

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

**Monday 1 December 2003**

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

## **HEALTH**

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

### **MEMBERS**

Reverend the Hon. G. K. M. Moyes (Chair)

The Hon. Dr A. Chesterfield-Evans  
The Hon. P. Forsythe  
The Hon. P. Primrose

The Hon. C. Robertson  
The Hon. J. Ryan  
The Hon. H. Tsang

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### **PRESENT**

**Central Sydney Area Health Service**  
**Mr M. Wallace**, *Deputy Chief Executive Officer*  
**Ms J. Collins**, *Director of Clinical Information*

**NSW Health**  
**Ms R. Kruk**, *Director-General*

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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  
General Purpose Standing Committee Secretariat  
Parliament House  
Macquarie Street  
SYDNEY NSW 2000**

**CHAIR:** I declare this meeting now open to the public. This is the fourth supplementary estimates hearing of General Purpose Standing Committee No. 2. I thank the officers of the department for their further attendance on these supplementary issues. Before the hearing commences, as some members of the media are present I make the point that guidelines for the media were announced earlier in this session. I refer you to a copy of the guidelines for broadcasting that are available from the attendance. I also point out that any messages for members must be delivered through the attendants. For the benefit of members of the department I make the point that if questions are to be taken on notice, you will appreciate that the Committee must report on Thursday of this week, so we will need to have your responses preferably today.

I now declare the hearing open. Director-general, do you wish to make an opening statement?

**Ms KRUK:** I was given an invitation to attend today, and I elected to take up that invitation. I will use the opportunity to answer the questions placed on notice by your members last week by way of a short opening statement.

The Committee asked the department to clarify if the mediator appointed by the department, Mr Vern Dalton, conveyed to the nurses the advice that they should obtain a statement of claim using legal representation and that the department would consider that as part of the settlement of the matter. Mr Dalton has advised the department that he contacted the nurses involved on 20 November 2003 and advised them that they should obtain a statement of claim and that the department would assist with any reasonable legal costs associated with the preparation of this claim.

Nevertheless, given the questions raised last week, it may be the nurses were uncertain about the department's advice. I have, therefore, taken further steps to ensure the nurses are aware of the department's intentions. On Tuesday night, following the hearing, I spoke to those nurses present at the hearing and reiterated the offer to assist with legal costs. In addition, I have written to the nurses involved confirming the department will pay for reasonable legal costs they may incur in preparing a statement of claim. The correspondence was signed and sent on 27 November.

The second question: The Committee has also sought clarification about the dates the Minister was briefed about Ms Collins' appointment to Central Sydney Area Health Service and the date the salary was determined by the area health service. My response: In regard to the appointment of Ms Jennifer Collins to Central Sydney Area Health Service I need to make the facts very clear. Firstly, on 15 October I advised the Minister I had formed the view that Ms Collins' position at Macarthur Health Service was untenable. In light of public concerns about Camden and Campbelltown hospitals and the need to move quickly to sustain public confidence, a new management team was the best way of making the changes arising from the Barraclough review.

I also informed the Minister about the advice I had received from the department's Director of Legal that neither the Minister nor the Director-General could terminate or suspend Ms Collins' employment, for the reasons outlined in detail at last week's hearing. I informed the Minister I intended seeking Ms Collins' resignation from Macarthur Health Service as part of the leadership change at South West Sydney Area Health Service. I indicated it might be necessary to identify a suitable appointment for Ms Collins pending the outcome of the Health Care Complaints Commission's [HCCC] investigation.

On 16 October I advised Ms Collins I considered her position to be untenable. She indicated she would be willing to resign her current position if an alternative position was identified. I did not seek the Minister's approval for the employment of Ms Collins at Central Sydney Area Health Service, nor did he approve it, nor does he have a role in approving or rejecting appointments to positions in area health services. If Ms Collins had decided not to resign from her position at Macarthur Health Service it was not within the power of the Minister or myself to remove her.

The Health Administration Act 1982 establishes the director-general as the Health Administration Corporation [HAC]. In my capacity as the Health Administration Corporation I have the powers to determine employment conditions for award and non-award area health service staff. Central Sydney Area Health Service was approached by the department and asked if the health service was able to identify an available non-clinical position that was, firstly, consistent with Ms Collins' skills and experience and, secondly, graded at an equivalent remuneration level; a position that Ms

Collins could be appointed to if she decided to resign her position as general manager. The health service advised the department that it had a position under development. This was confirmed by Dr Horvath at the hearing last Tuesday night. I asked the health service and department to expedite the necessary documentation.

Chief executive officers [CEOs] of area health services have the discretion to appoint to senior executive service [SES] equivalent positions created under the Health Services Act 1997 without advertising. CEOs and department heads of public service agencies also have the discretion to appoint public servants by way of transfer to positions at an equivalent level and remuneration without the need to advertise. The discretion to appoint staff across agencies in the public sector is available to facilitate mobility within the sector and across the health system. I formally approved the terms and conditions of the position on 17 October at a level 3 SES-equivalent. Ms Collins was subsequently offered the position by Central Sydney Area Health Service at the same remuneration level at which she was being paid in her position at Macarthur Health Service, that being \$165,000, within the level 3 band.

I would like to make one further point about the appointment of Ms Collins to Central Sydney Area Health Service. Mr Wallace was a member of the team that reviewed and recommended the need for a change in the management approach at both the hospital and the area health service levels. He was in a position to assess the extent of Ms Collins' skills or otherwise, and cognisant of the issues being raised as part of the HCCC investigation. Mr Wallace was, therefore, well placed to make an informed judgement about Ms Collins' suitability for the position available. Nevertheless, had Central Sydney Area Health Service been unable to assist I would have approached one of the other large metropolitan area health services and made the same request. I appreciate that Mr Wallace was prepared to assist the department with progressing the recommendations contained in the Barraclough review. I advised the Minister on 17 October that Central Sydney Area Health Service had appointed Ms Collins to the position of Director of Clinical Information.

The third question asked was the number of SES-equivalent positions that exist across the health service which are not appointments the Minister makes under the Public Sector Employment and Management Act. My answer: The 17 area health services, Corrections Health, the Children's Hospital, Westmead, the New South Wales Ambulance Service and affiliated hospitals employ approximately 88,000 staff. Of these 88,000 staff, 90 are employees with SES-equivalent remuneration packages. These employees are employed directly by the area health service chief under the Health Services Act 1997.

**CHAIR:** Do Opposition members have any questions?

**The Hon. JOHN RYAN:** I would first like to make a suggestion. Ms Kruk, were you reading verbatim a prepared statement that is not marked?

**Ms KRUK:** I have marked my own statement.

**The Hon. JOHN RYAN:** Would you be able to supply the Committee with a copy of your statement so that we can use it. There was an awful lot of information to take in, particularly with regard to dates and times.

**CHAIR:** It has been read into *Hansard*.

**The Hon. JOHN RYAN:** We do not have access to it now, and that has occurred at other meetings.

**Ms KRUK:** I will ask my staff endeavour to provide a clean copy of that statement. I am not happy with my own notations, be they informed or uninformed, being read into *Hansard*.

