EDUCATION AND HEALTH STANDING COMMITTEE

ONGOING HEARINGS: DEPARTMENT OF HEALTH

TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
WEDNESDAY, 18 SEPTEMBER 2013

Members

Dr G.G. Jacobs (Chair)
Ms R. Saffioti (Deputy Chair)
Mr R.F. Johnson
Mr N.W. Morton
Ms J.M. Freeman

Hearing commence at 10.40 am

STOKES, PROFESSOR BRYANT
Acting Director General, WA Department of Health, examined:

RUSSELL-WEISZ, DR DAVID
Chief Executive, Fiona Stanley Hospital Commissioning, Department of Health, examined:

SEBBES, MR BRADLEY
Executive Director, Fiona Stanley Hospital, examined:

SALVAGE, MR ROBERT WAYNE
Executive Director, Resources Strategy, Department of Health, examined:

SMITH, MR IAN
Chief Executive, South Metropolitan Health Service, Department of Health, examined:

BLACK, MS STEPHANIE
Executive Director, Fiona Stanley Hospital Information and Communications Technology Commissioning, Department of Health, examined:

The CHAIR: Thanks, ladies and gentlemen. Just for your information, there will be some TV footage, but after my introductory remarks, we will go into the session.

I am sorry that you have heard this all before, but I have to make introductions. On behalf of the Education and Health Committee, I would like to thank you for your appearance before us today. The purpose of the hearing is to discuss matters arising from the delayed opening of the Fiona Stanley Hospital. At this stage I would like to introduce myself, Graham Jacobs. On my left is Rob Johnson, on his left Rita Saffioti, on her left Janine Freeman and on my right Nathan Morton, the executive staff Mat Bates and Alice Jones, and Hansard, Michelle McMerrin.

The new Education and Health Committee is a committee of the Legislative Assembly of the Parliament of Western Australia. This hearing is a formal procedure of the Parliament and therefore commands the same respect given to the proceedings of the house. Even though the committee is not asking witnesses to provide evidence on oath or affirmation, it is important that you understand that any deliberate misleading the committee may be regarded as a contempt of the Parliament. This is a public hearing and Hansard will be making a transcript of proceedings for the public record. If you refer to any document or documents during your evidence, it would assist Hansard if you could provide the full title for the record. Before we proceed to the questions we have for you today, I need to ask you a series of questions. Have you completed the "Details of Witness" forms?

The Witnesses: Yes.

The CHAIR: Do you understand the notes at the bottom of form about giving evidence?

The Witnesses: Yes.

The CHAIR: Did you receive and read the information for witnesses sheet provided?

The Witnesses: Yes.

The CHAIR: Do you have any questions in relation to being a witness?

The Witnesses: No.

The CHAIR: I will start. If you like, perhaps, you could refer to that when you answer the questions. Firstly, thank you for providing the information that the committee has requested, and particularly for providing the information on Monday night. I refer to the "Procurement Time line and Process" for the closed-loop medication management system. There is a table provided for the committee, and it was attachment 4. It talks about the stages down the left-hand side and then the end dates are on the right-hand side. I wondered if you could tell us when this document was created. There is no date on the document itself. I was really interested in what the date of this document is.

Prof. Stokes: I will ask David Russell-Weisz.

Dr Russell-Weisz: Dr Jacobs, I cannot give you the exact date of the document but this was put together to show the actual different stages of the documentation of the procurement process. I can get back to you with an exact date of when it was created. It is obviously not part of the procurement plan for CLMMS but it is our dates that we would adhere to for the rollout of CLMMS.

The CHAIR: For Hansard, if you could provide that date for us as to when that document was created. And to follow that, and through you, Professor, if I could ask David, when did you have access to this particular piece of the document that you tabled? When did you first have access to this and when did you first see it?

Dr Russell-Weisz: I cannot give you the exact date again, but over the last couple of weeks. I will check again.

The CHAIR: You were not aware of this particular document—

Dr Russell-Weisz: Not maybe this document but we were certainly aware of the dates. We have just put it in for the committee in an order that shows the whole process that we followed with what is a quite complex procurement process. It is not the only procurement process; this procurement process would be followed for other procurements that we are doing through the facility manager.

The CHAIR: Okay. So the information on this table has been available to you for some time?

Dr Russell-Weisz: Yes.

The CHAIR: It starts with the initiation of November 2012 and works its way down through a time line.

Dr Russell-Weisz: Yes, it does.

The CHAIR: So you are aware of that?

Dr Russell-Weisz: Yes.

The CHAIR: Through you again, Professor Russ, if you actually then look at the end date and go right to the bottom right-hand corner and look at the implementation of this program, the implementation period says "ROS – Implementation period". The end date for that is somewhere around 16 August 2014 to 23 September 2014. I put it to you that there is evidence that that forecast is well beyond April 2014 and I would perhaps allege that there is evidence there that you were going to go over the well-publicised opening time of Fiona Stanley of April 2014. It obviously would not be ready.

Dr Russell-Weisz: No. This was one program. With the closed-loop medication management there was a business case, which was produced in October 2012 and finalised in 2012 by the South Metropolitan Health Service. When I started in the position in November 2012, this was an issue and a matter sitting on the table to have a decision on. You can run a hospital without closed-loop medication management. We run other hospitals at the moment. We run Royal Perth and we run Sir Charles Gardiner Hospital without closed-loop medication management. But it was felt critical to

provide this into Fiona Stanley. This is one of the 48 core projects and core applications. I am only surmising from what you say, Dr Jacobs, that this was a cause of the delay to Fiona Stanley commissioning, and certainly there were other ICT issues that affected the 48—not all the 48—but that was the prime reason for the delay for Fiona Stanley Hospital, not closed-loop medication management on its own, because you could have started the hospital without, say, the intensive care unit clinical information system, which was package six out of this closed-loop medication management. It would have been hard to open it but not impossible without the first four packages, which were the pharmacy robot and the automated medicine units, but you could have opened the new hospital without the whole suite of closed-loop medication management. I know there has been quite a bit of focus on this, and I am happy to answer any questions, but this is one element, and it is a new, expensive element; it is an innovative system that is currently used in Calvary Hospital and also in other hospitals in Queensland to provide better medication safety and better patient outcomes, but not necessarily essential for the safe operating of the hospital.

