PUBLIC ACCOUNTS COMMITTEE

INQUIRY INTO THE MANAGEMENT AND OVERSIGHT OF THE PERTH CHILDREN'S HOSPITAL PROJECT

TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
MONDAY, 18 SEPTEMBER 2017

SESSION ONE

Members

Dr A.D. Buti (Chair)
Mr D.C. Nalder (Deputy Chair)
Mr V.A. Catania
Mr S.A. Millman
Mr B. Urban

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Hearing commenced at 9.10 am

Dr DAVID RUSSELL-WEISZ
Director General, Department of Health, examined:

Mrs REBECCA BROWN
Deputy Director General, Department of Health, examined:

Dr ROBYN LAWRENCE
Chief Executive, Child and Adolescent Health Service; Perth Children's Hospital Commissioning, examined:

The CHAIR: On behalf of the Public Accounts Committee, I would like to thank you for appearing today to provide evidence relating to the committee's inquiry into the management and oversight of the Perth Children's Hospital project. My name is Tony Buti, I am the committee chair and member for Armadale. With me today on my left is Hon Dean Nalder, the committee's deputy chair and the member for Bateman; and to his left is committee member Vince Catania, the member for North West Central. To my right is Mr Simon Millman, the member for Mount Lawley; and to his right, Mr Barry Urban, the member for Darling Range. It is important that you understand that any deliberate misleading of this committee may be regarded as a contempt of Parliament. Your evidence is protected by parliamentary privilege. However, this privilege does not apply to anything you might say outside of today's proceedings.

Before we get onto a series of questions that we have, and also thank you for your written submission, do you have a brief opening statement that you might like to make?

Dr RUSSELL-WEISZ: Yes, Dr Buti, I do, if you do not mind me spending a few minutes on it.

Building and commissioning a tertiary hospital, especially the sole tertiary hospital in the state for children, was always going to be an extraordinarily complex task with interrelated activities and workstreams that have to come together with the prime aim being the safety and quality for patients, families and staff. There are seven key interdependent and co-dependent workstreams: infrastructure construction; facilities management; information communication technology, or ICT; workforce; corporate support; clinical commissioning, including scenario testing; and transition from the old hospital to the new. Given that the workstreams are interdependent, any delay or complication in one can have a significant effect on others or all of them, and that is going to affect the timing of the opening of the hospital, perhaps none more so than the construction workstream. In this regard, Perth Children's Hospital has been substantially more challenging than any other health infrastructure project, as it has been dogged by numerous significant and some recurring construction issues.

Indeed, in the most recent independent Gateway review, in July 2017, the majority of the Gateway panel's findings and recommendations were unsurprisingly related to construction matters, and thereby within the remit of the builder, whilst, at the same time, finding that non-construction commissioning activities were well advanced and on track. It should not be forgotten that we have not only had 16 forecast PC dates—practical completion dates—missed by the builder, but a total of 253 days of PC slippage, which has, of course, caused serious and recurring consequences for commissioning, clinical scenario testing and ultimately missed opening dates. Other complications

such as asbestos in the roof panels, remediation of sterilisation construction issues, which the builder is currently not accepting, and the ongoing potable water issue have been major confounders to the opening of Perth Children's Hospital.

I mentioned before that PCH has been substantially more challenging than any other health project. I say that with both confidence and some experience, as I have been intricately involved either in directly commissioning or oversighting key health projects over the last 12 years: the redevelopment of the QEII Medical Centre campus, the most recent Joondalup expansion—Joondalup stage 2—the Midland Health Campus, and obviously intricately involved with the Fiona Stanley Hospital commissioning project. All these projects were complex, yet the challenges faced were those related to non-construction workstreams and predominantly the clinical aspects of commissioning and preparedness. Never on any of those projects did the combined challenges across the seven workstreams even approach the unrelenting difficulties associated with the construction workstream at Perth Children's Hospital.

When PCH does open, it will be a magnificent world-class hospital that will serve generations of children to come in a contemporary and spacious setting underpinned by innovative design, bringing together acute care, community care, support and outreach and research, along with the benefits of co-location on an adult site to maximise outcomes and experience for patients and families. We are so close to opening. Clinical commissioning activities are well advanced, as is the transition from Princess Margaret Hospital. Yet we cannot, and must not, move until key construction issues are resolved. Foremost amongst those issues is the one relating to potable water; however, there are others—sterilisation, defects, key design change requests, receipt of all the required building and facilities management documentation from the builder. The potable water issue is unprecedented in not only WA, but also Australia. Its resolution continues to consume resources, time and expertise, including from the Department of Health, the Child and Adolescent Health Service, the Environmental Health Directorate, the Chief Health Officer, Strategic Projects, the State Solicitor and his office, the Building Commission and other government agencies. Everyone is working closely together to solve this issue for one reason and one reason alone: to solve this issue holistically and to ensure that the water is compliant not only just for opening, but for a week after opening, for three months after, for a year, and for the long term. Quick fixes will not do. This needs a diligent, scientific and robust approach. It would be inconceivable to open without a solution and a robust risk-management approach that provides oversight and assurance post commissioning and beyond to mitigate any risk.

The Chief Health Officer's report confirmed that the source of lead was from within PCH. Taking all the evidence and work done to date and the Chief Health Officer's report, the source is the dezincification of the brass fittings caused by inappropriate and/or inadequate flushing and chlorination of the potable water system during the construction phase of the project. Details of exactly where we are with the potable water resolution can be provided by Dr Lawrence. It is a moving feast, and I need to emphasise the need for patience whilst the multidisciplinary team systematically works through all the options for a resolution. This is not a time to act prematurely without considered thought, analysis and regard for what it will mean for commissioning, opening and the ongoing mitigation of risk.

I know there has been much comment in the media and elsewhere about whether practical completion should have been granted in circumstances where the potable water was unresolved. To that, I would say this: PC was not lightly taken; rather, there was intricate and ongoing debate and consideration of all the advantages and disadvantages that ultimately led to a grant of practical completion in mid-April this year. Thankfully, the grant of practical completion occurred when it did. There is absolutely no way that we would have made the progress we have without practical

completion. Indeed, there is no question we would have been in a far worse position if we had delayed granting PC. We knew that the builder was, and is, still on the hook for any defects during the defects liability period, but we no longer wanted the builder to be in control, as that was negatively and unacceptably impacting all work streams. Enough was enough.

[9.20 am]

Since practical completion, we have taken control of the site. It belongs to Health. It is no longer under the control of the builder, and we are in a position to better coordinate the interdependencies across all those seven workstreams. In particular, we have been able to undertake polyphosphate treatment, which the builder had refused to do; enabled the Chief Health Officer to undertake his testing on two occasions, which would not have been possible whilst the builder was in charge of the building; and provide the Chief Health Officer unlimited access to the building, which has resulted in the Chief Health Officer's report that not only provided us with a way forward on the potable water issue, but also resulted in the identification of noncompliant elbow joints in the TMV assembly boxes. Also, taking PC has allowed us to intervene to remediate defects that the builder was unwilling to deal with and, at the same time, undertake some essential design change work. Also, we intervened to remediate sterilisation and other construction issues. We also were able to undertake commissioning activities under Health's control, with full, unrestricted access to the building and generally have overall control, visibility and clarity about all the workstreams.