**The Hon. PATRICIA FORSYTHE:** Sure.

**CHAIR:** I will ask for the staff member to arrange for that to be done. The Opposition may now ask questions.

**The Hon. PATRICIA FORSYTHE:** To assist the witnesses, we will endeavour to ask questions first of Mr Wallace, then Ms Kruk and then Jennifer Collins, but we may not stick to that.

**Ms KRUK:** Can I seek some indication as to the timing of this Committee because I have a Cabinet subcommittee that I need to appear at.

**CHAIR:** We are due to finish at 12 o'clock.

**The Hon. PATRICIA FORSYTHE:** Mr Wallace, what discussions and meetings have you had with any of the following, pending advice that you would be appearing before this Committee: the Premier, the Premier's office or Premier's Department?

**Mr WALLACE:** None.

**The Hon. PATRICIA FORSYTHE:** Minister Knowles or his office?

**Mr WALLACE:** None.

**The Hon. PATRICIA FORSYTHE:** Minister Iemma or his office?

**Mr WALLACE:** None.

**The Hon. PATRICIA FORSYTHE:** Any other Government member of Parliament?

**Mr WALLACE:** No.

**The Hon. PATRICIA FORSYTHE:** What is your salary and what is your grade?

**Mr WALLACE:** Off the top of my head, it is \$210,000 and I am SES 5.

**The Hon. PATRICIA FORSYTHE:** What is your relationship with Jennifer Collins? Is it only a professional relationship?

**Mr WALLACE:** Yes, it is.

**The Hon. PATRICIA FORSYTHE:** How long have you known Ms Collins?

**Mr WALLACE:** I met Ms Collins when we commenced the review, which would have been early September.

**The Hon. PATRICIA FORSYTHE:** That was your first meeting?

**Mr WALLACE:** Yes.

**The Hon. PATRICIA FORSYTHE:** What is your relationship with Craig Knowles?

**Mr WALLACE:** He was the Minister for Health. I worked in the department for a short period of time. I met the Minister in that capacity. That is my total relationship with the Minister.

**The Hon. PATRICIA FORSYTHE:** So it was only in his capacity as Minister?

**Mr WALLACE:** Yes, that is correct.

**The Hon. PATRICIA FORSYTHE:** Were any of the following advised of the appointment of Jennifer Collins prior to the public announcement? I apologise that some of this may have been covered in the statement just read.

**Ms KRUK:** If I can assist, I will do so.

**The Hon. PATRICIA FORSYTHE:** Sure, but we understand that Mr Wallace made the appointment—the Premier and the Premier's office?

**Mr WALLACE:** No.

**The Hon. PATRICIA FORSYTHE:** Minister Knowles and his office?

**Mr WALLACE:** No.

**The Hon. PATRICIA FORSYTHE:** Minister Iemma and his office?

**Mr WALLACE:** No.

**The Hon. PATRICIA FORSYTHE:** Any other Government member of Parliament or Parliamentary Secretary?

**Mr WALLACE:** No.

**The Hon. PATRICIA FORSYTHE:** Did you speak to any of the following prior to appointing Ms Collins to her \$165,000 position at the Central Sydney Area Health Service—the Premier and Premier's office?

**Mr WALLACE:** No.

**The Hon. PATRICIA FORSYTHE:** Minister Knowles and his office?

**Mr WALLACE:** No.

**The Hon. PATRICIA FORSYTHE:** Minister Iemma and his office?

**Mr WALLACE:** No.

**The Hon. PATRICIA FORSYTHE:** Any other Government member of Parliament or Parliamentary Secretary?

**Mr WALLACE:** No.

**The Hon. PATRICIA FORSYTHE:** Whom did you discuss the appointment with?

**Mr WALLACE:** I discussed it only with the acting deputy director-general of health.

**The Hon. PATRICIA FORSYTHE:** Referring to evidence last week, I know you were in the position at that stage of acting director.

**Mr WALLACE:** Acting CEO.

**The Hon. PATRICIA FORSYTHE:** When did you make contact with the CEO about that position?

**Mr WALLACE:** I did not speak to Diana until she got home. I was unable to do that and—sorry, I would have to take that date on notice.

**The Hon. PATRICIA FORSYTHE:** What was the precise date of Ms Collins' appointment?

**Mr WALLACE:** Jennifer was to start initially on the 1st. She commenced her annual leave on 27 October, so she was an employee of the area health service as from that date, 27 October, and took annual leave.

**The Hon. PATRICIA FORSYTHE:** You said you discussed it with the acting director-general of health?

**Ms KRUK:** Can I clarify that? It was a period where I had an acting director-general of operations—sorry, deputy director-general, operations.

**The Hon. PATRICIA FORSYTHE:** So we do not have any confusion later on, who was occupying that position?

**Ms KRUK:** Karen Crawshaw.

**The Hon. PATRICIA FORSYTHE:** How were you alerted, and by whom, to the availability of Ms Collins to fill the new position at the Central Sydney Area Health Service?

**Mr WALLACE:** I was asked by Ms Crawshaw did we have a position at Central Sydney that would be suitable and told her that we did.

**The Hon. PATRICIA FORSYTHE:** So there were obviously no other candidates for that position at that stage. It was simply a position.

**Mr WALLACE:** I think Dr Horvath explained, we had been looking at the need to fill that position for at about six months. It is a very difficult position to fill. It requires someone with knowledge of the health service and how it relates—not just data and information but what that data means and how it is going to be used.

**The Hon. PATRICIA FORSYTHE:** If you had been boking for a period of about six months to fill the position, what had you actually done?

**Mr WALLACE:** I should not have said, "looking", I am sorry. I should have said, "investigating". We were internally investigating whether or not we needed to fill that position.

**The Hon. PATRICIA FORSYTHE:** Was there any external human resource consultant to provide any advice?

**Mr WALLACE:** No, there was not. There was a report that was developed in Central Sydney for the need to fill that position, to create the position.

**The Hon. PATRICIA FORSYTHE:** Did you speak to Jennifer Collins before her appointment at Central Sydney about the newly created SES -equivalent position?

**Mr WALLACE:** No, I did not, other than when I spoke to her about the position.

**The Hon. PATRICIA FORSYTHE:** When will Ms Collins be commencing in her new position?

**Mr WALLACE:** Jennifer will commence on 21 December.

**The Hon. PATRICIA FORSYTHE:** That is a later date from that which was suggested to the Committee last week.

**Mr WALLACE:** Yes, it is.

**The Hon. PATRICIA FORSYTHE:** I think we were actually given two separate dates. Can you explain why we now have a later date?

**Mr WALLACE:** Yes, I can. When I first spoke to Jennifer, it was decided that she would take annual leave. At that time she said she would take annual leave until 1 December, but did want to renegotiate that if she needed to.

**The Hon. PATRICIA FORSYTHE:** For clarification—Ms Collins may wish to answer—will you still be on annual leave until the 21st or on some other form of leave?

