos of horses on the helipad. Are you aware that those horses got onto that helipad through a hospital fence; not a fence that was supposed to be maintained by Mr Wale?

**Dr ANDERSON:** The horses got through the fences in the agistment property first. The fences around the District's facilities are standard fences for hospitals; they are not meant to keep out horses. Not having horses on a hospital helipad, particularly one which houses one of the two State's burns units, is absolutely critical.

**Dr JOHN KAYE:** I totally agree with that but you are saying they got through fences that were under the control of Mr Wales?

**Dr ANDERSON:** That is correct.

**Dr JOHN KAYE:** Why was there no inspection of the paddocks or any of the facilities until 2012? Why was there no inspection between 1996 and 2012?

**Dr ANDERSON:** I cannot really speak for what happened before 2011. The Sydney Local Health District came into being on 1 January 2011 as a local health district and I was appointed Chief Executive at that time, so I cannot really speak for inspections prior to that. However, the licence is actually very clear that the responsibility for the maintenance of the paddocks and fences is with the licensee. It does say that the District may inspect—in hindsight it would have been wise to do that. I have to say though over the past two years my focus, being a very large organisation, has been on the provision of health care. It was only when these incidents were occurring that it was highlighted to me that it was a major issue. During this time Sydney Local Health District has been working on the development of Dame Eadith Walker as a centre for patients with HIV AIDS dementia. We have been working on the planning for the palliative care centre at Concord, on the Chris O'Brien Lighthouse at RPA, the mental health facility. That has been our focus.

**Dr JOHN KAYE:** Dr Anderson, I was not in any way proposing that you do a personal inspection but you do have a property directorate or equivalent that is responsible for managing the properties under the control of the Sydney Local Health District, do you not?

**Dr ANDERSON:** I have to say that directorate has been very busy with our health capital works and it was only when these incidents were occurring that it came to our attention. In hindsight—over the last few months I have been strengthening our inspection process across the District so that I can be assured that we do not have any problems with the buildings and facilities that we have.

**Dr JOHN KAYE:** From the May 2012 report of Tierney Page Kirkland [TPK]—as far as one can read the tables in it—it seems to be that the participants rejected a cotenancy between the police force and privately registered horses?

**Dr ANDERSON:** That is my understanding. I had asked that question. As I have said, I have very little knowledge of horses, although I have to say it has been growing by the day, but my understanding from the experts—I did not participate at all in the risk assessment; it had experts on the management of horses et cetera present and that included our insurers: TMF—they were very clear that there was an issue in terms of a shared lease. You will have to forgive me because I am going to ad lib but it is very difficult when you have got two managers to understand who is going to be responsible. Also if it was shared with the mounted police there would be concerns about cross contamination, vaccination et cetera and also about how the facilities like the

feed et cetera would be managed. The District itself did not rule that out; the experts said it was a problem. However, the District is happy to review that again with people who are expert in this field to see if there is a way of being able to do that. I am happy to write to the Deputy Commissioner of Police to see if that is a possibility but the risk assessment as we have it recommends against that.

**Dr JOHN KAYE:** I probably know less than you now know about horses. However, as I read it the risk assessment suggests that the NSW Police horses and the privately agisted horses would be co-mingling in the one paddock. I am not sure that that is what people mean when they talk about a co-tenancy. They mean there are two distinct paddocks with about 40 metres between them. That is the distance I paced out on Monday. Surely that would lead you to believe it would be possible to have two separate operations on the one site?

**Dr ANDERSON:** I will take that question on notice. I am happy to ask for a panel to review that as an option.

**Dr JOHN KAYE:** Thank you for doing that and I accept that undertaking. I also seek an explanation as to why the risk management panel—which is clearly very important in determining the future of the site—involved no local community, local council or horse agister representatives. Is there a reason for that?

**Dr ANDERSON:** No. We have risk management processes that occur within the district. Normally we would have a range of experts involved. Community representatives would not usually be involved in risk management assessments. As I said, I am happy to reconvene a risk panel, but it would need to include experts. You again raised the issue of conflict of interest and we would need to get advice about how that could be dealt with.

