

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 FIVE

Members

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

Hearing commenced at 2.20 pm**Mr RICHARD DORHAM MANN****Executive Director, Strategic Projects, Department of Finance, 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 chair of the committee and member for Armadale. To my right is Simon Millman, the member for Mount Lawley and a committee member; and to his right is Barry Urban, the member for Darling Range and also a committee member. Apologies from the deputy chair, Hon Dean Nalder, and also from committee member Vince Catania, who are unable to attend this afternoon. 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 that you might say outside today's proceedings.

Do you have any questions about your attendance here today?

Mr MANN: No, thanks, chair.

The CHAIR: I initially apologise for the lateness of this hearing. Can you confirm that John Hamilton and John Dransfield are overseas at the moment?

Mr MANN: Correct.

The CHAIR: Thank you very much. Do you have an opening statement that you would like to make before we ask you some questions?

Mr MANN: I do not, chair. Just one further clarification in respect of Mr Hamilton: he is no longer an employee of the Western Australian government; his contract concluded on 13 August.¹ Whilst he is overseas, he is also no longer in the employ of government.

The CHAIR: Can I move on to the issue of when Strategic Projects first became aware of excessive lead levels in the PCH water supply. Are you able to let us know when that took place?

Mr MANN: Yes. Initial testing carried out back in May 2016 returned elevated lead levels, so that was the first time any party became aware of the issue.

The CHAIR: Was it John Holland that notified Strategic Projects?

Mr MANN: It was part of testing actually initiated by the state, so test results initiated by the state came back returning an elevated level for lead.

Mr S.A. MILLMAN: The test in May 2016, that was a test that was carried out by the state.

Mr MANN: Correct.

Mr S.A. MILLMAN: Okay. Was that the first time the state had tested the water?

Mr MANN: Correct.

Mr S.A. MILLMAN: What had motivated the state to undertake those water tests at that time?

Mr MANN: Routine testing. The potable water system had relatively recently been commissioned, so over the course of commissioning any potable water system, we undertake a routine suite of

¹ A letter of clarification about this part of the transcript can be accessed on the committee webpage.

tests. That said, it has not been usual practice to test for heavy metals, the assumption being that if the incoming water supply is compliant and compliant plumbing installations are used, there should be no issue, given that the Australian drinking water guidelines, for example, state that plumbosolvency is rare in Australia. We have probably discovered that it is rare because it is not tested for particularly often. So it was a routine suite of tests, focusing predominantly on bacterial and microbiological contamination, which is the routine, particularly in a hospital environment. It so happened that we also tested for a suite of other chemical substances, including heavy metals, and lead was one of them and it returned that elevated reading.

Mr S.A. MILLMAN: What inspired you to do that—to test for heavy metals, if it was not routine to test for heavy metals? What was it in this particular circumstance?

Mr MANN: At the time it was actually suggested by the laboratory and the fact that it was a paediatric hospital, an extra level of rigour, given the nature of the facility, was what really prompted it.

The CHAIR: The Building Commission's final report on page 41 states that Strategic Projects was conducting comprehensive testing of the PCH water supply, including tests of brass fittings and the polymer pipe for evidence of lead leaching from May to August 2016. Are you saying that it was the ChemCentre that suggested that you do these tests?

Mr MANN: It was another organisation that we used initially. ChemCentre was not used until later in 2016. QED Environmental Services, I think, was the organisation we used initially.

The CHAIR: Had they done some testing themselves to recommend that you do testing? How did it actually —

Mr MANN: They were engaged to undertake what was routine testing as part of the commissioning process. They suggested that we undertake a full suite of tests rather than the standard bacterial and microbiological tests.

The CHAIR: When they suggested that you undertake these tests, they had already done some preliminary testing, had they?

Mr MANN: They had been testing in similar circumstances, including on the broader QEII Medical Centre campus for some time. Not to my knowledge—I might take that on notice and just check that—but not to my knowledge within PCH, specifically, up to that point.

The CHAIR: Had any of their testing detected elevated levels of lead?

Mr MANN: I do not believe they had undertaken any testing to that point. Certainly, that was the first time we were aware of any test result within the PCH facility that showed an elevated level.