**Ms COLLINS:** I would like to seek approval to read out a statement prior to answering the Committee's questions.

**The Hon. PATRICIA FORSYTHE:** In that case I will come back and ask that question.

**CHAIR:** I think the question of holidays is a simple one and you can answer that.

**Ms COLLINS:** I am on long service leave.

**The Hon. PATRICIA FORSYTHE:** Mr Wallace, given that you are a member of the Barraclough team that investigated the alleged issues of malpractice at Camden and Campbelltown hospitals and you did find that Ms Collins' presence was inappropriate to implement change, why is it appropriate for her to hold a \$165,000 position at the Central Sydney Area Health Service?

**Mr WALLACE:** The Barraclough review team was reviewing practices within the Macarthur Health Service, looking to see that there were appropriate systems in place for the delivery of health services. It was not looking at the particular matters that the HCCC had investigated earlier. I am sorry, I have forgotten the second part of your question.

**The Hon. PATRICIA FORSYTHE:** Why is it appropriate for her to hold the \$165,000 position?

**Mr WALLACE:** I had not met Jennifer before, as I said earlier, but during the review I formed the view that she was energetic and enthusiastic. I thought that she had put appropriate policies and procedures in place. She had taken the organisation from one standard to the Australian Council on Health Care Standards equip standards. She had done this during a very busy building period for both Camden and Campbelltown hospitals, and I thought she would be a great loss to the health service.

**Ms KRUK:** This was not just Mr Wallace's view. When Professor Barraclough had the opportunity to brief both myself and the Minister he made it quite clear that he was not pre-empting the HCCC's recommendations but he had also, because he had looked at some of the changes within the Macarthur Health Service, commented positively in relation to Ms Collins' contribution in that area. So it was not just a view held by Mr Wallace. I stress again that had Central Sydney Area Health Service not been able to assist I would have approached other area health services. Mr Wallace had the advantage of being aware of the circumstances surrounding the area health service.

**The Hon. PATRICIA FORSYTHE:** Mr Wallace, can I just confirm again that for six months this position was being developed?

**Mr WALLACE:** Yes.

**The Hon. PATRICIA FORSYTHE:** It obviously has a range of skills, and you have talked about that. Can I confirm that you, in seeing the skills that Ms Collins had as part of your role with the Barraclough team, formed the view that she was the person you were looking for to fill this other position?

**Mr WALLACE:** No, that is not what I said.

**The Hon. PATRICIA FORSYTHE:** Can you clarify that?

**Mr WALLACE:** No, I did not form that view until it was put to me that Jennifer would be available.

**The Hon. PATRICIA FORSYTHE:** Who put that position to you?

**Mr WALLACE:** As I said earlier, the acting deputy director-general of health.



**The Hon. PATRICIA FORSYTHE:** That person put it to you that this person would be available?

**Mr WALLACE:** They put to me: Was there a position available in Central Sydney Area Health Service that might be suitable for Jennifer.

**The Hon. PATRICIA FORSYTHE:** Does that mean a position that was currently vacant?

**Mr WALLACE:** It means was there a position, and that was the position we had been working on and looking to for some time.

**The Hon. PATRICIA FORSYTHE:** Given that the Barraclough team, of which you were a member, found that Ms Collins was unable to implement your own recommendations, were you concerned about her ability to perform in the new position?

**Mr WALLACE:** I do not think that was the finding of the review team at all. I think the review team was very keen to see that the confidence of the population in the health service was reinstated as quickly as possible and thought that Jennifer's transfer from the health service would aid that process.

**Ms KRUK:** Perhaps I can assist with that because I have had the benefit of being briefed by Professor Barraclough. It was not a judgement or otherwise of Ms Collins; it was a clear statement that the area health service had to have a change in its management team. He was not making an assessment of competence or otherwise.

**The Hon. PATRICIA FORSYTHE:** In the new role how many staff will report directly to Ms Collins?

**Mr WALLACE:** Two.

**The Hon. PATRICIA FORSYTHE:** At what level are those staff employed?

**Mr WALLACE:** I would have to take that on notice. They are health information managers.

**The Hon. PATRICIA FORSYTHE:** So they are at manager level?

**Mr WALLACE:** Yes, they are.

**The Hon. PATRICIA FORSYTHE:** I refer you to Judith Neville's evidence to this Committee, which stated:

I have not been involved in her appointment and I am not aware of her starting date.

Who in the Central Sydney Area Health Service human resources section was advised of her appointment, and were normal procedures followed?

**Mr WALLACE:** Immediately, no-one was advised. I did not think that was appropriate, given that the staff at Campbelltown hospital needed to understand what would be happening there before it was discussed with any member of the Central Sydney staff.

**Ms KRUK:** I requested that the matter be resolved expeditiously, given that the preliminary report of the HCCC had, through whatever circumstances, become public. My concern was basically that the matter not be put into the community in an inappropriate manner. I wanted the decisions made very quickly so it would be inappropriate that either the media or the area health service was aware of the circumstances surrounding the management at Macarthur and also at the South Western Sydney Area Health Service as a whole.

**The Hon. PATRICIA FORSYTHE:** In that regard, when did you advise the Minister of the appointment?

**Ms KRUK:** Can I go back to my chronology. As I indicated, on 16 October I advised Ms Collins I considered her position to be untenable. I think on 17 October.

**The Hon. PATRICIA FORSYTHE:** What was the precise date that the human resources would have prepared the relevant paperwork? When would the human resources department have commenced preparing the paperwork?

**Mr WALLACE:** From memory, I spoke to the human resources people on the Monday following.

**The Hon. PATRICIA FORSYTHE:** The Monday?

**Mr WALLACE:** Yes. I would have to take the date on notice. I think it was around the 20th or the 21st, but I am not sure.

**The Hon. JOHN RYAN:** Ms Kruk, did you advise the Minister's office or the Premier's office, or both?

**Ms KRUK:** I have had no contact with the Premier's office. I advised the Minister at the time, on 17 October.

**The Hon. PATRICIA FORSYTHE:** Why is Ms Collins' employment contract only temporary?

**Mr WALLACE:** All contracts of senior staff in Central Sydney are time limited—sorry, all senior staff in the health service.

**Ms KRUK:** Can I clarify that. We use the terminology "SES -equivalent". That makes it quite clear that they are not permanent tenured staff of the public service and they are contract-based positions, as are SES positions.

**The Hon. PATRICIA FORSYTHE:** As I recall, in the evidence last week I think the term used was "short-term".

**Ms KRUK:** I think the intention was to clarify that they are contract positions. That is why the terminology "SES-equivalent" is used. The provisions in the Health Services Act attempt to mirror the provisions in the Public Sector Management Act. The Health Services Act is a bit like the provisions relating to the teachers services; they have their own employment legislation.

**The Hon. PATRICIA FORSYTHE:** Mr Wallace, who did you advise in the human resources department of the intention to employ Ms Collins?

**Mr WALLACE:** I spoke to Judith Neville on the date that I mentioned.

**The Hon. PATRICIA FORSYTHE:** Whichever Monday date that is.

**Mr WALLACE:** It was the Monday following the 17th. I think it was the 20th.

**The Hon. PATRICIA FORSYTHE:** Is it possible for the Committee to have made available to it, or even tabled, the terms and conditions of the contract and any paperwork—by that I mean your advice to Ms Neville about what needed to be done to put in place a contract?