**Dr JOHN KAYE:** I refer to your organisation's relationship with blueVisions, which goes back to 2010.

**Dr ANDERSON:** That is correct.

**Dr JOHN KAYE:** You have undertaken to provide on notice a list of the tasks undertaken by blueVisions and the amount paid by Sydney Local Health District and its predecessors in respect of those tasks. Your response to questions from Mr Foley was that blueVisions was fine to do the work on the horse paddocks because it was on the prequalification panel. Did you give any thought at the time to the fact that blueVisions already had a number of line management contracts with you and therefore would probably expect to undertake any further work on the estate horse paddocks and that that might create a perverse incentive with regard to any recommendations it made?

**Dr ANDERSON:** I do not believe that is the case.

**Dr JOHN KAYE:** Do you mean that you do not believe you gave that any thought or that such a perverse incentive would not be created?

**Dr ANDERSON:** I looked at what was required on the estate and it was considered to be good value to the district to get advice from someone already on site who had knowledge of the heritage requirements. We always evaluate the work required. I have not heard any suggestions in relation to the quality of the work. I can show you the concerns blueVisions raised, and they were shared by the district. There were termite-ridden, rotting fence posts.

**Dr JOHN KAYE:** We have all read the report and I do not want to waste your time or mine. There is no dispute about the condition of the pastures and so on. The issue is the recommendations made by blueVisions and the direction it gave to the Sydney Local Health District about what should happen to those paddocks and whether there would be at least a perception of a conflict of interest. If blueVisions made a particular recommendation there might be more work for it down the track. Even if that were not the case, did you at any stage give any thought to the suggestion that you may be creating a perception of conflict of interest by doing so?

**Dr ANDERSON:** We use contractors all the time. Ours is a very large organisation and we have assessments done of our buildings. There is no guarantee or consideration that those who do them might then be responsible for doing the work.



**Dr JOHN KAYE:** But blueVisions does work for you; it managed the renovation of the mansion.

**Dr ANDERSON:** It did in relation to this but not in relation to other contracts.

**Dr JOHN KAYE:** But it had managed the renovations on that land; it was the project manager.

**Dr ANDERSON:** There is no guarantee that it would do the other work. In fact, I have a range of contractors doing the fences and paddocks. As I said, Environmental Partnership has been engaged to do work at Dame Eadith Walker.

**Dr JOHN KAYE:** You relied on your choice of blueVisions. It knows the site and its heritage and it is cost effective to have it do that work.

**Dr ANDERSON:** That is correct.

**Dr JOHN KAYE:** And Mr Turner was the leader at blueVisions' site office.

**Dr ANDERSON:** That is correct.

**Dr JOHN KAYE:** Does it surprise you to know that Mr Turner did not know what soil types he was dealing with?

**The Hon. TREVOR KHAN:** Point of order: That is not—

**Dr JOHN KAYE:** I will rephrase that to keep Mr Kahn happy. On Monday I put it to Mr Turner that the soils were clay. He said he did not think they were. I then asked him what they were and he was unable to answer. He said he would get back to the Committee with that information. This man is making recommendations about fertilisation and the type of fence posts that will be installed without an intimate knowledge of the soil types on the site.

**Dr ANDERSON:** I run health services and that is what I know best. I will use that as an example. When my staff assess our patients they will ask a range of clinicians to provide advice. My medical oncologists will get advice from cardiologists and other clinicians to make definitive diagnoses. I do not think that Mr Turner gave the impression that it was his job to have expertise in the assessment of that site. More than 28 boreholes were drilled by Environmental Partnership to assess the condition of the soil. It confirmed that there are significant problems, including that the soil is compacted. Anyone would be able to see that the pastures need rehabilitation. They are not fit for horses—

**Dr JOHN KAYE:** Sorry to interrupt again, but that is not the issue. The issue is your assertion that you choose blueVisions because it had detailed knowledge of the site. My concern is that even after blueVisions had done the work Mr Turner was unable to identify the soil types. It would be like my sending you to a cardiologist who has dealt with you previously and that person not knowing what cardiothoracic treatment you had had in the past.