The CHAIR: The testing showed in May that there were elevated lead levels; right?

Mr MANN: Yes.

The CHAIR: The documents that were tabled by the health minister in May this year confirmed that the task force was not alerted to the problems with lead until 2 August.

Mr MANN: Yes.

The CHAIR: Why did Strategic Projects not advise the task force of this issue earlier?

Mr MANN: Because initially it was one isolated level—not unusual in the early stages of commissioning a potable water system, in our experience, to have the odd exceedence, although not heavy metals, granted, and it was considered that it would be addressed through routine flushing, as has typically been the case, which we continued to do, but when ongoing testing continued to show elevated lead levels, we realised that we had an issue that was more serious than

first—bear in mind, again, that this is not something that anyone had experienced previously. Initially we believed that the routine flushing techniques that had been used successfully on other projects would similarly work here. It is not unusual to flush construction debris et cetera out of potable water systems during that phase. As I said, by August we were still returning elevated levels from ongoing testing, and that is when we effectively escalated the issue, realising it was more serious.

The CHAIR: I take your point about an isolated test result. If it was first detected in May and you continued testing until August—you continued after that, but May to August—I assume there was not just an isolated result; there had been a number of results that had shown elevated levels.

Mr MANN: Yes, that is correct.

The CHAIR: So why was there still a reluctance or why was there a delay in reporting this until August to the task force?

Mr MANN: As I said, we were allowing a reasonable period of time for remedial action—that is, flushing—to have the desired effect, and it was assumed it would work, given experience on other projects, but it did not, so in hindsight could it have been reported earlier? Absolutely, but in the experience of those dealing with it at the time, the full expectation was that the issue would have been resolved pretty quickly, as had happened on other projects. As it transpired, it was not.

The CHAIR: Even though one may think that they are going to be able to correct the problem or rectify the problem, I still do not know why one does not actually report that there is an issue. Lead in water in a hospital system is quite an exceptional, dangerous issue if it continued, and you may have been confident or hoped that it would be rectified, but it still was an issue and I am just wondering why there seemed to be a reluctance to report it.

Mr MANN: For exactly that reason. As I say, in hindsight, we may well have reported it earlier, but at the time it was considered to be a routine issue. It was expected to be addressed reasonably quickly, and it was not. As I say, it was very unusual to encounter heavy metal exceedences; no-one had ever encountered one previously. What had been encountered previously was flushing being required to deal with contamination on construction sites.

Mr S.A. MILLMAN: When you say “we”, is that your personal experience, Mr Mann, or is that the experience of other people with whom you were consulting at the time?

Mr MANN: Both, but in particular, yes, both the contractor and our expert advisers were very strongly of the view that ongoing flushing —

[2.30 pm]

Mr S.A. MILLMAN: And the contractor was John Holland?

Mr MANN: Correct.

Mr S.A. MILLMAN: And your expert advisers were who?

Mr MANN: A range at the time, but our predominant hydraulics expert advisor was Jacobs Australia.

The CHAIR: When was the Under Treasurer first made aware of excessive lead levels in the water supply?

Mr MANN: Precisely when, chair, I would need to check, but I assume probably around about the same time as the task force would have found out. At that point, it had been dealt with effectively as a construction issued by the construction team.

The CHAIR: You may need to take this one on notice also. When was the former Treasurer, Dr Nahan, first made aware of the excessive lead levels?

Mr MANN: I expect it would have been around the same time, so it would have been a natural progression of escalation of the issue through Under Treasurer, the task force and the Treasurer.

The CHAIR: When did you first become aware of the issue of the dead leg on the QEII ring main?

Mr MANN: The dead leg became known, I guess, to us at around about September 2016, so soon after reporting to the task force. The existence of the dead leg was identified at around about that time. The Building Commission, having also been notified of the issue, recommended that the dead leg be removed, and we acted pretty quickly with the support of the North Metropolitan Health Service, so by around about the end of September we had effectively removed the entire dead leg—we cut it off and sealed it.

The CHAIR: How did you become aware of the dead leg issue?

Mr MANN: The Building Commission, working with North Metropolitan Health Service, looking at the overall configuration of the QEII ring main, identified it as a potential risk that should be remediated.