In closing, I would like to close with three things. First, to recognise all the staff from all government agencies who have been going the extra mile on what has been an unrelenting project. I have stated that the dual governance of this project has had significant challenges and we should learn for future similar projects, as we have learned from others such as Fiona Stanley Hospital, to improve the governance. I do want to acknowledge all the staff, in whatever way they have touched this project, for their unwavering resilience and dedication to a complex hospital commissioning project, which these commissioning projects always demand. This is especially relevant to the staff of Princess Margaret Hospital, who have been integral to this project and have had to remain patient through these delays. Secondly, to reiterate that all efforts, I can assure the committee, are being made to move PMH to PCH as quickly and safely as possible, the ultimate decision for which will be underpinned by a robust go/no-go testing and assurance process. Thirdly, to make sure that amongst all the commentary about Perth Children's Hospital not being open, we do not forget why it is still not open. It is not open because of an unreliable builder with a woeful track record of meeting dates and milestones, so much so that the state has had to take control of certain remediation activities—a builder that oversaw the plumbing installation, flushing and chlorination of a potable water system that is still being remediated. To put it simply—there is no doubt about this—we are late because the builder did not complete the job. However, we are now in control and every stone—I can assure the committee—is being overturned to fix it for now and for the long-term. Thank you.

The CHAIR: Thank you very much and thank you for facilitating our visit on site a couple of weeks ago. We were incredibly impressed. We, along with the rest of the state, cannot wait until it is open. You mentioned that you have expressed some concerns about the dual governance structure. In your submission—I think it was 1 August that you signed off on it—you did seem to be to be quite critical, particularly in respect of Strategic Projects and the dual governance structure. For example, you mentioned that "the managing contractor and Strategic Projects appears comfortable to maintain status quo of week on week slippage of program dates with little concern for the cumulative or overall effect that minor delays may have on forecast practical completion dates or the overall critical path." There are other things like, "to date all forecasts provided by the MC and Strategic Projects have been inaccurate" et cetera. Can you expand on why you think the dual

governance structure that was instigated for this project has been, to your mind, not effective and compare it to the other hospitals that you have engaged in, because you have considerable experience?

Dr RUSSELL-WEISZ: I think I would first like to comment, chair, in relation to the MC and Strategic Projects and what I said in the submission. Strategic Projects are a partner who have been working as tirelessly as Health has been doing on this project, so there is no doubt about the work of every agency—there are other agencies that touch this project on a regular basis. Strategic Projects have had to rely on the managing contractor—that is, John Holland—for their reporting of, for example, practical completion dates. They clearly have had to rely on the managing contractor. Then, that has affected every other commissioning workstream. The point about Strategic Projects is that they relied on the program for the managing contractor to put up new dates. We did push back on some of those dates when we thought they were clearly unattainable, and we required those extra 10 to 14 weeks to commission the hospital. I would say that the dates put up by MC through Strategic Projects, which was the contract manager for the managing contractor, have frustrated the overall project, but I can say that it has been equally frustrating for Strategic Projects as it has been for Health.

In relation to your question about dual governance, the difficulties, I think, are not the agencies that are particularly involved at this stage; it is the fact that you have not one responsible minister. It is not saying that one is better than the other. I can only refer back to, say, Fiona Stanley Hospital, and I will give an analogy with this. With Fiona Stanley Hospital, we had a similar structure, but it was a completely different project. We had infrastructure that was well ahead, in a sense, and we had commissioning that was so well behind that we had a lot of time to make up. The six out of those seven workstreams were the focus rather than the seventh workstream. We set up, when the new team went into Fiona Stanley, a governance structure that had the infrastructure project team reporting through to the main commissioning governance of the hospital. I think that probably the reason for that is that the infrastructure was well advanced. I am not saying that we did not have any challenges. There were challenges, but the main focus was on commissioning. My main analogy for this is that at Fiona Stanley we had significant problems with ICT, as many of the committee members will remember. For about nine months when the new team went into Fiona Stanley, we had ICT delivered by a Health body called at that time Health Information Network. As the commissioning chief executive at the time, I had no control over that—none at all. Yet, whilst people were working hard, we had no control of that element of the project. Because they were dealing with things like business as usual and they were having to deal with other hospitals, the focus sometimes could slip. In September 2013, with the then agreement of the then director general, we actually established our own Fiona Stanley ICT commissioning team. It was actually located on site and it reported through the governance of Fiona Stanley. It worked with Serco at the time and it worked with BT. It actually was part of the overall project. You probably do not want me to read out all the issues that I put on page 12 and 13 in relation to where I think the project has been frustrated by the dual governance. I actually think it has done as well is it could do with the dual governance structure. Since practical completion and since we have put the Perth Children's Hospital commissioning oversight committee in place to replace the task force, things have come much more neatly together. I do not think there is any easy answer because the minister for works or the Treasurer is responsible for the construction and the Minister for Health is responsible for the commissioning of the project. Under the current legislation I think it would have to remain, but for future massive commissioning projects, I do believe that we need to look at bringing it holistically together and having one agency and one minister responsible.

The CHAIR: Are you saying that the Fiona Stanley governance structure was very similar?

Dr RUSSELL-WEISZ: It was.

The CHAIR: Can I go back to other constructions like the Joondalup Health Campus and the Midland Hospital, where the project director was a WA Health employee. In this governance structure, the project director came from Strategic Projects.

[9.30 am]

Dr RUSSELL-WEISZ: I think, chair, with respect, the two hospitals that you mentioned, Joondalup and Midland, were private–public partnerships. We oversighted the project from a contractual perspective. Going back to Joondalup, which was a few years ago now, there was a project control group that had state representatives and Ramsay Health Care representatives on it. But it was overseeing the actual building of the project; it was not on the ground, and I would not be an expert about how they actually ran that on the ground. Midland was the same. Midland we oversaw. I was involved in the initial contract, but when it came to commissioning of the hospital, we had a higher level, what I would call, mini task force between the St John senior management and Health senior management. It was contract oversight; it was actually contract oversight. But in most other, even small, projects from the QEII aspect, if it was under, I think, $100 million, Health was in control of the infrastructure. There is a very good reason, one would argue, that large projects get looked after by those people with infrastructural experience. Strategic Projects have that. We do not necessarily have that significant level of experience, although our level of experience in relation to plumbing and water remediation is increasing daily! But I would argue that at a more senior level, you still need one governance body and one agency lead responsible for such a massive project going forward. Midland and Joondalup I think worked well because they were contract managed well.

The CHAIR: I will just ask one more question before I hand over to my colleagues. On page 8 of your submission you confirm that both you and the task force—you were, of course, on the task force, obviously—had no formal influence or decision-making authority over decisions by the state's representative made in respect of matters relating to the main building contract. Is that an ideal scenario for the construction of a hospital? I assume you have already answered this, but was that the same situation at Fiona Stanley?

Dr RUSSELL-WEISZ: Yes, it was. To answer you, I do not think it is ideal for any project. Naturally, on the ground—I have only been involved with Perth Children's Hospital for just over two years now—there is meant to be, and should be, close liaison between Strategic Projects, the senior leadership, and child and adolescent health senior leadership. But ultimately, no; if a decision can be made by Strategic Projects in relation to the scenario you painted without any recourse to Health, I cannot now list here when that would have happened, but clearly the two governance structures—I think this backs up what I said—can be an issue if decisions are being made with no recourse to Health. From my experience from Fiona Stanley, we had an extraordinarily good relationship with the Strategic Projects team on site. I have to say they were magnificent. They were led by an extraordinarily accomplished project director. We basically worked hand in glove. But when the new Fiona Stanley Hospital commissioning team went down, the infrastructure was very well progressed by a very responsive builder.

