

# **PUBLIC ACCOUNTS COMMITTEE**

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



**TRANSCRIPT OF EVIDENCE  
TAKEN AT PERTH  
MONDAY, 9 OCTOBER 2017**

**SESSION THREE**

### **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 2.34 pm**

**Mr DAVID ROSS MURDOCH SMITH**

**Director General, Department of Mines, Industry Regulation and Safety, 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 the member for Armadale. To my left is Dean Nalder, the committee's deputy chair and member for Bateman. To my right is Simon Millman, the member for Mount Lawley; and to his right is Barry Urban, the member for Darling Range. There is one other member, Mr Vince Catania, member for North West Central, who is not with us today. 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.

Would you please introduce yourself for the record.

**Mr SMITH:** Thank you, Mr Chairman. My name is David Smith and I am the director general of the Department of Mines, Industry Regulation and Safety.

**The CHAIR:** Do you have any questions about your attendance here today?

**Mr SMITH:** No.

**The CHAIR:** Before we ask some questions, do you want to make an opening statement?

**Mr SMITH:** No, I am happy to proceed.

**The CHAIR:** Can you confirm when you assumed the role of assistant director general of the department?

**Mr D.C. NALDER:** Is it "acting" or "assistant"?

**The CHAIR:** "Acting", is it?

**Mr SMITH:** It depends on the question, you know!

**The CHAIR:** When did you assume the role of acting director general of the Department of the Premier and Cabinet?

**Mr SMITH:** I do not have the precise dates in front of me, but I assumed most recently the role of acting director general of the Department of the Premier and Cabinet in about August 2016—I cannot remember the precise date—when the previous director general retired, and I was in that role until I left the department around about 3 May 2017.

**The CHAIR:** In that role you attended meetings of the task force for the Perth Children's Hospital project?

**Mr SMITH:** Yes, but only in the latter part of that role when the previous director general left, who had attended those meetings. That function was conducted by the executive directors in the then Department of the Premier and Cabinet.

**The CHAIR:** Did you have an ex officio status on the task force?

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**Mr SMITH:** I think the position was for the director general of the Department of the Premier and Cabinet, and it was delegated to another officer for the majority of that time. I attended, I think, two meetings.

**The CHAIR:** Can you remember the dates of those meetings?

**Mr SMITH:** I am sorry; I cannot, Chair. I am sorry I did not check with the Department of Health, but I assume they have a record of dates.

**The CHAIR:** Can you explain your role during those meetings?

**Mr SMITH:** I guess, as with those who have held the role before, the Department of the Premier and Cabinet was on the task force in the sense that should any issue arise that required coordination across government, across the agencies, then the department was represented to help deal with those issues, and also, I guess, to provide an update if it was required for matters that might need to come to cabinet. I had a role in managing—assisting the Premier as the chair of cabinet to manage cabinet business.

**The CHAIR:** You mentioned cabinet, so following the meeting with the task force that you attended, who did you report to within cabinet?

**Mr SMITH:** I did not have any direct reports to anyone. It was as issues arose, and I do not think in those two meetings there were issues that required a DPC input.

**Mr B. URBAN:** What issues were current at that time?

**Mr SMITH:** It is a little bit of a memory test for me, but I think lead in water and practical completion would be two.

**The CHAIR:** Around 3 May 2016, which was two weeks before the lead issue emerged and two months before the discovery of asbestos-contaminated roof panels, the project was at least eight months behind the revised practical completion date at that time. Was the task force having difficulty obtaining accurate program forecasts in regard to when the project was going to be completed, back then?

**Mr SMITH:** I am afraid I was not involved with the task force at that point, so I cannot answer that question.

**The CHAIR:** From your time in the position and the meetings you attended, can you tell us what you actually came away with? When you came away from those meetings, what was your general view on the project and how it was going?

[2.40 pm]

**Mr SMITH:** I have to confess that I am not sure I had a general view, but there obviously were a number of issues that were being progressed. As I said, at the two meetings I attended there were a number of investigations that were still on foot at that stage and which had not come to any conclusion, which was the cause of delay for the program, I believe.

**The CHAIR:** Can you just once again confirm: you do not recall exactly the dates of the meetings that you attended?

**Mr SMITH:** No, but as I said, I think it would be in the period between 17 March and 3 May, and I attended two meetings, from memory.

**Mr B. URBAN:** Of this year?

**Mr SMITH:** Of this year, yes.

**Mr S.A. MILLMAN:** There was one on 11 April—task force meeting agenda—and that is it.

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**The CHAIR:** So, you cannot recall exactly whether you were at that meeting?

**Mr SMITH:** I have memory of attending two meetings.

**The CHAIR:** During your brief involvement, did you have any concerns about any aspect of the management of the project?

**Mr SMITH:** I guess I was not involved for an extended period to have views about the management of the program. There were obviously difficult issues that were being dealt with by the task force and the project.

**The CHAIR:** Do you think they were being dealt with appropriately?

**Mr SMITH:** Again, for the period that I was there that appeared to be the case, but they were unresolved and continue to be unresolved.

**Mr D.C. NALDER:** As far as governance and process are concerned, I know you were only there for a short period of time, but to the best of your knowledge, were there appropriate processes in governance or with the benefit of hindsight could you see where things could have been improved?

**Mr SMITH:** Obviously, it is a project that has had difficulties over a long time. I was not close enough to the project to be able to make a comment about that. I guess the obvious question with hindsight is that we could have and should have done better.

**Mr D.C. NALDER:** But you cannot think of necessarily any specific process?

**Mr SMITH:** No, because I was not involved in any specifics of that, I am sorry.

**The CHAIR:** You can only tell us what you can tell us.

I know it was a very short hearing, but we really appreciate your time. I have a closing statement to read.

Thank you for your evidence before the committee today. 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. Once again, thank you.

**Hearing concluded at 2.43 pm**

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