**Mr SCOT MacDONALD:** Point of order: I am not trying to be overly negative, but the honourable member is asking questions of a witness who might not have read that evidence. I do not know that he is being entirely fair about Mr Turner's evidence about the soil types.

**Dr JOHN KAYE:** To the point of order: Dr Anderson was sent the evidence yesterday. In any event, I will move on because we are running out of time and we all need to go.

**CHAIR:** Order! We still have time for lines of questioning. That is an argument and not a point of order. Dr Kaye is entitled to ask questions, as long as he is not hectoring the witness, which he is not. If he needs to pursue the line of questioning a number of times, that is also in order.

**Dr JOHN KAYE:** I am almost at the end of my questioning. The two other questions I have for you: The 1996 lease was \$16,000 per annum, uninflated. Then we come to 2013 and the Heads of Agreement provide a \$24,000 lease—it is a public matter now. The \$24,000 lease is actually less, in inflated terms, if you use the CPI inflation and you use the Reserve Bank of Australia's inflation calculator, \$16,000 in 1996 is about \$24,900.

So, it is actually cheaper. The facility was offered, in real dollars, at a cheaper rate to the Mounted Police than it was to Mr Wales, back in 1996.

**Dr ANDERSON:** The operator was continuing to be charged at a very similar rate. The aim of the District, as I have indicated previously, is not about making a profit. When this discussion occurred with the Mounted Police, it was to have an intergovernmental arrangement that would be in the best interests of the taxpayers of New South Wales. And our aim—my aim—is to have someone managing that site. And now, through the tender process—and if it stops and then starts again, there will have to be a tender process for who will use that land—is that the land is managed well. And I will not have incidents where I have got horses on my helipad, putting my patients at risk.

**Dr JOHN KAYE:** I appreciate that, Dr Anderson, and it is a fine statement and we all support that—we do not want horses on helipads. But my question to you is, why was the Mounted Police offered the site at a lower rental, in inflation adjusted terms, in 2013 than Mr Wales was in 1996?

**Dr ANDERSON:** It was more than Mr Wales was currently paying and it was not about making a profit. What I wanted to make sure we did was that we had a manager in there who would ensure that it was safely and effectively managed and that valuable Health dollars were not having to be spent, as it is now, on the maintenance of those fences and paddocks.

**Dr JOHN KAYE:** Was it Mr Turner who suggested a figure of \$24,000?

**Dr ANDERSON:** No.

**Dr JOHN KAYE:** Who negotiated that figure of \$24,000?

**Dr ANDERSON:** The Director of Capital Assets and Contract Services for the district.

**Dr JOHN KAYE:** Did he take advice from Mr Turner at any stage on the amounts?

**Dr ANDERSON:** I will have to take that on notice.

**Dr JOHN KAYE:** If you would. My final question: Are you aware of blueVisions having any contractual work with the Mounted Police?

**Dr ANDERSON:** No.

**Dr JOHN KAYE:** You are not aware of that or you are aware that they do not?

**Dr ANDERSON:** I am not aware.

**Dr JOHN KAYE:** Did you ask at any stage during this process?

**Dr ANDERSON:** No and I do not normally ask contractors what other work they are doing.

**Dr JOHN KAYE:** Everyone is a bit confused about this, but my understanding is that you turned to your contractor of choice on this site—blueVisions—and you said, "Go out there and have a look at the soil types, have a look at the property and give us a condition report on it". They come back to you—and your evidence before suggests that this is what happened—they come back to you and say: "Boy have we got a deal for you. We have got the Mounted Police". So they approached the Mounted Police and they came back with the Mounted Police. It was not your organisation that suggested the Mounted Police.