The CHAIR: When were the task force advised of the dead leg issue?

Mr MANN: At the same time. By that time there were very regular and detailed briefings up to the task force on the issue.

The CHAIR: And when was the former Treasurer, Dr Nahan, made aware of the dead leg issue?

Mr MANN: Again, I need to check the briefing notes specifically, but I think soon after that time it was referred to in briefing notes through to the Treasurer.

The CHAIR: So you would be able to take that on notice, and be able to provide us with the briefing notes?

Mr MANN: I will try to find the precise date of those briefing notes, yes.

The CHAIR: And then, can you actually provide the briefing notes to us?

Mr MANN: I understand that I will be able to. I will reserve that, and will need to check the usual protocols, but my understanding is that they should be able to be provided, yes.

Mr B. URBAN: In June 2015, the status report says that Strategic Projects had advised of hidden delays that would potentially push the advised completion date of 31 August 2015 out by a further five months, to January 2016. Can you tell us what those hidden delays were identified as?

Mr MANN: Yes, mechanisms within the program. The construction program for something as complex as Perth Children's Hospital is extremely complex. There are thousands of line items. How those line items are linked—that is, preceding and succeeding events that are all linked in a program—directly drives the completion date, so our technical program advisor's review of that program identified a number of what we believed to be incorrect links, in particular, that were not driving out the date as they should have, so when we talk about hidden delays, it is in the manipulation of the programming logic that impacts the final date.

Mr S.A. MILLMAN: You had access to the construction program from the start?

Mr MANN: Yes, absolutely. There is a very robust process under the contract whereby the contractor is required to regularly update and submit that program for review. That was done, and unsurprisingly in the circumstances, given that there were some differences of view about who was causing what delays, we identified a number of anomalies in that program.

Mr S.A. MILLMAN: Differences of view between who?

Mr MANN: The contractor was of the view that the date for practical completion was being delayed by events caused by the state. The state had the contrary view.

The CHAIR: Can I just go back—sorry—in regards to the task force being made aware of the dead leg issue on the QEII ring main, and they were advised around September, Strategic Projects would have advised them, is that correct?

Mr MANN: Yes.

The CHAIR: And would that have been done at the regular meetings that you had with the task force?

Mr MANN: Yes.

The CHAIR: And in respect of the former Treasurer—you would need to check your briefing notes—but who would have been advising him of this issue?

Mr MANN: Myself.

The CHAIR: So you do recall advising him?

Mr MANN: I regularly briefed the Treasurer, and from later that year in fact regularly briefed both the Treasurer and the Minister for Health.

The CHAIR: You know in the Building Commissioner's report—I think it is the interim report—he mentions four possible sources of the lead contamination. You would have briefed the Treasurer on all of those four sources?

Mr MANN: Yes. The four sources—I think when you drill down there are really three sources—two are linked—but certainly in those three key categories, yes.

The CHAIR: But that included, even though it was later discarded, the dead leg issue.

Mr MANN: As a potential source. The QEII ring main as a background source that was always identified, and we had construction residue and debris within the potable water system within the hospital itself, and then leaching of lead from brass fittings.

Mr B. URBAN: I want to go back to my previous question. You said there was a mechanism delay. Can you elaborate on what mechanism delays or mechanisms in the program—can you elaborate on what a mechanism is?

Mr MANN: If you think about the program as a whole series of tasks with different start dates and finish dates, many of them are linked. Some events cannot start until another one is finished.

Mr S.A. MILLMAN: Critical path.

Mr MANN: Exactly. That then defines what we call the critical path, the critical path being the shortest time frame basically from start to finish, and it represents those series of events or activities that are all linked, whereby any delay to any one of those activities, because there is no what we call "float" and no margin to catch up time in any of those activities, it pushes the whole path out.

Mr S.A. MILLMAN: You cannot build the frame for your house until you have laid the slab.

Mr MANN: Precisely. If the linkages between both activities are not correctly depicted or correctly shown within the program, then there is potential for that critical path to not be accurately shown, which in turn means that the date that is spat out at the end of all that—the completion date—may not be correct, and that was precisely our issue.