[10.50 am]

The CHAIR: In follow-up of the closed-loop medication management system—and thank you again for providing us with information of 16 September around pharmacy ICT systems procurement—you have indicated that in fact the closed-loop medication system included some packages but not others.

Dr Russell-Weisz: Yes.

The CHAIR: So the packages essentially in that list are one, two, three, four and six, which include the pharmacy robot; the automated medicines unit, drug storage; automated medical unit, controlled drugs for pharmacy; automated medical unit, anaesthesia; and ICU, clinical information system.

Dr Russell-Weisz: Yes.

The CHAIR: What was not included—smart cards are out. Oncology do not get their clinical information system. E-prescribing, no. And so the five, seven, eight and nine are out.

Dr Russell-Weisz: Yes.

The CHAIR: And there was a comment that you made in this letter that you provided kindly to the committee saying that not all packages were acquitted at this time due to a range of reasons—non-compliant bids submitted, the capacity and capability to procure and install the systems in accordance with the Fiona Stanley commissioning program. Correct me if I am wrong, but to me that indicates that you could not do all the packages because you had this time line of April, so you dropped those other packages, and, of course, now the opening has been delayed six months in any case. I ask you, were those packages dropped because of, as you said, the commissioning program—that you are not going to come in on time? Of course, the second bit of that question is, if you dropped those packages now you have extended your time six months to October, could we in fact put those packages in now?

Dr Russell-Weisz: I can answer that. It was not in relation to primarily the time line; some were non-compliant. So without going into the details of the procurement and which companies tendered, there were a couple there that were clearly non-compliant and you would not have taken it forward. Furthermore, the oncology clinical information system is a system where we are trying to get consistency across the three major cancer centres, which are Sir Charles Gardiner Hospital, Fiona Stanley Hospital and Princess Margaret hospital. There is a different procurement package that will be initiated, hopefully, within the next year or so, which will look at a system that will go across all three. There were issues with the other ones, not only on time lines, but we felt there were other issues that we could not go forward with. Furthermore, there was a package of systems where we always knew we might not take the whole suite of packages. That is why we broke down the procurement process. Why we landed on the one to four and the six was the criticality to the hospital and because obviously the pharmacy robot within pharmacy, the automated medicine units

and the clinical information system met the requirements for ICU and had been tested in other environments in other hospitals in Australia. So it was not because of time lines but, if you can bear with me, I can probably get more details of exactly why the oncology one was non-compliant, so you would not have gone with that and you would not have expended money where you did not get a compliant system.

The CHAIR: I will just finish with this and pass it on to other members. Through you again, Professor Russ, you were saying that the closed-loop medication system was not one of the reasons why you had the delay of the opening of the hospital because it was not critical for the operation of the hospital. Is that what you are saying?

Dr Russell-Weisz: I am saying there was a suite of ICT systems and that ICT would not have been ready in a suite of those systems for the opening of April 2014. It is not just to procure the ICT systems. I do not want to give you the impression that you just get ICT systems, as you would know—and the commissioning and procuring of them and then imagine that they just work automatically. We have got 3 500 of our health staff and 1 000 of Serco staff coming into Fiona Stanley Hospital, into what is a new infrastructure environment. It is critical that there is absolutely adequate testing of the systems in that environment, and training. So it was not the systems. We are aiming so that all our systems are upgraded and procured and in place by the end of July and August 2014. That allows, and especially for the new systems—and this one is nearly up to September—but you have got closed-loop medication management, but even in the other systems where it is in a totally different environment, we need time to train and test staff. The hospital was built very differently to include a lot of the upgraded systems. Some of them are what we use now but in an upgraded environment. I think you have got the details of the 48. So to answer your question, it was because of all the other systems as well that were not also going to be ready for April, not just this one, and actually primarily not this one.

The CHAIR: Maybe I will just finish by going back and getting an understanding so that we have an understanding of what commissioning is and what transitioning is. My understanding of commissioning, for instance with the building of the hospital, is that you build a hospital—put the walls up, put the roof on—but then you have got to make sure that it all works so that the water works and the air conditioning works and the medical gases are working and all that. That is the building commissioning-type component. Then there is the transitioning, which I understand, and I hope I have got it right, is around clinical commissioning—it is around about, as you call it, decamping patients. I have never actually seen how you decamp patients. But anyway, patients come across in a hospital—

Prof. Stokes: Mr Chairman, that is a military term.

The CHAIR: —and you decamp patients to the hospital and you relocate staff and equipment, and you do that in a transitioning way. What I am really surprised about, Professor, is that that clinical commissioning/transitioning originally was a four-week process. We found that really, really surprising, and maybe you did, too. I do not know. But anyway, I just wanted to get those two things clear because we then know what commissioning is and then what transitioning is. I will shut up now for a while and let some other members have some say.

Ms J.M. FREEMAN: I want to have a talk about this "Health Information Network HIN Design & Development Office Statement for Works for: Pharmacy", but before I begin to talk about that particular document, I note it is commercial-in-confidence, so I just want to know, given that we are in a public hearing in a public forum, whether I am able to make comments. You have given it to us, which is very good of you.

Prof. Stokes: I do not think it is a confidential document really, not now.

Ms J.M. FREEMAN: That is good. I very specifically want to take you to the inside cover page which sets the document history, and in particular I just want to take you through. This is the

pharmacy aspect. It is not closed work as a whole, as you just explained then, and you were saying that the operation of the hospital would need this IT system to be in place. Is that right?