**Mr WALLACE:** That was verbal.

**The Hon. JOHN RYAN:** Ms Kruk, in your statement to the Committee on 25 November you said that you formally advised New South Wales Police, the Independent Commission Against Corruption [ICAC] and the Coroner of allegations and actions taken by the department in referring the matter to the HCCC. Have you referred any allegations to the police, the ICAC or the Coroner relating to Camden and Campbelltown hospitals?

**Ms KRUK:** You mean subsequent to that initial referral?

**The Hon. JOHN RYAN:** Yes.

**Ms KRUK:** I am sorry, ask me the question again.

**The Hon. JOHN RYAN:** Have you referred any allegations to the police, the ICAC or the Coroner relating to Camden and Campbelltown hospitals?

**Ms KRUK:** I have not referred any subsequent matters to those parties. As to whether the area health service has taken action to refer those matters, I am not aware. It may in its own right, as you would understand, refer matters to the Coroner, and may have done so.

**The Hon. JOHN RYAN:** Have you referred or notified to the ICAC since 18 November 2002 any new allegations of corruption or malpractice at Camden and Campbelltown hospitals?

**Ms KRUK:** My understanding is that matters were raised in Parliament. They were referred to me for investigation. No, I am confusing various questions raised in Parliament. I have not made any further references on Camden or Campbelltown because the HCCC inquiry is still ongoing and they have brought the matters to the notice of those parties.

**The Hon. JOHN RYAN:** In your prepared statement to the Committee the last time we met you stated the following:

On 15 May 2003 the HCCC referred to the department an opinion prepared by Miss Elaine Bruce, a barrister who was engaged by the commission regarding disciplinary action taken by the Macarthur Health Service in relation to a number of the nurses who raised concerns about clinical care.

Why were you and your department more concerned about disciplinary action against the whistleblower nurses than the deaths of patients and corruption at Camden and Campbelltown hospitals?

**Ms KRUK:** Can I be quite clear. I think that is both misleading and incorrect. The HCCC was asked to investigate the matters at my request. The HCCC on that date referred matters back to me in relation to the handling of the human resources aspects of the case for the department to look at. I have always been quite clear that the priority in this area is the management and care of the people of the South Western Sydney Area Health Service. I find the question both misleading and distressing.

**The Hon. JOHN RYAN:** Ms Kruk, have you referred any matter, then, to the ICAC in regard to this matter—Campbelltown and Camden hospitals?

**Ms KRUK:** As I indicated, I referred the matter to the ICAC's notice in the first instance. There is no need to refer additional matters to it, nor have additional matters come to my notice. I would anticipate, as is my understanding, the various regulatory bodies have contact on these matters. I am not aware of the ins and outs of those discussions, nor would I be.

**The Hon. JOHN RYAN:** I just come back to your statement. Was this referral a referral or a notification to the ICAC?

**Ms KRUK:** Can you clarify the difference in that regard? The material was sent to them, exercising my powers, from memory, under section 11. The matters were referred to the Coroner also in accord with the appropriate legislative provisions.

**The Hon. JOHN RYAN:** I think we may have to clarify that matter.

**Ms KRUK:** I think we may have to.

**The Hon. JOHN RYAN:** Going back to your statement you have given today, you advise us that when you informed the Minister that you would be seeking Ms Collins' resignation from the Macarthur Area Health Service, you said:

I indicated it might be necessary to identify a suitable appointment of Ms Collins pending the outcome of the HCCC's investigation.

What did you mean by the words "pending the outcome of the HCCC's investigation" and in what respect did you tell the Minister that Ms Collins' other appointment needed to be identified pending the outcome of that investigation, because it would appear that all of the action taken happened before that? What is the relationship of the HCCC report and investigation to the appointment of Ms Collins to the Central Sydney Area Health Service?

**Ms KRUK:** I think the issue that needs to be clarified is the important matter that was to progress: the change process in the South Western Sydney Area Health Service. Professor Barraclough's review team gave an action plan of a series of changes that needed to be made, of which one—and I stress only one—was a fundamental change in the management team. That was my primary consideration. I also indicated in evidence on Tuesday and reiterated again today there were no legal options in relation to the suspension or dismissal of Ms Collins available to either me or the Minister in the absence of any adverse findings. There were no adverse findings available at that point in time. It was quite clear that I needed to act to get a change in the management team, and that evidence was tendered last Tuesday. It is obviously pending the findings of the HCCC investigation, at which point in time we will need to look at that matter.

**The Hon. JOHN RYAN:** I do not quite understand why you would advise the Minister that this action had to be taken pending the outcome of the HCCC's investigation, because it obviously has happened prior to that?

**Ms KRUK:** I made it clear that we were not pre-empting any findings of the HCCC investigation by taking this action. We were responding to recommendations of the Barraclough review about the need to move the area health service forward and change a whole range of management, and make cultural and clinical changes.

**The Hon. JOHN RYAN:** You said that on 16 October you advised Ms Collins that you considered her position untenable and she indicated that she would be willing to resign her current position if an alternative position was identified. Did you indicate to her on 16 October that an alternative position was in the process of being identified?

**Ms KRUK:** What I indicated was that we were making efforts to ascertain whether there was an alternative position available. I did not indicate that there was a one available, because basically none had been identified at that point in time.

**The Hon. JOHN RYAN:** Within 24 hours of your advice to the Minister that it would be necessary to identify a suitable appointment for Ms Collins, a suitable appointment was available. Are you informing the Committee that while you were briefing the Minister you had no idea that a position would be available to be found at the Central Sydney Area Health Service within 24 hours?

**Ms KRUK:** No. What I indicated was that we were looking to find an alternative position. As I indicated to the Minister, we needed a change in the management team. I would meet with Ms Collins along those lines and, if necessary, I would find her an alternative position. I stress, as I indicated earlier, it was important that this action be undertaken very quickly, and I do not apologise for that.

**The Hon. JOHN RYAN:** I do not understand why it needed to be so quick. It may be necessary to explain why action was taken within 24 hours.

**Ms KRUK:** There had been a massive amount of speculation surrounding the outcome of the Barraclough review. As I indicated to the Chair and to the Committee last week, we gave a commitment to make the recommendations of the Barraclough review public very quickly. That was important and obviously the right thing to do. This action needed to be finalised before the report findings could be made public.

**The Hon. JOHN RYAN:** I do not understand why. What would have been the outcome if the report had been made public? It would have become aware that the leadership team had to change.

I do not understand why it was necessary to have already implemented that change before the report was made public.

**Ms KRUK:** I come back to the issue. What was important was to give the area health service and the community a clear direction forward. To have made the Barraclough review findings public and not to have these matters finalised would, in effect, have created further instability in the area health service. It is my responsibility to ensure that there was a clear way forward and to provide the necessary management team to do that. It was my judgment, and if you want to challenge my judgment why that would not be the case—I made the decision and requested that the action be undertaken expeditiously.