Mr S.A. MILLMAN: I have a couple of questions arising from that. The first is: when it was agreed between the parties the practical completion date was going to be 2015, had you had a chance to review the construction program?

Mr MANN: Yes, the bid program was evaluated as part of the tender evaluation process. That was then incorporated into the signed contract, both at stage 1 back in July 2011 and then subsequently stage 2 of the contract. It has been a two-stage managing contractor procurement model, and stage 2 was executed in December 2012.

Mr S.A. MILLMAN: Is the construction program that you are provided with as part of the bid process sufficient for you to determine whether or not the completion date that had been identified by the main contractor was a realistic completion date?

Mr MANN: We would not have agreed to execute the contract on that basis if we did not.

Mr S.A. MILLMAN: I was hoping you would say that. And then, as the project was underway, were you able to relay to the main contractor your concerns about the construction program not being met?

Mr MANN: Repeatedly, from relatively early. It was evident to us relatively early into the key structural works that we were experiencing some delays, and indeed through design development as well.

Mr S.A. MILLMAN: Am I right in addressing the question to you in terms of payments to the main contractor—chair, if this is a question for closed session, please let me know—but are you responsible, or did you have a role to play in terms of payments to the main contractor?

Mr MANN: Myself not directly, but the state representative who reports directly to me —

Mr MILLMAN: John Hamilton?

Mr MANN: Correct; he had that responsibility under the contract.

Mr S.A. MILLMAN: Given the delays that you and I have just discussed, did the state exercise any discretion in terms of payments to the contractor, or were they just routinely paid?

Mr MANN: No, there was a very clear mechanism within the contract, so the payment schedule was linked to clear milestones. If milestones are not achieved, then payment is not made, and there were adjustments because of that reason to a large number of payments, as you would expect, reflecting the delay in the program.

The CHAIR: In regards to having a registry of risk, there were self-referrals by John Holland, but I believe that Strategic Projects also maintained a risk registry. Is that correct?

Mr MANN: Correct.

The CHAIR: How did you go about identifying what was a risk and what was not a risk?

Mr MANN: We would have relevant stakeholders involved in the project, including, typically, on the client side. Often in projects, to the extent that we can, we will involve the contractor as well, but we will workshop identified risk events. We will then consider their likelihood and consequence, identify remediation plans and rate them accordingly, so a typical risk management process in accordance with pretty well established standards, which we do on all of our projects.

The CHAIR: Did Strategic Projects vet the subcontractors of John Holland?

Mr MANN: Yes, absolutely. At various stages during the big phase we were looking at the capability of the subcontract team both on the technical side and the design side, as well as construction, and then, throughout the construction phase in response to specific construction issues in the case of this contract there were a number of financial issues associated with the subcontract management that we put under some scrutiny as well.

Mr S.A. MILLMAN: Did that vetting program generate any documentation?

Mr MANN: Without doubt, yes.

Mr S.A. MILLMAN: Chair, it might be useful to get copies of each of the vetting processes for each of those subcontractors.

Mr MANN: In respect of subcontractor review?

Mr S.A. MILLMAN: Yes, so ABC or XYZ contractors—whichever the subcontractors were.

Mr MANN: The contract requires that all major subcontractors with the subcontract value in excess of \$100 000 actually require state approval.

The CHAIR: You have alluded to this, I think, in regards to the financial capacity of some of the subcontractors, but are you able to disclose here any concerns you had in regard to the experience or capacity of some of the subcontractors that would be employed?

Mr MANN: Look, not particularly. Again, I might need to take that on notice and see if there were any specific issues raised, particularly for major subcontractors, where we were required to give approval. We looked pretty carefully at their capability and the fact that we have approved their engagement shows they were satisfactory, including in respect to financial capability.

Mr S.A. MILLMAN: Who is on the panel that does that assessment?

Mr MANN: It varies. At that level, at project level it is led by the state's representative.

Mr S.A. MILLMAN: Mr Hamilton?

Mr MANN: Yes, and he will refer to relevant technical advisors, depending on the discipline that you are looking at. So, for example, I talked about our hydraulic adviser, Jacobs. With a plumbing subcontractor, you would expect that Jacobs would be involved.