Dr Russell-Weisz: That is correct.

Ms J.M. FREEMAN: Can I just say I love the Ruddism—and I think that is a new word we should be using in life—where it says that the project shall follow an intuitive release process whereby the pharmacy applications lead a specific functional build through release office to the non-production environment in accordance with the release processes. I particularly like that sentence in terms of having to go off and use my Wikipedia to think, "What is that there?"

The CHAIR: We could put it into place and then we work and see how it works—

Ms J.M. FREEMAN: That is right. I got that. Really what it says is that it is a bit of trial and error. I got that but I did think it was a gorgeous Ruddism. But anyway, that is not my question. My question was on the first page. I just thought I could lighten the proceedings. If you look at the versions, we have got different versions, and the version we have before us is version 1.3. Version 1, which is the initial draft, was on 3 September. Seven days later on 10 September 2012 we had the second draft. And then on 19 September, so nine days later, you had the third draft, and that was presented for the review.

[11.00 am]

A month later it was presented to the executive for approval on 26 October 2012, and so I gather that is version 1.2. One assumes that is the second draft. I am open to hearing about that. And then, strangely enough, on 6 March—so October, November, December, January, February and March—six months later a document which is, I understand from your discussion, reasonably critical in terms of the opening and the commissioning of the Fiona Stanley Hospital, six months later after presenting it to the executive for approval, it is revised by the SOW steering committee. Then only two weeks later we have a final version and then a month after that we have the amended release schedule, which is the document I think we have before us, which is the 1.3 document we have before us. So my questions really go to what happened in between 26 October and 6 March in terms of the time lines and what was the process there and why the delay. What was known at that point in time so that it had to be revised in between that period of time and what were the time lines in that original document of 26 October 2012?

The CHAIR: What does SOW stand for?

Ms J.M. FREEMAN: What does SOW stand for other than—

Prof. Stokes: Statement of works.

Ms J.M. FREEMAN: What does that mean, sorry? What does a statement of works mean?

Ms Black: It is a description of what is going to be delivered.

Prof. Stokes: That is what it means but I am not sure what it means, if you understand what I am saying.

Ms J.M. FREEMAN: Let us just go to my first question, which is, given the importance that you are trying to meet time lines and the importance of those time lines and your comment to the Chair, just a moment ago, that this was a critical piece of ICT infrastructure to ensure that the hospital could be opened, what were the delays and what was in that third draft that was presented to the executive?

Prof. Stokes: Yes, please, because none of us were in that position at that time.

Ms J.M. FREEMAN: And Russell-Weisz only came in on 2 November 2012 as well.

Dr Russell-Weisz: I may need to take that question on notice and ask Health Information Network. Health Information Network were running it for us. They are not represented today, so I do not

want to give erroneous information about guessing what was the delay. A lot of it would have been, I imagine, seeing exactly what was required at the new site at Fiona Stanley prior to being something completely signed off by the steering committee. The ipharmacy, if I look at how that is tracking now, and Stephanie Black may correct me if I am wrong, but the ipharmacy one, with how it was going to be implemented, it was going to be ready for around about April 2014. That is the ipharmacy upgrade. So this was actually being run by Health Information Network at the time. Over the last month we have taken over the running of all these critical projects for Fiona Stanley directly by Fiona Stanley, not through Health Information Network. I would just say I need to get back to you on the detail of what happened in that period of time. What I can say, and I might again asked Stephanie to come in here, is that ipharmacy is a critical system for us. The upgrade was already in place. It is actually in place at other hospitals at the moment. There is an upgrade to get it into Windows 7. I am no expert at ITC.

Ms J.M. FREEMAN: It is iterative in the way it happened, though.

Dr Russell-Weisz: Yes. But rather than just provide you with a closed loop—you asked in your letter was there any overarching document—we felt this was useful to put it into the perspective of the whole pharmacy system that was being put in place not just for Fiona Stanley but the whole of Health. So if I am able to, if there is any update on time lines, I might ask Stephanie to comment on ipharmacy, but the others I will take on notice about that period of time.

The CHAIR: Can I just clarify, Russ, this is tracker two stuff, and tracker two is a systemic IT that would allow Fiona Stanley to run—it is a systemic tracker system to the network, if you like, of hospitals, be it Fiona Stanley or not, but it was critical for Fiona Stanley.

Dr Russell-Weisz: Ipharmacy is critical for Fiona Stanley.

Ms J.M. FREEMAN: That is right. You could not start the hospital without that.

Prof. Stokes: Yes.

Dr Russell-Weisz: That is right.

Ms J.M. FREEMAN: You could start it without closed loop but you could not start it without—

Dr Russell-Weisz: Ipharmacy, and you may not. The other thing is that this was the original ipharmacy. The one we run at the moment you could actually start Fiona Stanley with, but it does not interact with the pharmacy robot, so you need to upgrade the ipharmacy to the next level. I am no expert but that is what I understand.

The CHAIR: Stephanie, would you have anything to add?

Ms Black: Ipharmacy upgrade is proceeding as planned and we expect that that application will be ready in April 2014.

Ms J.M. FREEMAN: When you say "as planned", is it proceeding as revised planned or was it always planned to be in place at the date of April 2014?

Ms Black: I am referring to the plan that was agreed in April this year.

Dr Russell-Weisz: April-May this year.

Ms J.M. FREEMAN: The amended release schedule, which is what is before us.

Prof. Stokes: Yes.

Ms J.M. FREEMAN: My question is on the original plan that was on 26 October 2012. What was in that plan and can we have a copy of that?

Prof. Stokes: If we could take that on notice, that would be great because we do not have that information with us.

Ms J.M. FREEMAN: If we can have a copy of that. One assumes that once it is presented to the executive for approval it becomes the final document and you operate on it, and then suddenly two or three months later on 6 March 2013 it gets revised off, and only two weeks later you get the final document. It would also be good to see what the final document 1.1 is and what dates that final document has in it, because I know what the amended release schedule says.