**The Hon. PATRICIA FORSYTHE:** Could we ask Ms Collins to read her prepared statement?

**Ms COLLINS:** Thank you. Since my resignation from Macarthur Health Service on 24 October 2003 I have been overseas with my family and unable to be contacted. I returned to Sydney last Thursday, 27 November, and at that point I was unaware I had been called before this Committee. It was only on the afternoon of 27 November that I was advised by the Deputy Chief Executive Officer of Central Sydney Area Health Service, Mr Michael Wallace, of my appearance at this Committee. Accordingly, I have had little time to prepare for this attendance. Since my return from overseas I have become aware of a number of media allegations. I would like to place on record the facts of the situation.

Point one: I am not a member of the Labor Party. Point two: About nine years ago I was a member briefly for a period of 18 months. Point three: I was the President of the New South Wales Nurses Association from August 1994 to September 1998. The position of president is an honorary one, that is, it is not a full-time paid staff position. Nor does this position have a significant input into any administrative or industrial matters at the New South Wales Nurses Association. Prior to accepting the appointment at Macarthur Health Service I resigned as the President of the New South Wales Nurses Association.

Point four: The position of general manager at Macarthur Health Service was advertised. I submitted an application and was appointed on merit. Point five: In reference to my relationship with the former Minister for Health, the Hon. Craig Knowles, I make the following statements. Any interactions I had with him in my time as general manager were in the capacity of him as the Minister for Health and as one of the local State members. The relationship was the same as those that I have had for many years with members from both sides of Parliament. I have had no contact with the Hon. Craig Knowles since he changed ministerial portfolios.

Point six: In reference to my relationship with Ms Amanda Adrian I make following statement. I was seconded from Western Sydney Area Health Service to the New South Wales Department of Health in July 1993. It was my understanding that Ms Adrian commenced work at the Department of Health two years after that. In 1995 I moved to level 10 of the Department of Health building to work on projects. This was on the same level of the department that Ms Adrian worked. Ms Adrian and I sat on a number of common committees and she facilitated a number of workshops for projects that I and other team managers managed. In June 1997 I applied for and was appointed to a position within Southern Area Health Service. From this time forward I have attended a number of professional and industrial functions with Ms Adrian and many others who may have been in attendance. Apart from these incidents we have had very little contact. That has been the extent of our relationship.

Point eight: In reference to my resignation from Macarthur Health and appointment to Central Sydney Area Health I make the following statements. On 15 October 2003 I received a phone call from Professor Bruce Barraclough requesting a meeting with me to discuss the recommendations from the review he and others had recently conducted. The meeting occurred that same day. He showed me a copy of the recommendations. None of these recommendations indicated any unsatisfactory performance on my part. I requested advice from Professor Barraclough about the appropriate path forward and he advised me to contact the Director-General of Health for guidance. I attended a meeting with the Director-General of Health on 16 October 2003. At this meeting we discussed the need to restore the confidence of the local community in its health service and to

provide a clear way forward. I was asked whether I would consider a lateral move to an appropriate position in another area health service. After careful consideration I indicated that I would consider such a move depending on the nature of the position.

On Friday 17 October 2003 I received a phone call from the acting CEO of Central Sydney Area Health Service, Mr Michael Wallace. Mr Wallace indicated that he had a position at Central Sydney Area Health Service that they were intending to fill. I stated that I would like to see the job description and, once received, I would discuss it with him. Once I reviewed the job description I contacted him and indicated that I was interested in the position as I believed I had the skills and the experience to undertake the position. I received a letter of offer and contract and I confirmed in writing my acceptance of the position. I formally tendered my resignation from Macarthur Health Service on 20 October 2003, effective from 24 October 2003. On 24 October 2003 I spoke to the acting CEO of Central Sydney Area Health Service seeking approval to proceed on leave with a tentative start date for 1 December 2003. This leave was granted. I advised that on my return from overseas I would contact him and indicated I may seek further leave. This I did on 27 November 2003. I sought a further extension of leave, which has been approved.

Regarding the matters pertaining to the allegations of performance at Macarthur Health Service, I am unable to comment until the release of the final Health Care Complaints Commission report. Suffice it to say, South Western Sydney Area Health Service and Macarthur Health Service have submitted a response to the draft report and I expect that the contents of this response will be reflected in the final report. Thank you.

**The Hon. PATRICIA FORSYTHE:** You mentioned that nine years ago you were briefly in the ALP. Can you tell me which State electorate conference that would have been?

**Ms COLLINS:** It was not at a conference.

**The Hon. PATRICIA FORSYTHE:** You are a branch and a branch is part of a State electorate. In which State electorate would that have been?

**Ms COLLINS:** At that stage I was living in Concord West.

**The Hon. JOHN RYAN:** So which branch were you in?

**Ms COLLINS:** It could have been the Concord West branch.

**The Hon. PETER PRIMROSE:** It is not like the Liberal Party.

**The Hon. JOHN RYAN:** I am sure you know which branch you are in, though.

**The Hon. PETER PRIMROSE:** You live in Narellan and are in the Ingleburn branch of the Liberal Party.

**The Hon. PATRICIA FORSYTHE:** All right, we do not need that one. Can I go to the issue of the nature of the leave that you were on. You originally indicated that you had a proposed starting date of 1 December. Were you initially on normal recreation leave?

**Ms COLLINS:** Yes. I had four weeks annual leave and one week of long service leave.

**The Hon. PATRICIA FORSYTHE:** But in fact taking you to the 21st.

**Ms COLLINS:** Yes. I have asked for an extension of that.

**The Hon. PATRICIA FORSYTHE:** Was it your decision?

**Ms COLLINS:** Yes, it was.

**The Hon. PATRICIA FORSYTHE:** Did you consult with anybody about that decision to extend your leave?

**Ms COLLINS:** Just my family.

**The Hon. JOHN RYAN:** Mr Chairman, could I make the same request with regard to Ms Collins statement. Could we have a clean copy of that made available to the Committee immediately?

**CHAIR:** Are you able to make a clean copy of that available to the Committee now?

**Ms COLLINS:** No. It is on my computer at home. I would need to go home and print that off. I have scribble on it.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** Ms Kruk, you said that you were unable to remove Ms Collins. Could you have suspended her without pay?

**Ms KRUK:** No. I made it quite clear that I also could not suspend her—

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** Could you have suspended her with pay?

**Ms KRUK:** No, I could not suspend her. That would also constitute a disciplinary action. I do not have the powers. I am sorry, I thought I clarified that last time.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** Did you think it odd that the Australian Council of Health Care Standards has improved the rating of Campbelltown Hospital while all this has been happening?

**Ms KRUK:** I think it is a matter for the council. It is probably not inconsistent with what Professor Barraclough had briefed me about, the fact that there had been significant improvement in the area health service, keeping in mind that it is an area where there is some of the largest growth taking place, where there are a number of new facilities already in operation. It is a matter for the council.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** Are you saying that the allegations being made by the whistleblower nurses were predating the improvement in rating from the Council of Health Care Standards?

**Ms KRUK:** From my understanding, the accreditation process is a cyclical one. It is not one that is brought on. On the timing of that, I think it had been under way for some time. I do not have any contact with the accreditation body on that. It is a matter between the hospital and the accreditation body.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** But as a person responsible for quality in New South Wales Health it would be nice to know that things were not going up in accreditation while they were going down in standards or being shown to be inadequate in standards, surely?