Mr S.A. MILLMAN: We would be able to identify that through the documentation, in any event, I suspect.

Mr MANN: Yes, I expect so.

Mr S.A. MILLMAN: And if we have got any questions about that we might just write to you, if that is all right, chair.

The CHAIR: The CFMEU made a written submission. On page 21 of that submission, they claim that John Holland avoided and interfered with quality assurance systems on the PCH project. Did Strategic Projects observe such behaviour, or receive complaints of that nature?

Mr MANN: We look at quality assurance processes pretty carefully. On the whole, we found that John Holland's quality assurance processes were satisfactory. There may be isolated instances where there are failings, but overall, we found that John Holland, as I would expect from an established tier 1 contractor, their overall processes and management framework is very sound, and generally they stood up well.

The CHAIR: What about the asbestos issue?

Mr MANN: Well, the asbestos issue is a highly irregular case in point, and there is a Building Commission report on it. At the end of the day, it did not find any significant deficiency in John Holland's own processes. That was an issue that went right back down the supply logistics chain to a supplier at the bottom end of that chain, and John Holland's own processes were in place in this particular very unusual circumstance; it did not affect it.

Mr S.A. MILLMAN: The same question in respect of the fire doors?

Mr MANN: And fire doors, at the end of the day, it was a quality assurance process that picked up the error. It should not have happened in the first place, but the quality assurance process worked

at the end of the day and identified the error, and identified the required remedial action, and it was delivered.

Mr S.A. MILLMAN: And the same question in respect of the elbow joints in the TMVs?

[2.45 pm]

Mr MANN: That is one that is live now, but yes. There is another issue which goes three or four tiers down the supply logistics chain. Those TMV assembly boxes were procured by John Holland's subcontractor, Christopher Contracting. They procured them from an organisation in Melbourne as a pre-plumbed assembly. That organisation, in turn, procured the individual components from other suppliers. The required documentation appeared to be all in place, which we have seen as well. The Building Commission was initially satisfied with that documentation. Further detailed investigation has identified a potential issue.

Mr S.A. MILLMAN: Did Strategic Projects look at the actual products or just at the documentation?

Mr MANN: We were provided with a sample box. Bear in mind that it is a pretty standard TMV assembly so we made sure it all fits and looks correct and appears to have the appropriate documentation. So, not necessarily a component that is going to attract a huge amount of scrutiny given that it would have been regarded as a pretty typical plumbing product. But, yes, we were provided with a sample of that TMV assembly.

Mr S.A. MILLMAN: It is unfortunate in the circumstances, given what has transpired.

Mr MANN: Yes.

The CHAIR: The State Solicitor's submission mentions that Strategic Projects basically had responsibility to communicate with John Holland in regards to potential risks that might arise. In respect of trying to manage that, were Strategic Projects or the state adviser present on site on a regular or daily basis?

Mr MANN: Yes; we are located on site and we have a very strong site presence on a daily basis.

Mr S.A. MILLMAN: Is that you?

Mr MANN: Not myself, no.

Mr S.A. MILLMAN: Who is that?

Mr MANN: I am there about, at the moment, eight or 10 times a week.

Mr S.A. MILLMAN: No, sorry, who —

Mr MANN: The project team, led by the state's representative, is located on site.

Mr S.A. MILLMAN: So that is John Hamilton?

Mr MANN: It is John Hamilton and his team.

Mr S.A. MILLMAN: How many other people are in his team?

Mr MANN: Out on site, typically we have had up to about 35 or 40 people. We are down to about half that now.

Mr S.A. MILLMAN: What are their backgrounds and qualifications?

Mr MANN: They are mostly technical, so covering all engineering and architectural disciplines. We also have commercial people working on the payment side and managing the procurement of fittings, fixtures and equipment, but the majority of the team are technically based, including a contingent who have practical construction experience, who are on site and checking compliance of the works and picking up defects.

The CHAIR: In relation to the asbestos, when was Strategic Projects made aware and how was it made aware of it? Also, when you were made aware, what was your response to it?