Dr Russell-Weisz: I think what it is saying here "presented to executive" is that it was presented to HIN, the Health Information Network executive in October, and at that stage it goes then back to the users, which would be asked for verification and for whether this can actually be put in, because we have to see that it is ready on time. But we will get you that information.

The CHAIR: Through you, Professor, and then I will go to Rita. Because sometimes we get blinded with all the words and bureaucratic babble, we do not want that. Basically what we want is in that six months that Janine is referring to did someone wake up, for instance, to the fact that the tracker two work was a more significant body of work and "this is why we have to go down look at our revised statement of works" because the penny dropped with someone about tracker two being a significant further body of work that was going to delay it. I just put that as a comment in order to help us interpret the information you give us about the delays and re-presenting it and revising it by the committee.

Dr Russell-Weisz: I can give a generic view. In November-December ICT tracker two or ipharmacy was one of the issues in the first five weeks when I was in the role. I spent probably about four of them in IT delving into ICT. So, yes, this one was an issue, but it was just going through all the applications and finding out where they were at and what the problems were at. I cannot say that it jumped out more than any other issues, but we knew there were ICT issues at that time and we were actually forensically reviewing the progress of each one, because all the these one is, or the majority—the legacy equipment is being upgraded—are critical to the opening of the hospital.

The CHAIR: So what we have created so far here this morning is that there was one but not the sole impediment and delay, which was closed-loop medication management system which showed on the table we referred to that the implementation period was going to run out till September 2014, so that was not the sole cause but would have contributed. The second thing that would have contributed is that, as Janine has highlighted, in a revised state of works in the systemic tracker two to make ipharmacy work.

[11.10 am]

Ms R. SAFFIOTI: Can I just ask a couple of questions about the statement of works steering committee. How often did that committee sit and how often was it sitting during that period from October to March?

Prof. Stokes: The HIN we would have to take on notice. I am sorry.

Ms R. SAFFIOTI: That is the Health Information Network committee.

Prof. Stokes: Yes, the Health Information Network committee.

Ms R. SAFFIOTI: So when it was presented to the executive for approval—

Prof. Stokes: That is the HIN executive, yes.

Ms R. SAFFIOTI: Yes, the Health Information Network. On such an important piece of infrastructure for a hospital in terms of the hospital running, would that document also have been presented to the executive director, the Director General of Health?

Prof. Stokes: Probably not. When I looked through my records I could not see that it did.

Ms R. SAFFIOTI: But in terms of a really important piece of infrastructure and the impact on being able to operate the hospital, as Dr Russell-Weisz just said, it is important that you updated the

pharmacy IT because he wanted the robots to be able to serve it, and this was presented to the executive for approval, if not the document, the time lines that would have been in there would have been presented. And if there was any delay between that time and that time, that would have been presented to the director general, wouldn't it?

Prof. Stokes: I doubt it very much. I am afraid I have no record of that.

Dr Russell-Weisz: I think I would like to add to that. On all of these, when we worked through them in November and December, it was for the sake of saying, "Where are they at? What needs to happen to get them on track or are they not on track?"—the intricate detail. I cannot remember seeing that exact document on ipharmacy either. We were more interested in—it goes back to Dr Jacobs comments about commissioning—getting all these technically ready for going live and then clinically ready, so the clinical interface on the commissioning, and then the transition and the training.

Ms R. SAFFIOTI: This is critical to what we are doing in relation to the Serco compensation. As I understand what happened, in November-December you came on board and you realised that there were significant issues with the IT system.

Dr Russell-Weisz: Yes.

Ms R. SAFFIOTI: You went through very thoroughly, obviously, and identified where there was exposure as it impacted the time frame of the opening of Fiona Stanley.

Dr Russell-Weisz: Yes.

Ms R. SAFFIOTI: Then over November-December there were key decisions made on, for example, the closed loop, and you went out and started the tender process in November-December and I think advertised in January.

Dr Russell-Weisz: Yes.

Ms R. SAFFIOTI: The critical issue for us is then who else knew that the hospital was going to be delayed, what action was taken in relation to Serco negotiations and who was advised. To us, in looking at the whole issue of negotiating with Serco and trying to minimise and mitigate compensation or risks for the state government, it is what happened then. Exactly what happened when you realised the time frames could not have been met? It is hard to think the director general did not know back in November-December that there were very significant time delays. It is inconceivable. So I ask for a response on that.

Prof. Stokes: I think Dr Russell-Weisz will know I have only been there since 18 April of this year, as you can appreciate.

Ms R. SAFFIOTI: I understand that.

Prof. Stokes: And I have been back through documentation and I cannot see recording of this issue, as much as I can determine.

Dr Russell-Weisz: Talking about the recording of this issue, I was of the view post about four to five weeks that there were significant time threats to Fiona Stanley Hospital and, as I promised at the time, I informed my superior of that. We were then working through that. We were working through the issues, and most were ICT. I just want to go back, if I can, to Dr Jacobs' point because I think it is a really good point about commissioning a hospital. We split it up into six chunks. ICT is one of them. One is clinical commissioning, so getting those departments' service plans, making sure they work and that patients go through the hospital in the most efficient and safe way because it is a new hospital. Then you have got workforce. Are you workforce ready? Is the facility manager ready? So that is four of the chunks. Then corporate—are you behind in your approach to commissioning a hospital? Are the corporate services ready? Are you financially ready? Do you have the admin support to support you? And then is the infrastructure ready? Clearly the

infrastructure is going very well and corporate is well supported. So there were those other four key elements that led, and that is the commissioning. Then I think you bring in your transition. So I knew with all that it was not just ICT I was concerned about. It was ICT and also then the interdependencies with in the facility manager, with clinical commissioning, with the workforce, and allowing enough time to transition, because in the original contract there was three months for transition, so in the original practical completion and opening in April. But, yes, after four to five weeks—I think you have asked me that question—I was of the view that time frames were extraordinarily constrained.

