

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 THREE

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 11.40 am

Mr MALCOLM GERARD BRADSHAW

Acting Deputy Director General, Department of the Premier and Cabinet, 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. To my left is Hon Dean Nalder, the committee's deputy chair and member for Bateman; and to his left is committee member Vince Catania, member for North West Central. To my right is Mr Simon Millman, member for Mount Lawley; and to his right, Mr Barry Urban, 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. Do you have any questions about your attendance here today?

Mr BRADSHAW: No, Mr Chairman.

The CHAIR: Before I invite you to make a brief opening statement if you wish, the submission that was provided by Darren Foster, the director general, was quite brief. Do you have authority to consent to this being put up online as a public document?

Mr BRADSHAW: I do have that authority and I do consent.

The CHAIR: Thank you very much. Do you have a brief opening statement you would like to make?

Mr BRADSHAW: Mr Chairman, as you will note from our submission, there have been five members of the Perth Children's Hospital commissioning task force from the Department of the Premier and Cabinet since its inception. My membership lasted from 23 May 2017 to 8 August 2017, so I am in a position to answer questions in relation to the deliberations of that group over that period. There may be questions you may wish to ask of the department for deliberations prior to that date, and I am certainly happy to take those questions on notice.

The CHAIR: Thank you very much. As you say, your role has been quite limited in duration. Can you explain to the committee what that role actually meant, particularly with regard to the meetings you attended?

Mr BRADSHAW: In relation to my role—again, I cannot speak for previous members—it was principally to ensure that the Premier was informed of any important developments on that committee, and also to coordinate any cross-agency action which needed to happen, be that in relation to liaison between ministers and members of the committee or providing advice to the Premier. So, essentially, that was the role; it was very much a watching brief just to act when cross-agency interaction was required.

The CHAIR: During your tenure, did you attend all the meetings of the task force in that period?

Mr BRADSHAW: No, I did not. I think there was one meeting on 18 July where a staff member, Rebecca Hamilton, attended on my behalf.

The CHAIR: When you said that your responsibility was to keep the Premier up to date with what was happening, did you also report to cabinet or just to the Premier?

Mr BRADSHAW: No—just to the Premier and the Premier's office.

The CHAIR: How was that done—by verbal or in writing?

Mr BRADSHAW: Generally by verbal updates. There were occasions when I considered that matters were of sufficient seriousness to speak with the Premier's staff and make an appointment to see them or a time to see them. Alternatively, during the regular update that the director general and I had with the Premier, generally on a weekly basis, if a matter was considered to be of sufficient seriousness in terms of the deliberation of the committee, we would raise that matter as part of that discussion.

The CHAIR: Even if you provided a verbal communication, did you keep a diary or a briefing note with regard to the contents of the briefing with the Premier?

Mr BRADSHAW: No, I did not. The director general may have kept a list of the matters that we briefed the Premier on.

The CHAIR: Can you elaborate on some of the matters you reported to the Premier about?

Mr BRADSHAW: Yes, I can. In relation to a discussion I held with the Premier's staff, this was I think during the period when the Premier was absent on leave overseas. I raised a concern about the discussion that was happening at task force in relation to differences of opinion on testing methodology. There was some opinion that the testing methodology which had been undertaken by Strategic Projects was sufficiently robust because it, based on their opinion, complied with the Australian drinking water guidelines. Alternatively, the testing methodology being suggested by the Chief Health Officer on its face appeared to be a much higher standard, so there was some difference of opinion in relation to that. Some of the opinion being proffered in the committee was such that if the Chief Health Officer's methodology was adopted, it may be that it was going to be a much more difficult task to reach an acceptable drinking level when, in fact, an acceptable drinking level was already close to being achieved under the Australian drinking water guidelines. It was in the context that that discussion, which was quite a robust discussion at task force, that I provided that advice to the Premier's staff.

Mr V.A. CATANIA: What was the result of that robust discussion? Who won the discussion?

Mr BRADSHAW: Well, can I just say, I thought the robust discussion was appropriate. It is a very, very serious issue. The people engaging in that discussion were qualified to engage in that discussion. I am not a scientist; I am not an engineer; I am not a toxicologist.

Mr V.A. CATANIA: So what was the result of that?

Mr BRADSHAW: The result of the discussion was ultimately the outcome that we have seen publicly—that the Chief Health Officer undertakes the testing. A comment which sticks in my mind is a comment made by the director general of Health. He expressed a concern that he did not want this hospital to open and then be faced, a number of months into its life, where the lead levels were raised again. So he was comforted by the fact that the Chief Health Officer was adopting a very, very rigid standard and that was appropriate for a facility of this nature and of this importance.

Mr D.C. NALDER: Can I just come back onto something you said a bit earlier about water meeting the standards. What dates were they?

Mr BRADSHAW: I would have to go back and look at the minutes.

Mr D.C. NALDER: Roughly?

Mr BRADSHAW: Prior to the Minister for Health announcing that the Chief Health Officer would conduct the review, so it would have been around about that time.