Mr MANN: I remember it fairly distinctly. It was in about mid-July 2016, and much of the evening after the event occurred we were notified. The response was to refer it to our safety advisers, particularly our primary concern was ensuring appropriate safety measures were put in place immediately to protect the workforce. We ensured that John Holland had notified the appropriate authorities as well. At that point, John Holland's issue to manage, and the regulators were involved from that point. So we did not take a direct intervention role given that the regulators' role, in particular, from very early in that incident. However, we also relied on our safety advisers working with the regulator to ensure that the appropriate measures were in place.

Mr S.A. MILLMAN: Are your safety advisers in that team of 30 to 35 people?

Mr MANN: Correct; yes.

The CHAIR: On page 9 of the CFMEU's submission they claim that they attempted to relay information regarding the safe disposal of asbestos and potential harm to workers on the PCH project, but were dismissed. Was anyone within Strategic Projects approached by the union about the issue?

Mr MANN: We certainly had some discussion with the CFMEU. In fact, at the back end of the incident, we actually facilitated the CFMEU coming on to the site to talk to key stakeholders. As far as John Holland's communication and site management was concerned, again, we were overall relying on the advice provided by advisers and regulators, and ultimately the Building Commission in its report was satisfied that the incident—I am not talking about the supply of the product in the first place, but once it was detected—the management measures undertaken on site overall were deemed to be satisfactory.

Mr S.A. MILLMAN: When you say at the back end, the evidence we have had before the inquiry was that was one week after the asbestos discovered. Would you disagree with that or is it about your recollection?

Mr MANN: I think that sounds consistent, yes.

Mr S.A. MILLMAN: Did you facilitate that access to site by the union?

Mr MANN: Yes.

Mr S.A. MILLMAN: Right. Thanks very much.

The CHAIR: We do have a number of questions that we would like to consider in closed session but before I do that, just for the public record, in regards to the submission that the Department of Finance has provided, we do intend to post that online for public disclosure. Do you have any concerns about that?

Mr MANN: No, not at all.

The CHAIR: Thank you very much. I think that the crew at the back understand what is happening now about the closed session, so I do not need to read it all out and they do not need to return. Have a nice day and we might see you on Friday!

[The committee took evidence in closed session]

[3.08 pm]

Mr B. URBAN: With respect to the problems with the asbestos in the roof, the fire doors, the fire walls, the TMVs or the brass fittings, and the water and everything else: how on earth did we get to

the point where we are? Because as a government, and we have government agencies to monitor our bills, we are still having these problems. How did we get to where we are?

Mr MANN: I think one of the reasons is because the project has been subject to an extraordinary level of surveillance; it has actually uncovered them, in many respects. But if you look at them individually, start with the asbestos panel. It is a sealed unitised panel that is imported from overseas. The sample that was provided was compliant. The documentation that was provided as evidence as to the compliance of all the materials in question was all legitimate and all of that has been demonstrated. We would never have known had we not cut into that panel for another reason, to deal with a requirement to provide some additional fan capacity for exhaust of the hospital atrium; otherwise, we would be none the wiser. I have never seen anything like that on any other project previously. It is very much a once in a generational incident, that one.

Fire doors, I absolutely agree; that was a clear failing initially in the quality chain. A design that was compliant in one jurisdiction but was not over here was not followed through. That said, the quality assurance trail picked it up ultimately and it was rectified, but difficult not to reconcile from the fact that that was a failing.

Water is extraordinary. We are breaking new ground, potentially. It may well lead to a change in the standard, the allowable lead content in brass fittings in Australia, as similar issues have done in other parts of the world. But at the end of the day, we have potentially got three small components in an assembly that again was put together three times down the supply chain and had it not been for the intensive investigation around it, we would never have identified that issue either.

Mr B. URBAN: Government agencies found these things, and the CFMEU members found the asbestos. If they were not found, hypothetically, we would have been further down the track and nothing would have happened. I go back to the same question: how on earth did we get to where we are at the moment?

Mr MANN: I do not know. The reality is, had they not been found, they would be installed.

The CHAIR: That is right.

Mr MANN: The greater issue is a question of how effective are our regulation, inspection and surveillance techniques full stop. There are pointers from these projects as to some failings in the supply chain overall that I think have already increased vigilance in a number of areas. I can point to things such as asbestos-containing materials. It led to a nationwide audit of all products supplied by the supplier in question, Yuanda Australia.