Ms R. SAFFIOTI: So you reported that to your superior. Who was it?

Dr Russell-Weisz: The director general at the time.

Ms R. SAFFIOTI: There is no criticism of what you did, doctor. You came in and you thoroughly investigated what was in front of you. The issue for us was that Serco then had to be told that the time frame was slipping. Now, as we understand it, Serco was only officially told—in May?

Prof. Stokes: June.

Dr Russell-Weisz: Yes, it was after the government decision.

Ms R. SAFFIOTI: So there was possibly a five or six months delay from where it was clear that there was a time frame issue to when Serco was told and then trying to mitigate the costs, and what we are trying to investigate is, in that five months could other costs have been mitigated or reduced in relation to the Serco contract. That is the sort of key issue that we are focusing on.

Dr Russell-Weisz: I can answer that question as I see it. Serco were doing the preoperational period and they have a preoperational fee that is the same each month for the pre-operations. I think the mitigation in that period, with the amount of work to do with a complex hospital of 783 beds, is probably not all that much because they were doing basic groundwork. Where they ramped up was in the transition, so the original transition, which was 14 January to 14 April. I think I remember at the time that was my view. Others may have had a different view but it was my firm view at the time that we were challenged.

Ms R. SAFFIOTI: But your view has now been proven. Your view was not incorrect.

Ms J.M. FREEMAN: Who was managing that Health Information Network between 26 October and 6 March? What was the chain of command there? Clearly Health Information Network was dealing with this until you arrived in November 2012 and then you have taken ICT into Fiona Stanley. So who was managing at that period of time?

Prof. Stokes: We will just have a conversation to get this right.

Ms J.M. FREEMAN: Yes.

Prof. Stokes: We understand that Andy Robertson, who is the acting chief information officer at the moment, came on board at the same time—

Ms J.M. FREEMAN: Sorry. Andy Robertson, he came on at the same time as?

Prof. Stokes: Dr Russell-Weisz, which was 12 November 2012.

Ms J.M. FREEMAN: So the head of Health Information Network changed at the same time as you brought in Russell-Weisz.

Prof. Stokes: Prior to that I understand it was Mr Alan Piper.

Ms J.M. FREEMAN: So Dr Russell-Weisz was brought in on 12 November because there were concerns about the commissioning of the hospital and they wanted to put someone in charge of that. I did go back and have a look at that last transcript. I apologise because my brain is a bit fuzzy from the late night last night. You were brought in because someone wanted to take control of that, but at the same time there was a change to Health Information Network. I do not want in any way to

besmirch the name of Alan Piper, because I know that he is an extremely good senior executive in the public sector, but were there concerns there that led to the change in the directors of Health Information Network, that caused the change? Was that a critical decision? Was it machinated when you were brought in, I suppose is what I am asking.

[11.20 am]

Dr Russell-Weisz: I was not the director general at the time, so it is probably not a question you should direct to me, but I am giving my opinion. I think the reason that the governance of Fiona Stanley was changed to put a chief executive in place was to give the project significant focus coming up to commissioning and transition, because one thing that was also going on was the recommissioning or the reconfiguration of two other major hospitals. This is a hugely complex task. So I think that was definitely the right decision to do that, with a view that Fiona Stanley would be embedded within the South Metropolitan Health Service in the future. So that was the reason about the decision on Fiona Stanley. The decision about Health Information Network, I cannot probably answer. I do not know if it was that Alan was moving on or whatever, but what happened was that at the time the director general decided to put a senior public servant from the Department of Health, who had a role in the department, and he is a very senior public servant from the Department of Health, and seconded him into that role to lead Health Information Network.

Ms J.M. FREEMAN: Was that post the report—which hospital?

Dr Russell-Weisz: The UHB report, yes.

Ms J.M. FREEMAN: And you have not given us a copy of that report, have you?

Dr Russell-Weisz: No, we have not.

Ms J.M. FREEMAN: Did that report actually say that you should be put in charge of Fiona Stanley Hospital and that they should put someone else in charge of Health Information Network?

Dr Russell-Weisz: I will probably have to defer to my director general because that report is cabinet in confidence, so I do not know if I can talk about the recommendations of the report.

Prof. Stokes: Yes, I think we need to take that on notice. I need to seek advice on that, as you will appreciate.

The CHAIR: You will get back to us on that?

Prof. Stokes: Yes, I will.

The CHAIR: Can I just quickly follow up on Rita's line of questioning about the delay and who knew about the delay. Was there any delay in telling Serco and it does that have implications for the state? I refer you to the Fiona Stanley procurement plan and Serco that you provided. And I would like to refer you to page 17 and "4.4 Proposed Time line". It is that last paragraph on that page that I just wanted to ask you about. It talks about anticipated time lines and "As these anticipated time lines are initially approximate …" Excuse this expression, but I interpret that as wriggle room. Would you interpret that as wriggle room by the state and wriggle room for the FM?

Dr Russell-Weisz: Through the director general, I might refer this to Mr Sebbes, but my view is that it was not wriggle room. The contract was always specific around about the April 2014 date. I think what they are referring to there, if you look at the top paragraph—by all means Brad will correct me if I am wrong—"Equipment List, MES, ICT and other goods or services", these have moved and not gone back, but we have taken some equipment slightly earlier than we thought and we have pushed some and pulled them back within the time frames that we originally had. MRIs have gone in, CTs have gone in, so the required on site can shift, but it was all working prior to the decision of government that the facility manager was working to an April 2014 commissioning date.

The CHAIR: If I refer you to over the page, "The FM"—Serco—"will then be better placed to redefine and amend time lines to ensure 'Required on Site' dates are achieved." Did you amend those time lines? From my point of view, does that absolve the state from any financial impost or consequence of, say, a delayed opening and is six months considered approximate when it talks about the anticipated time lines being initially approximate?