**Ms KRUK:** What is important for me is that the hospitals undergo the accreditation process on a regular cycle, that they learn the lessons that come from the accreditation process and put in place the necessary improvements. I was aware that the hospital was undergoing an accreditation process. I was also aware that it was completed in the course of this inquiry. I am not aware of the timing of the commencement of the accreditation

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** You do not think that it reflects on the accreditation process?

**Ms KRUK:** That is probably a question that you should ask the accreditation body. I think that is a prescribed process, not one I would comment on.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** Will the HCCC report be available? Will you announce when it is received?

**Ms KRUK:** I think Ms Adrian indicated the other day that the report was to be released between, I think, the 7th and the 10th. As I indicated at that time, we would make the report available as quickly as possible. I gave that commitment.

**CHAIR:** I understand the accreditation system, but did you have an International Standards Organisation [ISO] 9000 or 9002 process for quality management in place in the areas under your control?

**Ms COLLINS:** Yes, that was in place prior to the area health service making the decision that all facilities in south western Sydney would be accredited under the Australian standards.

**CHAIR:** Has that continued?

**Ms COLLINS:** That was changed.

**CHAIR:** When?

**Ms COLLINS:** I do not recall. I do not have access to that information because I am no longer employed by the South Western Sydney Area Health Service.

**CHAIR:** Was it changed during your term of leadership?

**Ms COLLINS:** Yes.

**CHAIR:** Why?

**Ms COLLINS:** As I indicated, the area health service decided all facilities in south western Sydney would be accredited according to the Australian Council on Healthcare Standards.

**CHAIR:** That looks at different standards. The ISO 9000 is an international standard of quality management. That is the issue under examination, certainly in the public arena.

**Ms COLLINS:** I am not sure of the question.

**CHAIR:** Why did the area health service decide against continuing international standard quality management procedures?

**Ms COLLINS:** I am unable to provide that information. I suggest you ask the area health service.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** Mr Wallace, you said that a report was produced as you were developing the position that Ms Collins now occupies. When was that report produced and can the Committee have a copy of it?

**Mr WALLACE:** The Committee is welcome to a copy of the report. It was probably completed a couple of months before the position was offered to Ms Collins.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** Does that say what skills were required for the job?

**Mr WALLACE:** It identifies what we need to do as an area health service in regard to clinical data.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** We will look forward to receiving that. Ms Collins, you were trying to improve standards at Macarthur Health Service.

**Ms COLLINS:** Yes.



**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** When the whistleblower nurses came to you to tell you about the problems, was that not wonderful feedback from the coalface?

**Ms COLLINS:** Which nurses are you talking about?

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** The nurses identified in the media are Nola Fraser, Sheree Martin and Vanessa Bragg.

**Ms COLLINS:** I have never met Ms Sheree Martin in her capacity as an enrolled nurse working within the health service and she did not raise any of the issues directly with me. I have never formally met Vanessa Bragg and she has not raised any of these issues with me. To the best of my recollection, the last conversation I had with Nola Fraser, was in July or August 2001. None of the individual nurses reported directly to me.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** Once the allegation was made, presumably to one of your subordinates, would you not have seen it as significant feedback about the quality control you were trying to implement?

**Ms COLLINS:** As I indicated, none of the issues was raised directly with me by my executive directors. My first notification that an issue had been raised was when my chief executive officer contacted me at the start of the Health Care Complaints Commission [HCCC] investigation, which would have been in November 2002.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** Are you saying that you were completely unaware that these allegations were being made?

**Ms COLLINS:** That is correct.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** Until the HCCC hit the deck?

**Ms COLLINS:** There were issues in reference to Ms Martin, Ms Bragg and Ms Fraser. I was not aware that they had raised any allegations about issues relating to safety and quality of care at Macarthur.

**The Hon. JOHN RYAN:** Did the procedure in your health service require nurses to report to Nola Fraser, who would then report to you? It would have been unlikely that they would have raised the allegations with you directly because there was a procedure for reporting these issues and they would report them to Ms Fraser.

**Ms COLLINS:** In my statement I indicated that these matters are under investigation by the HCCC and I think that until the final report is released it is inappropriate for me to comment.

**The Hon. JOHN RYAN:** I am simply asking about the reporting system. I do not think it would compromise the HCCC report in any way if you were to describe the complaints procedure.

**Ms COLLINS:** A number of procedures are followed, but Ms Fraser did not report directly to me; she reported to the director of acute services and nursing.

**The Hon. JOHN RYAN:** The nurses do not report directly to you either.

**Ms COLLINS:** No.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** As the senior person, if allegations of such extraordinary significance were brought to the attention of your subordinates, you would have been made aware of them.

**Ms COLLINS:** Yes, a reporting structure existed for that to occur both informally and formally.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** Therefore, you were aware of the allegations being made and the people making them.

**Ms COLLINS:** As I indicated, the question of whether or not I was aware is under investigation by the HCCC and I do not wish to make any further comment until the release of that report.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** I am not sure about the powers of this Committee, but I assume you have some obligation to answer a reasonable question on that issue. I put it to you that this is a reasonable question.

**The Hon. PETER PRIMROSE:** Point of order: We had this discussion at our last meeting, at which time it was generally agreed that questions about procedural matters in relation to the HCCC were appropriate for questioning, but that operational matters should be not be canvassed.

**CHAIR:** We will await the report.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** Did you sight incident reports relating to these allegations?

**Ms COLLINS:** As I have indicated, these matters are under investigation by the HCCC and it would be inappropriate for me to comment further until the release of that report.

**The Hon. PETER PRIMROSE:** That is the Committee's position.

**The Hon. PATRICIA FORSYTHE:** What is the term of your temporary contract with Central Sydney Area Health Service?

**Ms COLLINS:** Two years.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** It seems that most of my questions are beyond the Committee's terms of reference. Is that your ruling, Mr Chairman?

**CHAIR:** Yes.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** Were you aware that some of the staff were dismissed, stood down or encouraged to resign?

**Ms COLLINS:** Which staff?

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** The whistleblowers.

**Ms COLLINS:** My current knowledge of their situation would not be correct.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** Their situation has not changed since you left.

**Ms COLLINS:** Are you referring to Ms Fraser, Ms Bragg and Ms Martin?

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** Yes.

**Ms COLLINS:** My knowledge prior to leaving the health service is that they were on leave. None of them had been dismissed.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** To the best of your knowledge, were they on leave with pay or without pay?

**Ms COLLINS:** I do not have access to that information, so I cannot answer correctly.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** In general, if whistleblowers come forward with valuable information and you are concerned about quality control, surely you would look after their welfare while the allegations were addressed.

**Ms COLLINS:** I am not sure what the question is.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** If serious allegations are made, obviously whistleblowers should not be disadvantaged if they are trying to improve the health service.

**Ms COLLINS:** Absolutely.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** If they are stood down without pay, clearly they are disadvantaged. Surely you would not have wanted that to happen.