Mr B. URBAN: You sort of just skirted on this a little bit—the project director for Perth Children's Hospital particularly. I am in one of those direct-question moods today, so I apologise for that in advance. Who actually managed on behalf of the government the Perth Children's Hospital? Were they on site every single day? Were they there to deal and check for things like—in hindsight—the brass fittings not having the correct certification whilst they were put in when the walls were not there? Were these issues raised with strategic planning at the time? That would be done in any other normal project by reports going back up. Were those reports going back to strategic planning?

Dr RUSSELL-WEISZ: I do not want to be evasive at all, but I think that is a question I would ask Strategic Projects. Certainly, the Strategic Projects local project director was on site every day, based at K block; they had a small team there. They are on site every day. I think, very similar to the Fiona Stanley Hospital experience, the Health team has tried to progressively move as many people down to Perth Children's Hospital as possible, because you want to be on site. In relation to your question about the brass fittings and the actual certification of them, again, I am no expert with this, but I would assume that the documentation would have been sighted by John Holland, ticked off by them and then ticked off by Strategic Projects. I would have assumed that they would have relied on John Holland doing its job in relation to its subcontractor.

Dr LAWRENCE: The project director, of, is dependent on the certifications coming through from the relevant board, so the plumbing they signed off through the plumbing board. The plumber is approved —

Mr B. URBAN: It was probably not a good example to use the plumbing. I should have used something else like the flooring, because there is nothing contentious in that; it is not necessarily about that. It is the oversight of the actual —

Dr LAWRENCE: The people are on site and they do physically check if something is said that it is completed. There is a process of the state witnessing issues as they are closed out, from building, including all of those DCRs and the defects rectification. So there is a process. Nothing is signed off totally until the state has witnessed it, which means going physically to where it is and seeing it is done.

Mr B. URBAN: Who would have done that?

Dr LAWRENCE: I think that is a question you would have to ask Strategic Projects.

Mr D.C. NALDER: Doctor, in your opening address you raised the issue of a noncompliant elbow joint in the TMV. I may have missed something, because I had not realised that there was a noncompliant component. Can you please elaborate on that, because I had not picked up on the specifics of that before?

Dr RUSSELL-WEISZ: Yes. Through the chair, if I can ask Dr Lawrence to speak to that. She has got some photos that might help us in our deliberation. I would say that last week—I think it was last week; I will correct that if that is wrong—as the owner of the site, we did receive a notice from the Building Commission to make sure that these are replaced because they were noncompliant, and we can provide that rectification notice to the committee, should the committee wish.

Mr D.C. NALDER: Can you explain the noncompliance as to whether it is a lead issue? I would just like to understand.

Dr LAWRENCE: It is not a lead issue. It is completely independent of the lead issue, but was uncovered by the lead issue and the inspection of the boxes. If you go back to the CHO report, he mentions in his report that there are elbow joints within the box that appear not to be watermarked. A watermark is a certification that occurs on plumbing products via the Building Commission, and the plumbers board as its delegate, and all products are required to be compliant. These assembly boxes were purchased by the plumbing company on the project—it was a subcontractor of John Holland's—as a single piece. So, they were not constructed on site, which was one of the previous questions. If you look on the picture, there are the red boxes that highlight the elbows. They have subsequently been confirmed by the Building Commission to be noncompliant; that is, they have not been through the compliance process. The rectification notice is issued to the builder, so it gets issued to John Holland, and the plumber, to rectify it. So, it is the bits in the little red boxes at the bottom that are the noncompliant components.

Mr B. URBAN: When did these get picked up?

Dr LAWRENCE: The CHO was the first to identify that there was the possibility.

Mr D.C. NALDER: When was that?

Mr B. URBAN: July 2017.

Dr RUSSELL-WEISZ: Yes, during his report. He was the one—the Chief Health Officer picked up a potential noncompliance, which then led to the Building Commissioner —

Mr D.C. NALDER: They look like brass to me.

Dr LAWRENCE: They are brass. It is not that they are brass that makes them noncompliant. In fact, we have been verbally advised that the make-up of the metal itself probably is compliant, it just has not been through the process.

Mr D.C. NALDER: Probably? Is that acceptable, given the issues that we have had?

Dr LAWRENCE: In the grand scheme of things it does not matter whether the lead component is. Once the rectification notice has been in place, you cannot retrospectively certify products in situ. The company that constructed this should have had all of the components certified, but they did not.

Mr D.C. NALDER: When you talk about certification, I would imagine that certification is to meet Australian standards.

Dr LAWRENCE: Correct.

Mr D.C. NALDER: If they have not been certified, how do we know, because we have standards now around the lead component within brass fittings, that they meet those standards?

[9.40 am]

Dr LAWRENCE: We do not. That is why they have to be taken out and replaced. That is what the rectification notice is.

Mr D.C. NALDER: So it could be a lead issue?

Dr LAWRENCE: Yes, it could be linked to the lead issue, but the reality is there are other components within this assembly box. I can take you through the process we have been following —

Mr D.C. NALDER: That are also potentially a problem?

Dr LAWRENCE: Correct, yes.

Mr D.C. NALDER: From dezincification or whatever.

Dr LAWRENCE: Yes.

Mr D.C. NALDER: But it is not to say that these are not a problem?

Dr LAWRENCE: Correct.

Dr RUSSELL-WEISZ: For Mr Nalder, through the chair, I could just read out exactly what the Building Commissioner has put in the rectification notice. It is only three lines. This was a rectification notice ID I 2111, and it was signed on 13 September. It reads —

> The brass elbows and binder test points located within the thermostatic mixing valve … assembly boxes, which are not WaterMark Certified or embossed accordingly are required to be removed and replaced with WaterMark certified products.
>
> This applies to all TMV assembly boxes within the Perth Childrens Hospital building.

Mr D.C. NALDER: Okay. So they could be a problem; we just do not know. We do not know the component of what is in these things because they have never been certified.

Mr B. URBAN: Can I just add onto that, Dean. Then that goes on to my question which I asked before: who is actually watching these as they are getting put in?

Mr D.C. NALDER: That leads me to that thing —

Mr B. URBAN: Yes.

Mr D.C. NALDER: — is there is obviously a breakdown in governance aspect with regard to this issue here?

Dr LAWRENCE: The Building Commission has the responsibility of ensuring certified products. So when they certify the plumbing being completed, the state accepts that certification, is my understanding. But the technicalities—you would need to speak to Strategic Projects about the actual flow. But the state makes a requirement that everything meets the standards—there is no doubt about that—but the plumbing board and the Building Commission is responsible for ensuring that what goes into the building is appropriate.

Mr D.C. NALDER: So the Building Commission has failed in its duty here?

Dr RUSSELL-WEISZ: I do not know if you could actually say that, and I do not know that we are the experts. To be honest, I do not think we are the experts. This goes to my point about construction. Construction, while it had massive effects on commissioning activities, it is not something I ever looked at Fiona Stanley—the assembly boxes or whether things were watermarked or not—because it is an assurance process through them. As it was through this project, it was an assurance process through the managing contractor via their subcontractors, and then through to Strategic Projects and the use of the Building Commission as required. I am not an expert in that, but that was an area of construction we never had oversight of because of the dual governance.