Dr Russell-Weisz: This is the general procurement plan. It is the facility manager's procurement plan and how they will procure goods and services. In relation to the revised date, that is not approximate. We are actually firming up dates now in relation to the exact date Shenton Park will move, the exact date that ED will open at Fiona Stanley and shut at Fremantle Hospital, so exact dates down to the hour. To use your words, it was not wriggle room, but what it did mean was that the principal, which was ourselves, could say when things were required on site or not. There are provisions in the contract in relation to a principal cause delay that we have to follow, and that is what we are working through with Serco at the moment. I think the contractual provisions would override any procurement plan.

Ms R. SAFFIOTI: If I can follow up the issue about informing Serco of the revised opening date, because of the significant number of subcontractors that Serco is using, it is my opinion, and maybe the opinion of the committee as well, that the earlier Serco was told the more reduced exposure there was for the state, because Serco was then able to inform its subcontractors. I understand in some areas they have been employed quite early and the tenders have been given quite early. Is it your view that the earlier Serco was told of the delay in the time frame the more reduced the risk of exposure to the state's finances?

Dr Russell-Weisz: I might pass that on to Wayne to answer.

Mr Salvage: In terms of where we are at with the negotiations with Serco, I think it would be true to say that they would have preferred a longer notice of the state's decision, but we did have to step through processes at the state level, including obviously formally advising cabinet of our advice in relation to the time frame. It was only appropriate subsequent to that for us to engage with Serco in relation to consequences of the effect on the contract.

Ms R. SAFFIOTI: This may be cabinet and confidential, but I assume cabinet was informed around May-June.

Prof. Stokes: It was 10 June.

Ms R. SAFFIOTI: From any of the files you have gone through or any of the information that you have, do you know whether the director general informed the minister before that time, or before March, for example, of the expected time delay?

Prof. Stokes: I can find no evidence of that.

Ms R. SAFFIOTI: Of any formal communication?

Prof. Stokes: Not of formal communication with the minister; I cannot say what may have been said person to person. It seemed to me, and I have gone through the documentation, and I cannot speak for the previous director general, but at the time towards the end of last year I think the director general was receiving mixed messages, that things were not necessarily on time but then receiving messages that they were on time. I think it was for that reason, of his concern, that he then in November asked Dr Russell-Weisz to come in and take over the whole aspect. I cannot find anything prior to that.

Ms R. SAFFIOTI: Sure. So before November the director general was receiving mixed messages.

Prof. Stokes: I think he may have been receiving mixed messages about this whole situation, as I understand it.

Ms R. SAFFIOTI: And then Dr Russell-Weisz came in and did a very thorough analysis, and over a four—to—five—week period formed the view that the time frame was slipping and then informed the director general at the end of that four—to—five—week period. Is that right?

Prof. Stokes: That is correct, yes.

Dr Russell-Weisz: That is correct.

Ms J.M. FREEMAN: But that is not a mixed message.

Prof. Stokes: No, it was beforehand.

Ms J.M. FREEMAN: So after Russell-Weisz came there was no mixed message, and so the director at that point in time determined that despite the fact there was no longer any mixed messages he did not inform the minister.

Prof. Stokes: I do not know.

Dr Russell-Weisz: I can answer that. In my report to the director general, after my initial period in the role—I cannot speak for him, but he still had the view that time lines could be met, I think, and wanted to look at what I had submitted to him in my report and my assessment of the six commissioning streams, and he may not have accepted that my view was correct.

[11.30 am]

Ms J.M. FREEMAN: Did he have any other views put to him?

Dr Russell-Weisz: I cannot answer that.

Prof. Stokes: I cannot answer that either.

Ms J.M. FREEMAN: But we know that he had different. So when you are saying that he received mixed messages before November, who was he receiving those messages from?

Prof. Stokes: I presume he was receiving it from the HIN people at the time.

Ms J.M. FREEMAN: And who else?

Prof. Stokes: That is what I presume.

Ms J.M. FREEMAN: So there was nothing written down about mixed messages?

Prof. Stokes: No, I cannot find that.

Ms J.M. FREEMAN: But there is something definitely written down where Dr Russell-Weisz put something in writing to the director—

Dr Russell-Weisz: That is correct.

Ms J.M. FREEMAN: —very clearly saying that there is going to be delays.

Dr Russell-Weisz: That is correct.

Ms J.M. FREEMAN: And that would have been mid-December?

Dr Russell-Weisz: Yes.

Ms J.M. FREEMAN: And you have no other written advice that is on any of your records that shows there is any other mixed messages or any other submissions that he could meet those time lines?

Prof. Stokes: I cannot find any other information.

Ms J.M. FREEMAN: You cannot find any other written information that would counter Dr Russell-Weisz's information that there would be delays.

Dr Russell-Weisz: I would like to assure the committee that even though there was that opinion, that work was being ramped up. People were working long hours—

Ms J.M. FREEMAN: No.

Dr Russell-Weisz: No, after that. It was not just to say, "Look, this is the date," because the director general may have had a different view. That work that was being done over January on the commissioning time frame, and the actual planning to open the hospital continued as is, but my view was made in mid-December that the time lines would not be met.

Ms J.M. FREEMAN: I am sorry I cannot recall exactly. When did Mr Snowball resign?

Prof. Stokes: On 15 March of this year.

Mr R.F. JOHNSON: One question I would like to ask is can we possibly have copies of all the emails in relation to these delays of Fiona Stanley, within the health department and the minister's office, including the ones when Mr Snowball was being asked?

Prof. Stokes: Yes.

Dr Russell-Weisz: I think you requested also the task force emails, which we are getting to you.

Prof. Stokes: That is correct. It will not include the emails, but if it marries us to the emails, we will hunt those out.

Mr R.F. JOHNSON: I would think that the emails are very important.

Prof. Stokes: From what date?