Mr S.A. MILLMAN: Can I ask a question on that? The other example, which is one that you alluded to earlier which I think is apposite, is that when testing for the water in May 2016—this is why I asked you questions about it—we do not ordinarily test for heavy metals; we test for bacteria. Thank goodness we tested for heavy metals in May 2016. Thank goodness we had to cut the asbestos unitised roof panels for the ventilation. Thank goodness we had to look at the fire doors. This leads me to my question, which you have invited I think in your most recent comment. This committee is committed to advising the government on what steps can be taken to put in place a regulatory framework, be that through greater worker participation in feeding back information to management or greater regulatory oversight or whatever the situation might be. What are some of the short fallings in regulations that you would direct our attention to that we might recommend to government to remediate?

Mr MANN: I think that it goes beyond even the state government level. Much regulatory responsibility goes to the national level. Certainly, state governments nationally can raise these issues and put pressure on the federal counterparts to ensure that regulation around imported

products in particular is as tight as it needs to be. I think there certainly has already been some improvement in respect of potential asbestos-containing products in that area. More locally though, it definitely points to having very strong contract management processes and resources on—you cannot take for granted that issues like this are not going to arise on these complex projects. It means that in order to manage that risk, you need to have the resource capability on site to do it. The same applies to the Building Commission which has a very important role in a similar area.

[3.15 pm]

Mr S.A. MILLMAN: Is it merely resource capability or is it drafting the contracts in a way that gives more power to the state in order to have a look at what the principal contractor was doing?

Mr MANN: That obviously goes hand in hand. We would argue that this particular managing contractor model for Perth Children's Hospital provides the state with very significant powers to be able to do that which, as we discussed today, we have exercised.

The CHAIR: Do you think the powers of the Building Commission need to be strengthened?

Mr MANN: I do not think they necessarily need to be strengthened but the Building Commission needs to be strong, it needs to be well resourced and it needs to be capable. It has played an unusual and much more intensive role than it used to on this hospital but I suspect that it will not be the last time that it is going to be called in to perform this sort of strong audit role, if you like, for government.

Mr S.A. MILLMAN: Should it remain a reactive organisation or should it adopt a proactive role? My understanding from the evidence that the Building Commissioner gave us was that he only responds when issues or concerns are notified to him. At the end of the day, what the government of Western Australia wants, I suspect, is to make sure that its laws are being complied with and its buildings are being built with compliant materials. Should the office of the Building Commission, if properly resourced, have the ability to proactively investigate big projects like this?

Mr MANN: Ideally, absolutely. Taking that a step further as well, which I think they will be doing in this case, to look at the need for changing standards even in response to these sorts of issues. I talked about brass earlier.

Mr S.A. MILLMAN: Reducing the lead component perhaps in a brass fitting.

Mr MANN: On the basis of their experience, they will be taking that forward to a national forum and exploring the need.

The CHAIR: We will let you go. You have been very kind to us. You mentioned before that you regularly were advising or in communication with the Treasurer. You also mentioned that after practical completion, you and the task force also advised the Minister for Health.

Mr MANN: Yes, at some points, regular weekly briefings jointly by myself and the chair of the task force, the director general of Health and the Treasurer and the Minister for Health.

The CHAIR: Will you be able to provide us with any briefing notes or any diary entries with regard to what you advised about the lead in the water?

Mr B. URBAN: And the dates of those briefings.

Mr MANN: I am not sure if the detail is provided in the Health submission but certainly we reference those meetings.

The CHAIR: Anything that you have that provides further information. We will write to you anyway. Thank you for your evidence before the committee. A transcript of this hearing will be forwarded to you for correction of minor errors. Please make these corrections and return the transcript within

10 working days of receipt. If the transcript is not returned within this period, it will be deemed to be correct. New material cannot be introduced via these corrections and the sense of your evidence cannot be altered. Should you wish to provide additional information or elaborate on particular points, please include a supplementary submission for the committee's consideration when you return your corrected transcript of evidence. Thank you again.

Hearing concluded at 3.18 pm