Mr D.C. NALDER: So this is a line of questioning that is better suited to Strategic Projects —

Dr RUSSELL-WEISZ: Or the Building Commission.

Mr B. URBAN: Because one of the questions which it goes on to is: the Building Commission's final report was in April 2017—I am going to quote from this —

> Brass plumbing fixtures and fittings in the PCH meet the required standards for lead content.
>
> Flushing and filtering of water within PCH has reduced but not eliminated lead contamination.
>
> The water and metallurgical testing for lead undertaken by the various parties to date has allowed potential sources to be identified but not the contribution, if any, of each source to the lead detected in the tests.

That is totally contradicted by the Chief Health Officer's report review in July 2017, which is only like three months later.

Dr RUSSELL-WEISZ: Yes.

Mr B. URBAN: So they are given a clean bill of health, in my view—I am only an ex-policeman and I am not a plumber—and then this here, which I am standing by your Chief Health Officer's —

Dr RUSSELL-WEISZ: Yes.

Mr B. URBAN: — review. I think this is really, really good, and I think it is honest and it is fair. It just totally contradicts the Building Commission, which, in my view, should have been looking after the project.

Dr RUSSELL-WEISZ: I think, in addition, the Building Commissioner now, as I have just read out, as of 13 September, has sent now me a rectification notice—well, a copy of the rectification notice—to change out those elbow joints.

Mr B. URBAN: Of course; of course. He would do that.

The CHAIR: It is a bit late, though.

Mr B. URBAN: It is a bit late. That is what I am saying. I am going to be really blunt again: we are letting foxes look after the chickens, and who is counting the chickens?

Dr RUSSELL-WEISZ: Look, I do not think I can actually answer that. Rebecca, have you got a point?

Mrs BROWN: The only point I would make, and I would need to go to the specifics of the report, is that the Building Commissioner does point to the need for a more forensic analysis of the issue. So he does highlight that, without that analysis, he is not quite as specific about resolving the issues. So —

Mr D.C. NALDER: But it would be fair to say that the health department would expect, as a minimum, that anything that goes into the hospital would be certified and meet Australian standards.

Dr RUSSELL-WEISZ: Yes.

Dr LAWRENCE: Yes.

Dr RUSSELL-WEISZ: Yes, we are the client. Yes.

Mr D.C. NALDER: Full stop. So the question is: how did this arise?

Mr B. URBAN: Yes.

Mr D.C. NALDER: And that is not the question for you, I do not believe, but that is the question you have, I would imagine.

Mr S.A. MILLMAN: Can I get my head around the chronology. The Building Commission, in the process of examining the TMVs and the components within the TMVs, has identified that these elbows are not compliant; is that right?

Dr RUSSELL-WEISZ: That is following the Chief Health Officer's report. What happened after the Chief Health Officer's report, we got all parties in. We got everybody in, and Robyn can talk about the daily meetings. The Building Commissioner has been in and took away, I think, two of the TMV assembly boxes to examine themselves.

Mr S.A. MILLMAN: Sorry, doctor. Had it not been for the fact that the Chief Health Officer was examining the TMVs, would we have been alerted to this issue?

Dr RUSSELL-WEISZ: I would argue no.

Mr S.A. MILLMAN: Okay. Thanks very much. In terms of the evidence that we have had from the Building Commissioner—if anyone on the committee thinks that I am wrong in the summary of the evidence that we have had—it is that the Building Commission is a responsive organisation; it is not a certification organisation. It certifies once an issue has been raised. Would that be consistent with your understanding or —

Dr RUSSELL-WEISZ: I have to say I am not sure how to answer that.

Mr S.A. MILLMAN: No, that is all right.

Dr RUSSELL-WEISZ: I really do not know how the Building Commissioner works because it is not something I have had involvement in, and construction is looked after by another agency.

Mr S.A. MILLMAN: Fantastic. That is a nice segue into my next line of questions in terms of the construction. The identification of these elbow joints, this is a noncompliant component that has come to light subsequent to practical completion; correct?

Dr RUSSELL-WEISZ: Correct.

Mr S.A. MILLMAN: Okay. And there are at least three noncompliant materials that were used in the construction of the hospital before practical completion. So that is the firewalls, the asbestos and then the failure of the builder to undertake the flushing, as you said in your opening statement; is that correct?

Dr RUSSELL-WEISZ: I surmise that we have—look, it is not what I surmise; it is what the Chief Health Officer has said. The Building Commission, in their report, did put four potential causes. Jacobs had already gone down to about two. The Chief Health Officer was very clear. This is dezincification of the brass fittings, caused by, as I see it—I am convinced about it—inadequate or inappropriate flushing, and at some point a chlorination or chlorination events that we cannot authenticate.

Mr S.A. MILLMAN: Correct me if I am wrong, but in the statement that you made at the start, in your experience, this project has been plagued by more problems relating to building and construction than any of the previous projects that you were a part of?

Dr RUSSELL-WEISZ: Absolutely.

Mr S.A. MILLMAN: And those previous projects at Joondalup Health Campus, Midland, Fiona Stanley Hospital, was this builder the builder on any of those projects?

Dr RUSSELL-WEISZ: Actually, it was on the Joondalup stage 2 about 10 years ago—probably a bit less than 10 years ago. The builder obviously—I am no expert on John Holland—has gone through substantial change over the last few years. But on that project—you would probably have to ask Ramsay Health Care about their views on that project—they did a good job. There is no doubt they did actually a very good job of that building.

Mr S.A. MILLMAN: Were you part of the team that selected John Holland for this project.

Dr RUSSELL-WEISZ: No, I was not.

Mr S.A. MILLMAN: In terms of John Holland's change over time, which you have just mentioned—sorry, there is a phrase that is used to describe: there was a change in ownership, is that right, at John Holland?

Dr RUSSELL-WEISZ: That is correct.

Mr S.A. MILLMAN: And the state retained the construction guarantee through Leighton Holdings?

Dr RUSSELL-WEISZ: That is correct.

Mr S.A. MILLMAN: Who are we best to direct questions to about how that guarantee operated? Not to you, I suspect.

Dr RUSSELL-WEISZ: No, I think to the State Solicitor when he appears before you today.

Mr S.A. MILLMAN: Fantastic.

The CHAIR: Just getting back basically to follow up on Barry and Dean's questions, we understand that Strategic Projects is probably who we should be asking, but in your view, though, the Building Commission, which is a regulator, they should not be agreeing to anything that is not compliant to Australian standards. Is that what your view would be, especially in a hospital?

[9.50 am]

Dr RUSSELL-WEISZ: Yes, I would agree to, but I cannot talk to—I really do not know, in any detail how they regulate. They do, and I think they have said they do rely on information that comes up from John Holland, from the managing contractor, that will look at the certification process, then I presume they would look at those processes. As Rebecca has said, they suggested in their report that a more forensic examination may be required.

The CHAIR: We will leave this line of questioning to Strategic Projects, but I suppose it is the issue of the process of the Building Commissioner: how do they satisfy themselves? Would you like to —

Mrs BROWN: The only other comment I would make is it is relevant, also, to ask the State Solicitor because he would be part of the contractual obligations with the way in which the contract actually is structured and the way in which it operates as well. That has certainly been a large issue in terms of dealing with the resolution of the water also.