Mr R.F. JOHNSON: I am asking for from 1 October of last year till June of this year.

Prof. Stokes: To 30 June of this year.

Dr Russell-Weisz: Just in relation to a potential delay?

Mr R.F. JOHNSON: In relation to potential delays, yes.

Dr Russell-Weisz: Because also the other work at the time was going on in relation to the phasing of the commissioning, which was—the right thing to do, how you would open a hospital.

Mr R.F. JOHNSON: All right, we will have those as well then.

Dr Russell-Weisz: Some of that will be in relation to delay in the phasing, but the phasing was always—

Mr R.F. JOHNSON: What we want to know as a committee, if I might say, is who knew about the delays, how long the delays were going to be, the reasons for the delays and so on and so forth.

Mr N.W. MORTON: And how they were communicated.

Mr R.F. JOHNSON: Yes.

Ms J.M. FREEMAN: In your report to the executive about the ICT system that you gave him to say that you thought that it was going to be delayed, did you also report to him that you believed that the hospital's commissioning was not appropriate and that it needed to be phased in instead of just "we are going to open the doors and take patients straightaway"? When did you it say to him? My understanding is that the first report, the first business case, was "we are just going to open the doors and take the patients and hear the heartbeat" and then one assumes it was post the University of Birmingham's report that it became quite clear that the phasing had to come in. When was that reported?

Dr Russell-Weisz: The phasing actually I think had been discussed prior to any change to the governance, so the phasing was just "how long would you bring it in". I think again Brad might want to answer that prior to November. What we did in November and what the director general asked me to do was say, "What is the best outcome for the hospital? How would you open it?" As I think I said at the last committee, when you look at the international evidence, some hospitals open over a weekend if they are easy and some hospitals will open in a complex environment between three and 18 months, if you look at the evidence around the world. What my clinical commissioning

team did with me and with the director general over January was look at a number of options. I think we initially played with between six and nine-months phasing, but then we got it back to six months because we knew. So there needs to be some intricate work done to actually get to a definitive position. I think the phasing was always considered; it was always out there. What we did in January was do a lot more work in relation to the actual program.

Ms J.M. FREEMAN: When did the minister know that you wanted to phase?

Dr Russell-Weisz: That was communicated well after that because the phasing needed quite a bit of work on the exact dates of what you would bring first, because whilst I talk about state rehab—

Ms J.M. FREEMAN: I heard that. The minister made public statements.

Mr Sebbes: From memory it was the new year in 2012 when the minister confirmed in the media that we were going to phase the hospital over a period and phasing was being discussed.

Ms J.M. FREEMAN: In that media that was still with a start date of—

Mr Sebbes: That was phasing from April 2014 through to September 2014 at that point.

Ms J.M. FREEMAN: So because you made media in December 2012 about the phasing, you made Serco aware that that would have an impact on the delivery of services in the hospital?

Dr Russell-Weisz: No, not at that time, because the issue was also that we were working through with the director general at the time the phasing. I cannot remember that media about that time frame. Phasing as a concept—you can phase over a month or you can phase over two years. This is what we need to do. I know we had not reached a final position probably until February-March on the actual dates, because there was a lot of work to be done. It is not as simple as saying, "We just going to open a hospital" and phase it. We had to consider places like Fremantle and Royal Perth, the movement of patients. We had to consider Shenton Park and also what happens to the elective surgery of patients there at Shenton Park. What should we do first? We decided to do state rehab first. There was a lot. Yes, we can talk just about phasing. We wanted to get it not too long and not too short but what was safe for patients. I will have to come back to you on when we actually landed on a six-month phasing. The actual advice on the six-month phasing went up at the same time as the delay and was announced by government on 10 June. So there was a lot of intricate work done on the phasing. It is not as simple as just looking at phasing.

Ms J.M. FREEMAN: But the minister knew that is what you intended to do in December 2012.

Mr Sebbes: My recollection is that it was discussed as a concept in the media—that question of delay.

Dr Russell-Weisz: Just phasing. I do not think there any time lines.

Ms J.M. FREEMAN: Mr Sebbes, given that you were there before 12 November 2012 when Russell-Weisz came, was there any discussion prior to Dr Russell-Weisz coming, from your point of view, that there would be delays?

Mr Sebbes: No, there was some discussion about phasing and that a longer period was more appropriate but not about delays.

The CHAIR: Can I ask you a question that is sort of related to phasing. Thank you for providing a response around north and south metropolitan health services and how the opening of the hospital affects a reconfiguration of those area health services. In what you provided it talked about a clinical service plan. In your one-page response on information about how the opening of Fiona Stanley affects those plans, and indeed, how a delayed opening of Fiona Stanley affects those plans. I notice you put in there both the south and north and that these clinical service plans still remain effectively valid despite a delayed opening. It seems that even before the realisation that the hospital would be six months late in its opening, the CSPs were not going to be modified until the end of

2013. It says here that CSPs have not been modified as a result of a delayed opening but will be updated at the end of 2013.

[11.40 am]

Prof. Stokes: We are in that process now. We are doing that now, looking at those plans, yes.

The CHAIR: That was actually my question. Because if we wait, I thought that in fact—

Prof. Stokes: No, we are in the process of doing that now

The CHAIR: —the time lines are going to be very tight.

Prof. Stokes: We are doing it now in the process.

The CHAIR: Okay. So you have not actually completed the modification of the clinical services plan. Through you, Professor Russ, what has been done, because if you are going to transfer your heart-lung transplant unit to Fiona Stanley, there are two things with that and Shenton Park and rehab.

Dr Russell-Weisz: Yes.