**Ms COLLINS:** I understand that Ms Fraser, Ms Martin and Ms Bragg were not stood down; they were on the leave. I am not sure about their current leave entitlements.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** If they ran out of holidays they would run out of money promptly. The allegations have been around for some time.

**Ms COLLINS:** Each staff member has access to a range of leave: annual leave, long service leave and so on.

**The Hon. JOHN RYAN:** Were Val Owen or Yvonne Quinn dismissed after being whistleblowers?

**Ms COLLINS:** No. My understanding is that the situation with regard to Ms Owen and Ms Quinn is currently under investigation by the Health Care Complaints Commission [HCCC], and I think it is inappropriate for me to comment on their individual situation.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** Do you have an overall awareness of how many nurses made these complaints and what was their status subsequent to those complaints being made?

**Ms COLLINS:** The only knowledge I have of the nurses who have raised issues is what I have seen in the media.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** If you were watching assiduously for any problem with quality control in your health service, and you had a number of people coming forward with those allegations, surely you would have been interested in those people, their allegations, and the outcomes for them personally.

**Ms COLLINS:** Absolutely. But as I indicated before, these matters are under investigation by the Health Care Complaints Commission and it would be inappropriate for me to comment until the release of that final report.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** You are saying that you are aware of these matters but you do not want to comment on them now?

**Ms COLLINS:** That is not what I said. I said that these matters are under investigation by the Health Care Complaints Commission and it would be inappropriate for me to make any further comments until the release of the report.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** Do you stand by the general statement that as a person concerned about quality control you were carefully monitoring such complaints and looking to remedy them?

**Ms COLLINS:** As I indicated, this issue is under investigation by the Health Care Complaints Commission and it is inappropriate for me to make any further comments until the release of that report.

**The Hon. PATRICIA FORSYTHE:** What were the procedures for dealing with incident reports as a matter of policy?

**Ms COLLINS:** There was a system in place for staff to report incidents—

**The Hon. PATRICIA FORSYTHE:** To whom?

**Ms COLLINS:** To the health service, via a reporting structure called the problem reporting system; and there was also an opportunity for staff to verbally raise issues with their management, the directors of those continuums, with me directly, or within the area health service.

**The Hon. JOHN RYAN:** What was your role in the problem reporting system? At what point would you normally see complaints that had been raised through that process?

**Ms COLLINS:** As I have indicated, that issue in regard to the problem reporting system at Macarthur has been under investigation by the HCCC, and I think it is inappropriate for me to continue to make any comments until—

**The Hon. JOHN RYAN:** You cannot tell us the standard operating procedure of investigating problems under that system?

**Ms COLLINS:** Yes, I can. As I explained, if staff had individual concerns about aspects of the management of the health service, there was a formal reporting system where they would put those issues in what is called a problem reporting system, which would then be sent to their manager. The manager would attempt to resolve the matter in the first instance. It would also go to the director of the particular continuum for his or her consideration.

**The Hon. JOHN RYAN:** They are all people who would be below you?

**Ms COLLINS:** That is correct.

**The Hon. JOHN RYAN:** At what stage would you get to find out about the problems that had been part of that incident?

**Ms COLLINS:** There was a reporting system for each of the executive directors to report on a monthly basis any issues of concern about any matters within the health service. There was an executive meeting each Tuesday, plus they could approach me directly about any matters.

**The Hon. PATRICIA FORSYTHE:** Only on a monthly basis?

**Ms COLLINS:** No. That was the formal meeting of the executive. I would meet with other executive directors on a regular basis. In some cases it may have been daily, depending on the issues raised.

**The Hon. JOHN RYAN:** Within the system you referred to, was there a reporting process for formally passing those issues or complaints to your desk?

**Ms COLLINS:** Yes. If the issue that had been identified was ranked according to a critical incident, I would be formally notified and a formal brief would be put through to the area health service for notification of a particular issue.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** So you were aware of allegations of medical mismanagement from staff prior to the HCCC contacting you?

**Ms COLLINS:** I am sorry, I am not sure what—

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** We are talking about allegations from nurses or other staff members. I gather there were a number of them, although I know of only three.

**Ms COLLINS:** From time to time issues would be raised with me, and I would have a look at the issues. There would have been a formal investigation and an outcome identifying what needed to occur so that these issues did not happen again.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** So you were aware that some of these allegations had been raised, but you did not think they were of critical magnitude before the HCCC notification came about?

**Ms COLLINS:** That is incorrect. That is not what I said.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** You did think they were of critical magnitude?

**Ms COLLINS:** No, that is not what I said. I said I was aware of a number of issues within the health service. That was reported to me, appropriate steps were put in place, and an appropriate notification to the area health service would occur.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** If somebody put in a notification raising patient concerns, would it be appropriate for them to be immediately suspended?

**Ms COLLINS:** I am sorry?

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** Would it be appropriate for the person who put in that the incident report to be suspended?

**Ms COLLINS:** In my time at Macarthur Health Service no staff member has been suspended because they raised matters to do with clinical practice.

**CHAIR:** We have reached the end of the time for which we have asked the departmental officers to be here. We could have an extension of 15 minutes, but that would depend upon the whole Committee's agreement.

**The Hon. PETER PRIMROSE:** As I indicated earlier, on the basis of Opposition questions to date we are happy to allow the questioning to continue. However, I will withdraw that if Opposition questions refer to operational matters in relation to the HCCC.

**CHAIR:** The Committee will therefore continue the hearing for a further 15 minutes.

**The Hon. JOHN RYAN:** Ms Collins, have you ever instructed staff not to submit incident reports?

**Ms COLLINS:** No, I have not.

**The Hon. JOHN RYAN:** Have you ever issued instructions as to circumstances in which it might not be appropriate to submit incident reports?

**Ms COLLINS:** No, I have not.

**The Hon. JOHN RYAN:** Have you any idea how many formal notifications you received at the Macarthur Health Service?

**Ms COLLINS:** My recollection of the last four years is that there would have been around—I am not accurately sure, but I would suggest that the way the problem reporting system works there would have been about 3,500, but those incidents do not purely relate to clinical matters.

**The Hon. JOHN RYAN:** During the procedure that you described to the Committee leading up to your appointment, what capacity did Mr Wallace have for assessing your prior work history, your qualifications, or any references? Did you submit any references, the details of your prior work history or qualifications to Mr Wallace?

**Ms COLLINS:** No, I did not.

**The Hon. JOHN RYAN:** Did he ask you for them?

**Ms COLLINS:** No, he did not.

**The Hon. JOHN RYAN:** Are you aware of how he might have become aware of your previous work history or qualifications?

**Mr WALLACE:** May I answer that? As I said earlier, I had not known Jennifer prior to the review. The review was carried out over a six-week period, and I had intimate knowledge of the hospital and its workings during that period. It is far more extensive than any references, I can assure you.

**The Hon. JOHN RYAN:** That might be the case, but how would you know of Ms Collins's qualifications and previous work history?

**Mr WALLACE:** I did not, other than as I have just said.

**The Hon. JOHN RYAN:** Is it not normal to get that sort of information before you appoint someone to the job at level three SES band?

**Mr WALLACE:** I think I have answered that, in telling you that for six weeks I had intimate knowledge of the workings of that hospital and Ms Collins.