The CHAIR: Can I turn to another document that you sent to us, doctor, in which parts were originally redacted and I will not refer to the un-redacted parts. This is "Advice prepared by the Department of Health and the Department of Treasury in relation to the Perth Children's Hospital potable water issue". You signed off on 31 August, I think—that is the un-redacted one, but anyway. You list there the amount of submissions or briefing notes that were made or compiled in regards to this issue. In this document, there are 17. They start off on 4 October 2016 and then it goes through to 12 April 2017. These were briefing notes that were made on contentious issues briefings, especially in regards to the water quality, obviously, that were made for the Minister for Health in the main. In those documents, and I have been going through them, which is not easy, I must say —

Mr B. URBAN: You have a doctorate as well!

The CHAIR: No, no; they are easy enough; it is just that it is not exciting reading—that is what I meant to say. Sorry! If you go to the document, number 3 on that table, which is 11 October 2016, "Elevated levels of lead in water at PCH"—this was presumably prepared for the Premier —

Dr RUSSELL-WEISZ: Yes; there are a lot of documents here. If you read it out, I will find it.

The CHAIR: It says, "ChemCentre's interim report also recommended the elimination of a 'dead leg' of unused water supply pipe in Hospital Avenue"—I think it says; is there such a thing as Hospital Avenue?

Dr RUSSELL-WEISZ: Yes; it is Hospital Avenue.

The CHAIR: It states "This work has been completed." The dead leg issue was first identified when, do you know? It says that the elimination of the unused water supply in the dead leg had been completed, and that was 11 October 2016. Do you know when that was first identified?

Dr RUSSELL-WEISZ: I cannot—if I could take that on notice, I will get you the exact date, but I know when it was actually cut off or remediated, and I am trying to find that, but it is probably at the end of September 2016.

The CHAIR: Another briefing, which is number 4, which is also from 11 October 2016, mentions that "The Treasurer and Minister for Health will be regularly briefed by Treasury on the status of the work and likely Date of" practical completion. Were you involved in briefing the Treasurer—you would have been the Minister for Health—in regards to the status of work and likely date of practical completion?

Dr RUSSELL-WEISZ: Yes. There were regular briefs to the then Treasurer and Minister for Health, sometimes together, but obviously there were regular briefs to the Minister for Health because this was—this is—the priority for health to get this hospital commissioned.

The CHAIR: In those briefings, would you have briefed the minister and/or Treasurer in regards to the dead leg and the other possible sources as identified by the Building Commissioner in his report?

Dr RUSSELL-WEISZ: I think from the briefing note that I actually cannot find just now, where we had said it, that both the Treasurer and the minister had been briefed, the dead leg was never particularly considered. It was considered by John Holland is an issue but it was never, as I understood it, considered by anybody else as an issue. The Chief Health Officer has reiterated that the actual lead is coming from within Perth Children's Hospital. Again, I am no plumber, but on the basic tenant that if the lead were coming from the dead leg, you would expect there would be other heavy metals coming from that dead leg. That dead leg was full of other heavy metals—nasties. None of those heavy metals were found in Perth Children's Hospital, so I cannot see, on basic science, why lead would move from the dead leg into Perth Children's Hospital but nothing else. But I can emphasise that the dead leg was never considered as a major source. We were looking at a number of things. We were looking at dezincification of the brass fittings. We were looking at lead detritus within the hospital, and that was why the flushing was occurring. Those were the two major causes. The Jacobs report had actually put 16 hypotheses up so they had started, quite rightly, with 16 potential causes and then we slowly whittled them down. So I would have to argue that the dead leg would never have been a major topic of debate with the previous Minister for Health and myself.

The CHAIR: But would it have been a topic of debate; would it have been mentioned?

Dr RUSSELL-WEISZ: I have to say, Dr Buti, I cannot remember mentioning the dead leg to the minister in verbal conversations. I might of. If I did, it would have been a passing comment because it was never considered as a major issue. And, to be honest, Strategic Projects, quite rightly never made it a major issue as well.

Mr S.A. MILLMAN: How do you say that it was John Holland that thought that the source of the lead was from the dead leg?

Dr RUSSELL-WEISZ: Well they have been prosecuting the argument, going back a few months, that the lead was coming from outside. So they prosecuted the argument that it is coming from the QEII ring main and therefore the dead leg. We have had tests on the QEII ring main done where there is, I think one, or maybe three exceedances out of a huge number of tests and then, if you look at the rest of the north metro health service site to the QEII campus, there has been I think one exceedance out of 520. So if it was coming from the dead leg, or the dead leg is no longer connected, or the QEII ring main, why was the lead leaching into Perth Children's Hospital and not to the rest of the site? It just does not make sense.

The CHAIR: Of course, it has a great legal consequence—the source.

Mr S.A. MILLMAN: You might well say that.

Dr RUSSELL-WEISZ: I am just working on the sort of basic science, you know.

The CHAIR: I understand that you are saying it was not seriously considered but the Building Commissioner has mentioned it as one possible source. John Holland has mentioned it. And the legal consequences of it could be massive, so surely it was discussed?

Dr RUSSELL-WEISZ: I have to say and I really am recalling all the discussions I had with the previous minister in that this was never—we were, if you remember the debate was originally about flushing and then at one point the previous Treasurer talked about ice-pigging because that was put forward to get rid of the detritus. The focus was on the brass and the dezincification; it really was never on the dead leg. I may have had a discussion—I cannot recall putting any focus on this dead leg or the QEII ring main.

Mr V.A. CATANIA: Did you receive any briefings from the Water Corporation and did they assess the site themselves—the ring main and water sources going into the site itself? Did you receive any briefings from the Water Corporation?

Mrs BROWN: A representative from Water Corporation did brief the taskforce and in fact it was in the discussions with that officer that the prospect of ice-pigging was raised. My recollection—it is probably a question for Strategic Projects also—is they did work closely with Strategic Projects throughout the resolution of water, so they had been fairly involved, bearing in mind that their role was more advisory than responsibility because the water, once it comes into the QEII site, is the responsibility of the actual site management. But they have provided advice, both verbal and in detail, to Strategic Projects.

Dr RUSSELL-WEISZ: I probably would just add, chair, that the presentation given on 1 May 2017 by both the Treasurer and the minister, and Richard Mann, who did most of the presentation, I think goes into that in really good detail in relation to the dead leg. I will not prosecute that again, but that is obviously available.

[10.00 am]

The CHAIR: Mr Nalder wants to go on to another line of thought but there is one further question on the lead. The second Jacobs report stated the excess lead levels were first detected in May 2016. According to the task force status report, the task force was first alerted to the lead problem in August 2016—which I must say, I wonder why it took so long—when the Deputy State Solicitor queried rumours regarding the elevated lead levels. I have got four questions. Can you confirm when and how the task force was alerted to the lead issue—right, when and how? When and how were you first made aware of this issue? When did the project control group first become aware? Answer the first question first: When and how were you first made aware of the issue?

Dr RUSSELL-WEISZ: It was on that early August —

The CHAIR: 2 August.