Mr D.C. NALDER: Okay, but since then — can you give me a rough time; what month that was, roughly? I am getting confused on time lines here as to when —

Mr BRADSHAW: It would have been June or July. That is the best I can recall

Mr D.C. NALDER: So you are saying that in June and July the water as starting to look like it was okay?

Mr BRADSHAW: The advice the committee was receiving in June and July had a trajectory of lead levels declining over that period.

Mr D.C. NALDER: Okay, therefore you could put a time line on when you would think it was going to be clear—is that right?

Mr BRADSHAW: Not necessarily. My recollection is that a certain percentage of positive tests—by “positive”, I mean positive outcomes—had to be achieved, and —

Mr D.C. NALDER: Ninety per cent or 95 per cent?

Mr BRADSHAW: It was something like that. The trajectory, as I recall, was dropping, but the rate of drop was declining towards the end of that. I cannot recall whether or not that was going to get us close to a point where, according to the testing being undertaken by Strategic Projects was going to get the hospital to a point where it could be opened.

[11.50 am]

Mr D.C. NALDER: My understanding is that we are now in September and we still do not have any sight of a time line of when it is going to be clear. It is still not clear at this point in time. So it did fade out, and it did come up again. Is that what happened?

Mr BRADSHAW: It did not come back up, but I have had no access to any further testing results undertaken by Strategic Projects if, in fact, that testing has continued since the Chief Health Officer has become involved in the process.

Mr D.C. NALDER: My Understanding from the health department report was that, once it is clear, it is 12 to 14 weeks and they can have the hospital open.

Mr BRADSHAW: Mr Nalder, it is the definition of “clear” that I think was the issue. It was not clear at that point; even though the trajectory, according to the testing being undertaken by Strategic Projects was a good trajectory, the water still was not clear at that point.

Mr D.C. NALDER: Can I just understand? What was the robust discussion about, if it was not clear at that point?

Mr BRADSHAW: The robust discussion was whether or not the testing regime that would be imposed by the Chief Health Officer would unnecessarily delay the opening of the hospital. That, in a nutshell, is the essence of the discussion.

Mr D.C. NALDER: Putting too high a standard on it?

Mr BRADSHAW: Exactly, yes.

Mr B. URBAN: What was the date of this robust discussion? What meeting was it?

Mr BRADSHAW: As I said to Mr Nalder, probably June or July. I suppose, for a reference point, it occurred at the time when the Premier was overseas on leave.

The CHAIR: You might be able to follow up and clarify this.

Mr BRADSHAW: It would be in the minutes, and if it is not in the minutes, that is certainly my very clear recollection of the discussion.

The CHAIR: In regard to your various communications with the Premier—as you say, they were mainly verbal—are you able to provide us with any correspondence or any briefing notes et cetera that you have made, or have been involved with in respect of briefing the Premier?

Mr BRADSHAW: I will review all the communications which I have prepared to see whether they actually exist. The nature of our briefings with the Premier on a regular basis, we had a list of current major issues and we would just go through those in a half-hour meeting. The principal source of advice to the Premier on matters related to the hospital has always been the Minister for Health, who receives his detailed briefings from the director general of health.

The CHAIR: You may not be able to answer this question, but the way you have approached the role, do you notice that it has been different from your predecessors?

Mr BRADSHAW: I am sorry, Mr Chairman, I cannot answer that question.

The CHAIR: Do you have any role to play in the post-practical completion governing structure?

Mr BRADSHAW: Yes, there is a group consisting of myself, the director general of finance, the State Solicitor and the director general of health. Just a group of the four of us, we meet every Wednesday morning at 8.30 to go over progress with the project and to just get a general update. It is only a very brief catch up, but it is there just to maintain that continuity of information and advice.

The CHAIR: Is that with notes, or is it just a verbal meeting?

Mr BRADSHAW: No. Again, that is an informal meeting. It is not a task force and it is not a project control group; it is just so that we are all across what is going on.

Mr V.A. CATANIA: With your meetings with the Premier, is it the Premier's request, given the limited time you have got, not to have any briefing notes, and for it to be verbal?

Mr BRADSHAW: No, that is not the Premier's request; that is just the way that we run it. It maintains flexibility as well. From time to time there are contentious issues which require matters to go on the record, and certainly the Premier at that point will receive a briefing note from DPC. Remember that DPC's involvement on this committee is largely a watching brief and so the nature of the advice to the Premier that we have provided in a verbal sense has been the follow-up in terms of implementation of the Chief Health Officer's course of action, any advice on opening dates and how they may be impacted by the remediation process. That is the sort of advice. Remember, this advice is given along with advice on a range of many other issues that the portfolio handles.

The CHAIR: Previously I asked you whether you would be able to provide us with any briefing notes or diary entries that you have made. Can you also seek—if you have authority and can tell us now, that is great—any briefing notes or correspondence that DPC has actually given the Premier?

Mr BRADSHAW: Yes, I will, Mr Chairman.

[The committee took evidence in closed session]