**The Hon. JOHN RYAN:** But you would not have had detailed knowledge of her qualifications or prior work experience?

**Mr WALLACE:** No, I did not.

**The Hon. PATRICIA FORSYTHE:** Can you identify what skills you thought Ms Collins had that were appropriate to fill the job?

**Mr WALLACE:** I addressed some of those earlier. It was important that we were dealing with someone who had some senior management role, so that they understood not just gathering of data and its manipulation and use but also how that data related to the clinical activity within the organisation. We had also broadened that role. Central Sydney Area Health Service is a very small office; there are only a small number of people there. Over recent years, probably the last two years, there has been an increased interest in disaster planning, and we have been unable to cope with that. We have coped with it, but not as well as we might have wanted to. I added to that job description the role of assisting the HSFAC officer for the area. There are three major projects we have had some difficulty in completing and I add those three projects to the job description as well, as those of management of clinical data.

**The Hon. JOHN RYAN:** If you were normally appointing someone to that position, what is your standard practice for appointing—let us call them SES lookalikes? What is the standard practice for making those appointments?

**Mr WALLACE:** We have only two, other than Jennifer, in the area. Advertisements are placed and applications are received and we go through a recruitment process.

**Ms KRUK:** Mr Ryan, can I answer that, because it is relevant to the statement that I made initially. The position was at the same level. It equates with—although I accept it is not technically the same as—a lateral transfer, and the powers exist under the Health Services Act to appoint without advertising, as they currently exist also under the Public Sector Management Act.

**The Hon. PATRICIA FORSYTHE:** Was the board of the Central Sydney Area Health Service advised of the appointment?

**Mr WALLACE:** They were advised. Could I take that on notice? I think it was within a couple of days but I do not know the exact date.

**The Hon. PATRICIA FORSYTHE:** Could I return to Ms Collins for the moment. In your statement you referred to a relationship with Craig Knowles when he was Minister for Health and he was the State member. Particularly as the State member but indeed as the Minister, on how many occasions would he have visited the Macarthur Area Health Service?

**Ms COLLINS:** Through my tenure there—and, of course, there were a number of building projects and a number of new services commenced—I could not give you an actual number, but I would say that on average, per year, maybe two or three times.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** Could I ask about the standard document destruction policy of the hospital. What is the standard document destruction policy?

**Ms COLLINS:** In regard to that, that is also a matter under investigation by the Health Care Complaints Commission and I believe it is inappropriate for me to make any comments further about that.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** The standard practice for document destruction may also be looked at, but surely as to the standard proceedings that is a reasonable question?

**CHAIR:** That is a reasonable question.

**Ms COLLINS:** There is a policy in place, and this policy is in place in regards to destruction of public documents. There is clear legislation about that and the area health service complies with that. The area health service, and particularly Macarthur Health Service, their records of destruction are in line with that policy.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** So you do not believe there has been any destruction of documents outside of that policy?

**Ms COLLINS:** No, I do not.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** Are incident reports regarded as particularly significant documents?

**Ms COLLINS:** Yes, they would be.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** And medical records would be regarded as particularly significant documents?

**Ms COLLINS:** They would have a different classification. I am not aware of the policy in regards to destruction of medical records, but there is a clear policy that differs in regards to clinical records.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** Certainly relevant ones would be kept for a considerable period of time, would they not?

**Ms COLLINS:** Yes.

**The Hon. JOHN RYAN:** Mr Wallace, in regard to the appointment of Ms Collins, at what point did you seek other advice before you actually formally offered the appointment to Ms Collins, and whom did you seek advice from?

**Mr WALLACE:** I sought no other advice, as I mentioned to you earlier.

**The Hon. JOHN RYAN:** So Ms Kruk asked you to find a position?

**Mr WALLACE:** No. The Acting Deputy Director-General asked me did we have a position.

**The Hon. JOHN RYAN:** And you went ahead and then made an appointment?

**Mr WALLACE:** That is correct. I was the acting CEO.

**The Hon. JOHN RYAN:** Without any further consultation with any other person?

**Mr WALLACE:** That is correct.

**The Hon. JOHN RYAN:** Notwithstanding the fact that you had been involved in, as you say, extensive knowledge about Ms Collins and the investigation?

**Mr WALLACE:** I saw that as an advantage actually.

**Ms KRUK:** Mr Ryan, could I add though, as I indicated in my statement, there was a need to act expeditiously, but also I think it is very clear had Central Sydney not been able to come up with an appropriate position I would have approached the other metropolitan area health services also, or someone from my office would have approached those. Mr Wallace was so strongly of the view that there was a need to implement the recommendations, as I indicated in my statement, I appreciated his assistance.

**The Hon. JOHN RYAN:** Ms Collins, if you had not been able to be offered an alternative position what would you have done in view of the recommendations of the Barraclough report?

**Ms COLLINS:** I am not sure what the question relates to.

**The Hon. JOHN RYAN:** In view of the recommendations of the Barraclough report for a new leadership team, what would you have done if you had been in a position where it had been suggested that there was a need for a new leadership but an alternative position had not been made available for you? What would you have done?

**Ms COLLINS:** Then I would have sought legal advice.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** You said that when an incident report was put in it was followed up; there was no recrimination against the person putting in such a report.

**Ms COLLINS:** That is correct.

**The Hon. Dr ARTHUR CHESTERFIELD-EVANS:** It was said that on 18 April 2000 Yvonne Quinn raised a patient's concern and was suspended. Would you have any comment on that?

**Ms COLLINS:** That particular matter is currently under investigation by the Health Care Complaints Commission and it would be inappropriate for me to make any further comment until the release of that report.

**The Hon. JOHN RYAN:** Ms Collins, you answered a question from me about seeking legal advice. Did you at any time seek legal advice in regard to your position after you had been informed of the outcome of the Barraclough report?

**Ms COLLINS:** Yes, I did.

**The Hon. JOHN RYAN:** Mr Wallace, do you know Mr Greg Driver, a human resources manager from the South Western Sydney Area Health Service?

**Mr WALLACE:** Yes, I do.

**The Hon. JOHN RYAN:** What is your relationship with him, professional or personal?



**Mr WALLACE:** I do not have any relationship with Greg. I have known Greg for many years, and known of Greg.

**The Hon. PETER PRIMROSE:** Is the electorate of Camden part of the South Western Sydney Area Health Service?

**Ms COLLINS:** Yes, it is.

**The Hon. PETER PRIMROSE:** Did you have any contact at all with the former member, Dr Liz Kernohan?

**Ms COLLINS:** Yes, I did.

**The Hon. PETER PRIMROSE:** How often did she contact you as part of your role in the area health service?

**Ms COLLINS:** Dr Liz Kernohan would contact me, depending on what constituent had raised an issue with me on—my recall is probably about three or four times a year. She would also visit the health service, of course.

**Ms KRUK:** Can I just confirm that if the Committee needs further time I am certainly happy to keep myself available. It is matter of apologies.

**CHAIR:** That brings to a close this session. I thank the members of the Department who made themselves available, and I thank also members of the public.

**The Committee proceeded to deliberate.**

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