Dr RUSSELL-WEISZ: — 2 August. I would have to have a look at the minutes to find out how we were alerted. It may have been through the State Solicitor. It might have been through Strategic Projects. We were alerted, remembering it was a construction site under the control of John Holland. John Holland actually alerted the environmental health directorate, as is responsible practice. They actually said, we have got this, as any proponent would do. I am the proponent now; they were the proponent then. We heard about it on 2 August and we were told at that time—I will check the minutes—that they were obviously aiming to remediate it.

The CHAIR: Three months from the time it was detected to the time you were alerted?

Dr RUSSELL-WEISZ: Yes. This may be a better question for John Holland or Strategic Projects but at the time that they were probably aiming to remediate it, they were looking at it. There were probably a number of causes. It could have just been the flushing at the time. I cannot ask if this has happened at any other site during the construction phase, which might have been remediated. We would have expected them to have lots of little issues that they then sought and we do not hear about.

The CHAIR: This is not a little issue.

Dr RUSSELL-WEISZ: I know, but if it was a one-off reading or whatever.

Mr S.A. MILLMAN: We are not going to get the opportunity to ask this of anybody else, because I do not think the environmental health office is giving evidence before us. You are responsible for the environmental health office?

Dr RUSSELL-WEISZ: Environmental health directorate, yes.

Mr S.A. MILLMAN: When did John Holland alert the environmental health directorate?

Dr RUSSELL-WEISZ: Could I take that on notice?

Mrs BROWN: Their advice is that they were notified by John Holland on 2 September.

Mr S.A. MILLMAN: Okay.

The CHAIR: After. You might have to take this on notice. When did the project control group first become aware of the issue of elevated levels of lead in the water supply?

Dr RUSSELL-WEISZ: That is the Child and Adolescent Health Service project control group rather than the task force. I would have to take that on notice.

The CHAIR: Just two more, quickly. When did the IPMO first report the lead issue?

Dr RUSSELL-WEISZ: The task force project management office would have reported it after it was raised probably at task force. It would not have been before.

The CHAIR: One final one. When was the health minister first directly briefed on the issue?

Dr RUSSELL-WEISZ: I have to take that on notice.

The CHAIR: When was the Premier and Cabinet first briefed on the existence of excessive lead levels in the water supply?

Dr RUSSELL-WEISZ: Again, I probably have to take on notice exactly when they were briefed either by myself—certainly, the minister would have been briefed quite early on after task force. You have got the list of the briefing notes there, so we can probably work out when they were officially briefed but I would have to check. I would have let the minister know there was an issue. I may not have made it as a major issue.

Mrs BROWN: The Department of the Premier and Cabinet are represented on the task force, so they would have been advised at —

The CHAIR: On 2 August?

Mrs BROWN: Yes. If not earlier, but that would be in their role as a member of task force.

The CHAIR: You might have to take this on notice also. When was the health minister first directly briefed on the findings related to the dead leg in the QEII ring main?

Dr RUSSELL-WEISZ: Again, looking back, I would have to take that exact date on notice but again we did not make a big issue about the QEII ring main or the dead leg because it was not alerted to us as a significant issue. It had been isolated back in September 2016 and it had not been put forward, one, as a potential issue for the source of the lead, in our view, nor had we been alerted by Strategic Projects. But I can try and find exactly when I would have—I might have talked verbally, but it would be more in the scope of where we were with the project. I can absolutely honestly answer that the QEII dead leg was never a major feature of any discussion, if at all.

The CHAIR: What about correspondence?

Dr RUSSELL-WEISZ: There might be correspondence after the QEII dead leg issue got more attention. We have provided every briefing note we have done. It will probably be a bit difficult to find out when I spoke to the minister verbally. I cannot remember all that.

Mr D.C. NALDER: I would like to move on to practical completion. The summary from your submission sort of indicates that the principal reason was to take control to implement measures to resolve water quality issues, which would imply that by not taking practical completion, there were

obstructions in play that were not allowing you to practically work on resolving those builder issues. Can you just elaborate on that a little bit, please?

Dr RUSSELL-WEISZ: I think in my opening statement I said there were certain things we wanted to do, so we knew that the flushing had not been ideal. We knew there had been chlorination events. That was in the past. We had done the flushing. We wanted to put in polyphosphates. That was the first thing we wanted to do—put the polyphosphate in. We had all the experts between ChemCentre, Jacobs and the environmental health directorate saying that this would be a good thing to do to eliminate the lead, yet the builder was not happy to assist. That was one issue that, by taking control, we were in control of administering the polyphosphate.

Mr V.A. CATANIA: What was their reasoning behind that?

Dr RUSSELL-WEISZ: I think, from recollection, they just took a different view, but sometimes these things just took too long. You would put a notice back to the managing contractor, John Holland. They would send something back. As I said, enough was enough. If we had control of the site, we could administer the polyphosphate; we could monitor it; we could manage it; and we could do a few other commissioning activities. Polyphosphate was one issue. The other thing: we wanted to get in and take control of the water flushing and also the water testing. The water testing was significant. We could then do the Chief Health Officer's testing. I do not think we would have got that cooperation if they had been in control of the site. Just to be clear, if they had remained in control of the site, pre-practical completion it would have meant that every time I wanted to do something—take a bit of wall out, do a bit of commissioning activity on a ward—Robyn Lawrence would have had to ask permission of the builder. So, it was polyphosphate, Chief Health Officer, it was also other rectification of defects, and also we have been able to step in on the sterilisation matter that we have got to solve.

Mr D.C. NALDER: There were 13 issues outstanding in the construction process when we took practical completion. Some of them were considered MC critical deliverables, but then were going to have to be completed after practical completion.

Dr RUSSELL-WEISZ: Yes.

Mr D.C. NALDER: How many of those are still outstanding, if any?

Dr RUSSELL-WEISZ: I will talk to it generally but if I could take that on notice, I will provide an answer that goes through each one and exactly where they are. But where we are at the moment, most of the Schneider—this was an ICT interface with the builder had been resolved. I think the major issues that are outstanding are some documentation from the managing contractor to the state that was still waiting; some of the defects that we have said are defects are still not resolved; and some of the design change requests. Also, the potable water would be the major issue and also there is a sterilisation issue that we are solving that we believe the builder should have solved. But, again, if we had been here today with the builder in charge, we would have been asking permission; we would be extraordinarily frustrated even further. I do not think we have had the clarity that we have just talked about in relation to some of the fittings. I might ask Dr Lawrence just to comment: if you can provide any other information?

Dr LAWRENCE: I think that is the summary. The documentation is still definitely outstanding; the Schneider work is incomplete although it is progressing; CSSD obviously remains outstanding; the potable water and a raft of other defects still to be sighted to be signed off. The MC—we have regular meetings and in the most recent meeting claimed that they had completed the majority, but the sign-off process has not occurred.

[10.10 am]

Mr D.C. NALDER: That must still be a major concern if we have taken practical completion and these things are outstanding still.

Dr LAWRENCE: I think it is not unusual to have minor things outstanding and to be working through them for some time.

Mr D.C. NALDER: But these are major deliverables.

Dr LAWRENCE: Obviously, the potable water is a major issue. The sterilisation issue—which also is water actually, but not the lead water, a different water issue—is a problem. And they were not budging on it and they have not budged any time recently, hence why we are stepping in to fix it.

Mr D.C. NALDER: Doctor, one of the reasons that you took practical completion, you stated that you probably would not have been able to get the authority to do the water testing, but we did not ask. Is that a correct assumption because you said "probably"?