**Dr ANDERSON:** There were three recommendations. One was to go to open tender; one was around the Mounted Police; and one was for self-management. I have to say that the self-management one filled me with horror, because that is not my area of expertise.

**Dr JOHN KAYE:** Sure. They came back, BlueVisions approached the Mounted Police and got the information that the Mounted Police might be interested. Suddenly, they present you—well, it looks like they presented Ms Flood, at a meeting on 18 January—with the fact that: "Look, here is the Mounted Police, they are interested in the site".

**Dr ANDERSON:** No, not correct.

**Dr JOHN KAYE:** That isn't how it happened? So tell me exactly how it happened?

**Dr ANDERSON:** On 15 January I met with Deborah Flood to discuss the draft recommendations from blueVisions. There were three recommendations: One was to go to public tender; one was around the Mounted Police; and one was self-management.

**Dr JOHN KAYE:** Exactly as they are in the final report.

**Dr ANDERSON:** I ruled out the self-management. In relation to the Mounted Police, I asked the question, were they interested—

**Dr JOHN KAYE:** Just on that point. Is that the first you heard of the interest of the Mounted Police in this site?

**Dr ANDERSON:** Yes.

**Dr JOHN KAYE:** When did Ms Flood become aware of the Mounted Police being interested in this site?

**Dr ANDERSON:** I will have to take that on notice. I did not ask when. I am assuming it was the day before when she received the draft report.

**Dr JOHN KAYE:** She received the draft report on 14 January?

**Dr ANDERSON:** That is correct.

**Dr JOHN KAYE:** And you are going to get back to us to tell us when Ms Flood became aware of the Mounted Police.

**Dr ANDERSON:** Yes.

**Dr JOHN KAYE:** So suddenly there is a new player in the game at that point.

**Dr ANDERSON:** Yes.

**Dr JOHN KAYE:** At this point, on 14 and 15 January, as far as you and Ms Flood are concerned, there is a brand new player on the block—the Mounted Police.

**Dr ANDERSON:** That is correct.

**Dr JOHN KAYE:** You had not heard of it at all.

**Dr ANDERSON:** Not at all.

**Dr JOHN KAYE:** And this was brokered by a consultant who was sent out to give you a condition report on the site?

**Dr ANDERSON:** They was also—I am sure it is in the papers but I will get another copy, not the papers I submitted but in all of the documents I submitted—the engagement of blueVisions, which was not only to look at the conditions but also to look at how we might manage it, going forward. Because, as I indicated, I do not have expertise in this area and I needed to be given advice on how it could be managed into the future.

**Dr JOHN KAYE:** The terms of reference, as blueVisions describes it, and I am quoting from page 4 of their report, was to:

Assess the current property condition; identify a schedule of required maintenance works; and make recommendations for improving future management by subsequent operators.

Nowhere in there, as far as I can see, does it say: "Oh and go out and find us a bunch of folk who might be interested in using the site". If that were a brief I had been given, I would have read that as saying, this is about how do you improve the management of the site, not about who you find to bring in as an operator. I am interested in knowing, where did the Mounted Police thing come from? Obviously, I am asking the wrong person because you are telling us that you did not know about it until 15 January and Ms Flood probably didn't know about it until 14 January. So this is a blueVisions special. They came up with the idea of the Mounted Police.

**Dr ANDERSON:** In the covering letter that went to Mr Turner, with regard to the engagement, it says:

The brief should include, but not be limited to, condition report, schedule of recommended site works and recommendations for leasing.

Because the operator had been given a notice of termination and it is clear that we needed a recommendation of how it should be managed, going forward.

**Dr JOHN KAYE:** So, two separate issues: One, improving future management by subsequent operators, that is what Mr Turner says in his report. But are those the words in your letter to Mr Turner or in your letter, which I presume—

**Dr ANDERSON:** My staff's letter to Mr Turner. It says:

It should take the former reverse brief that will provide the District with a plan for the management of the agistment licence.

So there was always an intention to have agistment and that came from the District; it did not come from Mr Turner.