The CHAIR: Just take the heart-lung transplant unit. This physical transitioning takes a fair bit of work. I was really surprised at the argument about how you were going to modify your plans, because this has an impact on, for example, Royal Perth Hospital. I will finish with this: in one of those documents it did talk about the Royal Perth Hospital contracts indeed identified as potentially disrupting the transitioning. For instance, in the 2007 body of work that was done there were high risks identified—about 90 of them I think. There were high risks, medium and low. Admittedly, the heart-lung transplant unit transition was considered low and that potentially Royal Perth Hospital contracts could be disrupted in that transition. With all that knowledge, I would have thought, Professor, that that process in the modification of the area health service plans would have been well in train. Would you like to comment on that?

Prof. Stokes: I think there was some debate for some time as to where exactly major cardiac surgery would be. It was only decided in, I think, about the middle of last year—

Dr Russell-Weisz: The middle of last year.

Prof. Stokes: —in the middle of last year that the major cardiac surgery, including cardiac and lung transplantation, would move to Fiona Stanley. It was the middle of last year that that decision was made, and so that does affect what we are planning at the moment.

Dr Russell-Weisz: Just to add to Professor Stokes, the clinical service briefs or the plans are overarching plans of services in the north and south. If we take south metro's plans, just by the delay in the phasing, that does not change what ultimately Royal Perth will be reconfigured at all Fremantle Hospital will be reconfigured at, but what we did do but via some big decisions taken in relation, say, neurosurgery, cardiothoracics, trauma—we have since late last year, with south metro, with Ian and his team, gone into the intricate detail of the these. The clinical service plans are actually quite broad, but you actually have to get down into the detail. Where, we will say, for example, will complex upper-gastro surgery go. I am using that as an example. So there are bits that have happened since we have got into the detail, but the overall plan that Royal Perth will change and that Fremantle Hospital will change has, in a sense, been pushed back by six months does not change the premise that those hospitals will change. It is just the time lines.

The CHAIR: I will probably finish with this because we have Parliament sitting at 12.00. The South Metropolitan Health Service reconfiguration plan was endorsed in 2011 by the AEG, the area—

Mr Smith: Executive group.

The CHAIR: Thanks—executive group. What you are saying is that the delay in the Fiona Stanley transitioning does not affect any of the potential admittedly low risks identified in that Royal Perth Hospital transitioning. If it was albeit a low risk but potentially a disrupting concerning transitioning the heart-lung unit to Fiona Stanley, surely now when you have changed the goalposts a little, that must actually affect the Royal Perth Hospital situation.

Dr Russell-Weisz: I do not think it does for heart-lung. Heart-lung in a sense is one of the easiest ones because it was at Royal Perth and it is all moving, so just when it moves is not irrelevant but it is just a different time frame. I think the contracts they are referring to were the radiation oncology contracts, and radiation oncology is provided by Genesis at Royal Perth. It will also be provided at Fiona Stanley. It is an old contract. It is one that has been going—I cannot remember how far back—for the last two, three or four years or something like that. That obviously changed because they need to retain more services at Royal Perth for these additional six months or a little bit longer because they will come over at a different certain stage than they would have originally envisaged because they are taking some of their services and bringing them off. So that will probably be disruptive. But on the big ticket items—heart-lung, burns, advanced heart-lung services—I cannot see any major issues except that the time frame has been pushed back.

Ms J.M. FREEMAN: Can I ask one final question. Given what Mr Salvage was saying about Serco needing early advice—this is to Dr Russell-Weisz through you, Professor Stokes—and given that you gave advice to your director general that there must be a delay, and the delegation schedule of the South Metropolitan Health Service, did you have the authority to go directly to the minister to communicate your concerns? Did you have the capacity to do that?

Dr Russell-Weisz: No, not under the delegation schedule. All chief executives report to the director general.

Ms J.M. FREEMAN: Were there any other directors that you sit on the executive with that countered your advice to the director general?

Dr Russell-Weisz: I am just trying to think who was there at the time. I doubt it. It was endorsed. The acting chief executive north would not have cancelled that advice. I do not know about the other chief executives. That will be a question that you could ask them.

Ms J.M. FREEMAN: Did they support your advice?

Dr Russell-Weisz: I did not ask them formally whether they supported it or they did not, because my report was to the director general, which he asked me to do.

Ms J.M. FREEMAN: In terms of the University of Birmingham report, on what date was that received by the department?

Dr Russell-Weisz: I have actually got those dates. The actual review was done in May 2012. My understanding is that it was finalised in July 2012 between UHB and the department.

Ms J.M. FREEMAN: And then you were reported in November. Was one of the recommendations to appoint a specific director for the Fiona Stanley Hospital?

Dr Russell-Weisz: It was cabinet in confidence. There were certain actions taken following the report.

Prof. Stokes: I think that is a very difficult thing to answer.

The CHAIR: We will close with that.

Prof. Stokes: Mr Chairman, Mr Salvage just wants to make a comment.

Mr Salvage: I just want to qualify the response I made earlier on, to bear in mind that under the original contract with Serco the ramp-up period in terms of their resourcing, their preparedness to commence the full suite of FM services at Fiona Stanley Hospital was going to be January to

March, so it is a subjective judgement, if you like, about whether the period from June to December is sufficient to allow them to reconfigure their plans.

Ms J.M. FREEMAN: Sorry, I do not want to undermine your negotiations.

Mr Salvage: They have made no direct comment to us that I am aware of concerning the timing of when they were advised of the state's decision and its impact on their planning for service commencement.

The CHAIR: Thank you. Thank you, Russ. I will make a closing statement. Thank you for your evidence before the committee today. The transcript of this hearing will be forwarded to you for correction of minor errors. Any such corrections must be made and the transcript returned within 10 days from the date of the letter attached to the transcript. If the transcript is not returned within this period, it will be deemed to be correct. New material cannot be added via these corrections and the sense of your evidence cannot be altered. Should you wish to provide any 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. And I thank you in advance for the information that you will provide as supplementary information to this committee. Thank you very much, Professor, and others for attending and for your time today.

Prof. Stokes: Thank you very much.

Hearing concluded at 11.50 am