Dr RUSSELL-WEISZ: No, we had not formally asked, but you have to sort of look at these things as a continuum. We wanted to do the polyphosphate. They had said no.

Mr D.C. NALDER: Would it not have been fair or reasonable to check with John Holland that you could do the water testing before making an assumption that probably you would not be able to; therefore, we take practical completion?

Dr RUSSELL-WEISZ: I think it was probably more than the water testing. We wanted to take control of the remediation and part of the remediation—the key issue was the polyphosphate. We knew from our scientific experts; they had said that polyphosphate should be administered. It was well known around the world that it should be administered. We had gone to the builder and actually asked them. We said that we wanted to do this and we had been frustrated. We had been frustrated because—and this might not be a no, but it might be seeking more information and going back and forward, and we could still be here now. I have to say that we may not have asked, "Can the Chief Health Officer come in and do this?", but there is no doubt, with us in control of the building, we allow the Chief Health Officer whatever access he or she would like.

Mr D.C. NALDER: We are doing the polyphosphate, but we still have not resolved the water issue to date.

Dr RUSSELL-WEISZ: That is correct.

Mr D.C. NALDER: Again, taking practical completion must incur some risks to the state. By taking practical completion when 13 critical issues have not been signed off, what is the risk financially to the state by taking practical completion, because I assume that was looked at and assessed?

Dr RUSSELL-WEISZ: I think I said in my opening statement that this was looked at in detail. There was significant—you would have seen from a number of briefing notes I put up that I put up the risks of taking practical completion. I was very, very clear that it needed really considered thought, considered assessment of the advantages and disadvantages. But we also got State Solicitor's advice, and the State Solicitor can probably answer that when he appears before you. We got his advice and we talked to the Treasurer and to the minister. It actually was not black and white; it never is. These things are a bit grey, but clearly the advantages outweigh the disadvantages. We knew the major issue was potable water. Some of those issues that we mentioned—I have just looked through those 13 issues—are well resolved now and some of them have passed. But the financial risk, there is still a defects liability period, so the builder is still on the hook, and also there was a defects liability bond as well. So there is a bond and we still, as Mr Millman mentioned, have the parent company guarantee. I think if we just relied on those and relied on the builder to do, on

their track record, when they had missed so many PC dates, we would have been in a much worse situation. But I will not argue that it is a black and white —

The CHAIR: I will let you continue, but you asked the doctor a question about why they did not ask if they could do the testing, which I think is a fair enough question, but the State Solicitor has stated —

> While it is possible that this testing could have been carried out before Practical Completion, it would undoubtedly have been more difficult as access and management of the site would have resided with John Holland, not the State. Moreover, if the CHO's activities had interfered with the pre-Practical Completion works of John Holland it would likely have provided John Holland with a basis for claiming delay and, consequentially, an extension to the Date for Practical Completion …

Mr D.C. NALDER: Based on that and on your comments earlier about the State Solicitor's Office, is it fair to assume by this committee that it is the State Solicitor's advice that ultimately determined taking practical completion?

Dr RUSSELL-WEISZ: I think it was an accumulation of advice. It is not just one bit of advice. Naturally, the State Solicitor holds inordinate weight and he was a member of task force.

Mr D.C. NALDER: Because the risk is a legal risk, is it not?

Dr RUSSELL-WEISZ: It is a legal, but it is also an operating risk as well. I do not think I could sit here and defend—the committee may be asking me questions about if we had not taken it, why did we not take practical completion early if we had been in a worse situation and we were opening Perth Children's Hospital in two years' time and we had a—but there is also an operational risk with Princess Margaret, so we were trying to balance getting out of PMH into PCH as quickly as possible. We understood that on the weighing up advantages and disadvantages, it was clearly more advantageous to actually take PC.

Mr S.A. MILLMAN: This follows exactly the line of questioning that Dean has been pursuing. You talk about legal risk and operational risk. We will address our questions on legal risk to the State Solicitor's Office, because obviously he is qualified to answer legal questions. In terms of operational questions, would you say that the contract is skewed in terms of the access that the Department of Health has to the hospital site prior to practical completion? It seems like a big jump for the state to make in order to have to remediate the problems that it is presented with by taking practical completion. Would the government have been better off if the contract had provided for better access through the contract?

Dr RUSSELL-WEISZ: You do have to have one agency in control. At Fiona Stanley it was exactly the same. PC happened in December 2013 and before that stage, if you wanted to do commissioning activities, you had to get permission from the builder who was responsible for the site. It was still a building site. Once that PC had happened, it became a Health site and was looked after by Health, or in that case by Serco as the facility manager. There can be no confusion between the date of PC and opening if you want to know who is in charge and who is responsible. As I said, it was on advantages and disadvantages and the fact we wanted to fix it. We had enough.

Mr D.C. NALDER: It is often with the benefit of hindsight that you get to see and identify things that could have been done better and so forth.

Dr RUSSELL-WEISZ: Yes.

Mr D.C. NALDER: With regard to practical completion, are you in a position to be able to quantify any areas where the state is bearing additional costs because it has taken practical completion?

Dr RUSSELL-WEISZ: We are keeping a very close record of where we are—I am using the word not legally here, but stepping in. It is not a legal step in, but where we are remediating certain things. There are certain things we are doing such as the sterilisation and the potable water. Now, the builder may have a different view to us, but we will obviously, if there are any costs incurred, charge the builder for those costs. We have abilities to do that. I will ask you to ask the State Solicitor about how that is done, but we are keeping a record of costs incurred by the state that we believe should be borne by the builder.

Mr D.C. NALDER: Do we have a sense of what sum that is at this point in time?

Dr RUSSELL-WEISZ: Yes. Over the last—it depends on the outcome. I can answer that on notice, but putting the potable water to one side, the issues where we have stepped in at the moment are approximately $1.5 million. But the potable water is probably much greater than that, but I can answer that on notice.

Mr V.A. CATANIA: Is that today?

Mr D.C. NALDER: Is it $1.5 million excluding potable water?

Dr RUSSELL-WEISZ: Excluding potable water.

Mr D.C. NALDER: But you will come back on the potable water?

Dr RUSSELL-WEISZ: Yes.

Mr S.A. MILLMAN: And the bond covers that?

Dr RUSSELL-WEISZ: Again, I think that is a question for the State Solicitor. The bond —

Mr S.A. MILLMAN: Is the total value of the bond more than $1.5 million?

Dr RUSSELL-WEISZ: Yes. And also there is, clearly, as the committee would be aware, liquidated damages as well—$42.5 million.

Mr D.C. NALDER: We had the CEO of ChemCentre here recently and we talked about the dezincification; we talked about Australian standards of the quantity of lead inside brass fittings and, therefore, questioning whether or not that standard is good enough and changing it and so forth. The question was asked whether he had concerns as to whether there was potential risk of lead in other sites. We know that the water standards of lead are changing and getting harder and harder. He raised concerns that there were potentially other sites that he would have concerns there could be elevated leads based on what has happened here at Perth Children's Hospital. Given that, and given that we have recently gone through and upgraded a number of health facilities across the state, both in regional and metropolitan areas, has the health department gone and sought assurances, either through the water authority or through wherever, to ensure that Joondalup, Midland, Busselton, Albany, Kalgoorlie, Esperance, Port Hedland et cetera do not have similar issues as to what we have experienced here?

