

Your ref: A617758  
Our ref:

Dr A.D. Buti, MLA  
Chair, Public Accounts Committee  
Inquiry into the Management and Oversight of the Perth Children's Hospital Project  
Parliament House  
PERTH WA 6000

Dear Dr Buti

Minister

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

ChemCentre is a Western Australian (WA) Government Statutory Authority, reporting to the Minister for Science, the Hon Dave Kelly MLA. We provide expert analytical services and scientific advice to government and industry. We were established in 1895, became a Statutory Authority in 2007 and moved to our current premises in Bentley in 2009. We are recognised leaders in analytical chemistry and forensic science services. We have had continuous NATA (National Association of Testing Authorities) accreditation since the 1950's, longer than any other organisation.

Our current areas of operation include the provision of chemistry related forensic science to the Police and Department of Public Prosecutions, integrity testing for the racing industry in Western Australia, Emergency Response services in collaboration with the Department of Fire and Emergency Services and environmental, occupational health, agricultural and food testing for government and industry, both in WA and beyond. We also collaborate in several research and development areas, to ensure that the WA industry remains competitive and the population of WA maintains an optimum standard of living. To facilitate this, we participate in several National Cooperative Research Centers (CRCs) including CRC CARE and CRC for Honey Bee Products and other research organisation including NIFS (National Institute of Forensic Science), MRIWA (Minerals Research Institute of WA), WAMSI (WA Marine Science Institution) and several recognised bodies.

ChemCentre has supported the Perth Children's Hospital (PCH) project by providing analytical, chemical testing and advice. ChemCentre's involvement in this project commenced in early September 2016, initially with Cade Dawkins of Turner and Townsend and then primarily with John Hamilton (Project Director, Perth Children's Hospital Project, Department of Treasury, Strategic Projects & Asset Sales). More recently our primary contact has been John Dransfield (Project Director, Perth Children's Hospital Project, Department of Treasury, Strategic Projects & Asset Sales). ChemCentre's relationship with the Project has largely been as a commercial contractor/advisor. In this regard, all of the more routine work has been carried out along standard commercial lines as ChemCentre is required to do. Some of the more complex advisory services have been carried out by drawing on ChemCentre's Community Service Obligation Account. As such, a portion of the advisory work has been funded by government through ChemCentre budgetary allocation. No additional funds have been requested from government to facilitate this.

In response to the questions specifically asked in the Inquiry document:

- 1. *Has the dual governance role structure in place for the PCH project operate effectively in identifying and managing risks as they have emerged?***

ChemCentre does not have any comment on this issue.

- 2. *Have these risks been consistently conveyed through appropriate lines of reporting up to and including the Executive branch of government?***

ChemCentre does not have any comment on this issue.

- 3. *Has the governance structure facilitated clear and informed decision-making by appropriate entities or individuals?***

ChemCentre has not had issue with the rationale of the decision made by the Taskforce. All communications with Taskforce have been clear, concise, and appropriately documented.

- 4. *To what extent did the Taskforce interact with the Managing Contractor, and what input did Taskforce have in decisions associated with construction issues?***

ChemCentre is not able to comment on this issue.

- 5. *Have clear lines of accountability existed within the governance structure?***

All ChemCentre reports and invoices (until very recently) have been directed through TaskForce utilising the Project's Aconex system for internal records keeping and correspondence. The unit costs associated with accounts have been in accordance with previously agreed quotations and issued purchase orders.

- 6. *Was there any departure from the governance structure that was used to deliver the Fiona Stanley Hospital and the Midland Hospital?***

- a. *If so, what was the rationale for this departure?***
- b. *If not, what factors have contributed to the significant issues in construction at PCH?***

ChemCentre has not been directly involved with this type of work at Fiona Stanley or Midland Hospitals and is therefore unable to comment.

- 7. *How have key decision-makers obtained assurance that the material and practices used on the project meet required standards?***

It is ChemCentre's understanding that all materials utilised in the potable water delivery system have been supplied in accordance with the relevant Australian Standards for potable water. When the issue associated with levels of lead (Pb) in the potable water exceeding the Australian Drinking Water Guideline (ADWG) at the hospital

***Comments related to the decision to grant practical completion on 20 April 2017 with the water contamination issue unresolved.***

ChemCentre was not directly involved in the decision to grant practical completion however it acknowledges that the potential pathways to resolving the lead (Pb) contamination issue were likely to have been more protracted had the Taskforce not been permitted to gain access to and measure and/or modify the existing potable water systems.

ChemCentre remains committed to assisting the State with the resolution of the lead (Pb) contamination issue at Perth Children's Hospital and will make the necessary staff available to answer any additional questions should the Committee require it.

Yours sincerely



Peter McCafferty  
Chief Executive Officer  
CHEMCENTRE  
24 July 2017