The brief should include, but not be limited to, condition report, schedule of recommended site works and recommendations for leasing.

**Dr JOHN KAYE:** You are quoting exactly, "recommendations for leasing", is that what you are quoting there?

**Dr ANDERSON:** Yes.

**Dr JOHN KAYE:** I am not sure how you would interpret "recommendations for leasing". Is that recommendations for clients to lease it, or recommendations for how the leasing is managed?

**Dr ANDERSON:** I am aware that, when we had the issues with the horses, I asked: Is there somebody in a government department who would be able to give me advice and support on the agistment of horses?

**Dr JOHN KAYE:** To give you advice and support, rather than actually do the agistment or be the agistor?

**Dr ANDERSON:** If there were another government agency who could assist me with that, then I would be very pleased with that.

**Dr JOHN KAYE:** Who did you make that statement to?

**Dr ANDERSON:** I said it to my staff.

**Dr JOHN KAYE:** Including Ms Flood?

**Dr ANDERSON:** Yes. If, for instance, the Centennial Park Authority came in and said that they had expertise to give me. I do not have expertise in this area. I am a health professional and my job is to pull in advice from the people who are expert. I am not an expert in the agistment of horses.

**Mr SCOT MacDONALD:** I remember reading in your report, you made a comment at the beginning of the amount of time that you and your senior staff have put into this issue. Can you comment on that?

**Dr ANDERSON:** It has been significant but it is an important issue. We do want to get the facts across to the community. I do not want the community to be fearful that there are any inappropriate plans for Yaralla. I will guarantee and NSW Health will guarantee, that Yaralla will continue to be there for the agistment of horses to support the provision of health care to our patients. It is a wonderful gift to the people of New South Wales, for our patients to be able to look out on to such beautiful grounds, for my HIV/AIDS dementia patients and my older dementia patients, to be in those sorts of grounds. We do know that the environment has a big impact on the health and wellbeing of our patients. We have just had a review of Rivendell, which is our adolescent mental health facility, and they made comment of how the beautiful environment has made such a difference to the wellbeing of those patients. So we are absolutely committed to there being no change to Yaralla. It will always be open to the public; it will always be there for the agistment of horses. I only ask that it be managed appropriately, so that our patients, our staff, our community and the horses are all safe.

Thank you for allowing me to speak.

**Mr SCOT MacDONALD:** I have one quick question. I really want to go back to that evidence on Monday when there were insinuations about Breakfast Point, or whatever. Can you confirm to me and to this Committee that no-one within the NSW Government, at any level, has approached the Sydney Local Health District about any attempt to change the legislation or to develop that parcel of land for housing or any other use?

**Dr ANDERSON:** The only person I have heard mention any redevelopment on the site is the Mayor of Canada Bay. Nobody else has ever suggested that to me.

**The Hon. ERNEST WONG:** I have a follow-on question from Dr Kaye. In regards to the instruction given by the District to Mr Turner, I recall one of the answers given by Mr Turner on Monday was that he got the instruction from the District to facilitate the subsequent operator. When did your District or yourself give that instruction? Was that after you read the report that you decided on who would be the best option or that was being given?

**Dr ANDERSON:** We received the draft report. My staff met with the police on-site to see if it was a viable option. That was then put to me by my staff, not by blueVisions. We took on board those recommendations and I have to say that I thought—I thought—it was a practical solution because it was another government agency, it would meet the needs of the people of New South Wales by giving facilities to our Mounted Police and that it would practically resolve the problem. In hindsight, I would have gone to an open tender, which I have now done.

**CHAIR:** Thank you very much for attending, Dr Anderson. There have been a number of questions you have taken on notice today and, as I mentioned earlier, the Committee has resolved that answers to questions on notice be returned within 14 working days. The Secretariat will contact you in relation to the questions you have taken on notice. Thank you for coming today.

**Dr ANDERSON:** Thank you.

**(The witness withdrew)**

**(The Committee adjourned at 12.58 p.m.)**