[10.20 am]

Dr RUSSELL-WEISZ: We have not specifically sought assurance, but I think, as the Chief Health Officer said when he was talking about education facilities, it is up to the proponents of those hospitals to actually come back to the environmental health directorate if there is an issue, a bit like north metro has. North metro on the QEII site had one or two exceedances and the Chief Health Officer did not jump in and say, "Well, you've got to close this or do that." They look at the whole issue, so it is up to the individual hospitals. We have had no reports, and the Environmental Health Directorate has had no reports, of hospitals reporting higher lead content in the water, but obviously if that was an issue, then they would seek advice from the Environmental Health Directorate.

Mr D.C. NALDER: Can I just clarify that? Is not the Hedland Health Campus under the state? It is state-owned?

Dr RUSSELL-WEISZ: It is, yes.

Mr D.C. NALDER: So as the ultimate responsible officer for the health department, would not you ask them to check and just make sure? Given that we have not undertaken these types of test before, and I understand that they have gone back and looked at Fiona Stanley Hospital, but I am just checking whether we have looked at these others that may have had water sitting stagnant for long periods of time prior to commissioning, whether or not there is a risk that these types of issues occur in other sites —

Dr RUSSELL-WEISZ: Certainly the hospitals — I have to come back to how many hospitals have looked at it and maybe I will supply that on notice, but with Perth Children's Hospital there was a specific issue that was unique and unprecedented as a hospital. There has been another; I could talk about the other issue in Hong Kong, but that is the only other major issue where we have had lead leaching into water. But it is unique and unprecedented that it is in the hospital and it was related to dezincification from, I will use the words, "inadequate flushing" and also "chlorination events". We did not, to my knowledge, have those issues at Fiona Stanley or at other new hospitals, but I can take on notice how much checking has been done. There has been a huge amount of checking on the QEII site, which has had some new buildings and old buildings. There have been lots of new buildings built on QEII, albeit smaller, and we have had no exceedances.

Mr D.C. NALDER: But it is my understanding that this type of testing has not occurred before, so we are not likely to know whether adequate flushing was done at Port Hedland or Midland or Albany or wherever.

Mrs BROWN: The health services themselves in regards to each site are required to have water management plans that meet the Australian Drinking Water Guidelines. The difference with Perth Children's Hospital as the director general has pointed out around the complexity of the site is rather than an interpretation of meeting the guidelines, it was also in a sense trying to ascertain both the source and the longer-term remediation of that issue. Unlike the QEII site, where the exceedances were so minimal and within the existing water management plan the Chief Health Officer issued a view which was that it was within Australian Drinking Water Guidelines, because of the persistent nature of the problem, having gone on for a long time and the complexity of it, the Chief Health Officer was seeking to ascertain through the testing both the extent to which the source or the issue was still present and also wanting to be very clear about remediation over the longer term, and in a sense that is why some of his thinking around the design of that methodology was about addressing some of those issues, which would not necessarily be the same across other sites.

Mr D.C. NALDER: Can you assure this committee that dezincification has not occurred in other new hospital sites across the state of Western Australia?

Mrs BROWN: I certainly cannot assure that that has not happened. We can take on notice the nature by which each health service or hospital site or private provider is required to have a water management plan in place to ensure that those things are appropriately met and to the extent that they are not met, they are then required to notify the Chief Health Officer.

Mr D.C. NALDER: So can we be provided, then, a copy of the water management plan that shows they have tested for lead occurrences in the commissioning of those hospitals that have been built over the last 10 years in Western Australia?

Mrs BROWN: We can ascertain what they have been required to do.

Dr RUSSELL-WEISZ: And also seek it from the builders who are building those projects?

Mr D.C. NALDER: I will just clarify, because you did state that there is a water management plan they must have in place to do these checks on the quality of water to meet potable standards of Western Australia, and I imagine that lead is one of those issues on potability of water standards for Western Australia, so I would imagine therefore you will be able to provide us the testings that demonstrate the management plans they have put in place that demonstrate that they meet those standards regarding lead in those hospitals.

Mrs BROWN: What we can take on notice is to give advice on what each of the health services and/or private providers are required to have in place from an industry perspective. I cannot speak to the detail of what is in there in terms of water testing, but we can take that and ascertain it.

Mr D.C. NALDER: My point is that if it does not and those management plans do not and would not identify what has occurred in Perth Children's Hospital, what would be the Health Department's position be in making sure that we do not have those problems elsewhere? And I would imagine that you do not just rely on them to now go and investigate it; you would actually start going, "Hey, guys, we've got dezincification and lead elements. It's creating a problem. Have we got this problem elsewhere?"

Mr V.A. CATANIA: I suppose this is about getting confidence in the community and when the ChemCentre—I cannot remember his name—raised questions about —

The CHAIR: Can we not verbal the—he did not say that. Mr Nalder asked him the question, which was a legitimate question, and he said, "Yeah, possibly." He did not raise it himself. Let us not take it to a higher level. He could not guarantee that there is none.

Mr V.A. CATANIA: No, but the confidence when schools were mentioned, where schools can potentially have —

The CHAIR: Dean asked him about schools; he did not raise it.

Mr D.C. NALDER: I said "places with children".

Mr V.A. CATANIA: Anyway, the response was that there could be potentially — that you do not know unless testing has been done in those public buildings.

Mr B. URBAN: Chair, I am anxious about the time.

Mr V.A. CATANIA: Can I just finish my question? Given the fact that that was raised and it was reported in the media, it provokes some fear out in the community. Do we need to test our schools? Has anyone from the health department approached you or written to you or any ministers asking, "Are you able to check any other public buildings?" Has anyone asked you to check any other public buildings to see if any of these issues are there?

Dr RUSSELL-WEISZ: They have not written to me. I have lots of letters on the cause of lead in Perth Children's Hospital, but not in relation to this issue. Your question is, "Has the education" —I think there has been some discussion between Education and Health and the environmental health directorate, but we expect the proponents to inform environmental health if they find an issue. If there is an issue—and I am sure environmental health would have told you if there is an issue in any of our hospitals—also we would expect education to contact environmental health if there is an issue with their testing.

The CHAIR: We had better move on. This is an inquiry about the Perth Children's Hospital.

Mr B. URBAN: Page 12 of your submission also refers to the hidden delays with the construction program being identified as a risk at the task force meetings as early as July or June 2015. What are some of the examples of these hidden delays, and what was being done within the governance structure to address these problems?

Dr RUSSELL-WEISZ: Again, sorry, I was not director general at the time; that was my predecessor. I am probably going to have to take that on notice. I might ask my deputy.

Mr B. URBAN: It is on your time line as well.

Dr RUSSELL-WEISZ: It is. I think they were finding, in very general terms, that the builder was missing certain milestones. The builder was missing certain milestones, so therefore, if you miss any robust program management approach, you would expect people to meet their milestones in all the workstreams. I go back to the seven workstreams: if you miss one, it has a cascading effect on others. The words of the acting director general at the time were that there were potential hidden delays and it was informing the minister that probably his confidence was waning in relation to the builder's confidence for practical completion dates.

The CHAIR: The committee has resolved to conduct the rest of this hearing in closed session, so can I please ask all people seated in the public gallery to leave the room. If you intend remaining for the next hearing, please wait in the foyer and the secretariat will advise you when we have reopened proceedings. Thank you for your cooperation.

[The committee took evidence in closed session]