


The following is a copy of a letter addressed to Hon. Colin Barnett MLA but should be considered a submission to the Public Accounts Committee.



John Gourley


1st October 2011

Hon. Colin Barnett MLA
Premier Of Western Australia
Department of the Premier and Cabinet
197 St George's Terrace
Perth
WA 6000

Dear Premier Barnett

I have twice in this last year been a patient in Fremantle Hospital and there I experienced such great treatment and was impressed by how well the many parts of the hospital work. Nowhere in the world have I found its equal and, as a base of comparison, I compared being a patient at North Shore Hospital, Auckland, New Zealand. This gave me comparison between 'adequate' and 'excellent'.

Now, please be aware that I speak not just as a patient but as a project-manager with thirty years of experience in twenty countries. What interests me most about public projects is not the technical particulars but the human dimension, especially with the need for a certain degree of *esprit de corps*- that magical interaction within a workplace which is, essentially, spontaneous i.e. 'not organised'.

That is what I found at Fremantle Hospital: staff who treat themselves and their patients with quiet respect and with good humour which creates a friendly atmosphere which has its own healing effect on patients which is quite apart from the medical treatment itself. Because it is spontaneous, *esprit de corps* is not something you can specify or contract to buy, so my question is, if you have achieved this result in your public health system why would you 'go private'? Could it be that this decision was made in the name of "efficiency"- a current euphemism for saving cost? By itself "cost" has no meaning, and especially so in the case where the desired result is public health.

Describing and Specifying the Particulars

To describe what is done inside a public hospital- who does what and how well it all comes together is very difficult because there are so many perspectives needed to paint 'the whole' picture. For example: there are the medical perspectives of caring for and treating patients; there is the doing of the nuts and bolts keeping the hospital well maintained, clean, feeding and moving patients. Then there is the perspective of the manager who keeps a constant eye on how all the working parts come together and who does what is necessary to keep key staff speaking to each other in a way that fosters the sense of community that is necessary for smooth and efficient operation with happy patients who get the maximum benefit from their treatment there. So, to be 'objective,' we need the patient's perspective too.

Review and Comments on the 'Summary of Facilities Manager Service Contract for the Fiona Stanley Hospital'- as of July 2011

This describes the 'non-clinical services' to be "delivered by Serco Australia under an innovative contracting arrangement that sets a new benchmark for health infrastructure projects around the country."¹ Furthermore, that "Fiona Stanley Hospital will offer the highest quality patient care using the latest scientific, technological and medical developments"² and "will be a leader in clinical care, research and education".³

Fiona Stanley will be a 783 bed hospital that provides "a full range of acute medical and surgical services" of a "major tertiary hospital" in which the "facilities management services will be provided by Serco Australia.

"The specifications were developed with rigorous outcome-based requirements, rather than input-driven detail"⁴. (*This is a tautology because the services themselves are inputs and the results are outcomes*).

"A key requirement...is a regime that ensures... services are... fully integrated, interoperable, and seamless."⁵ (*In other words, everything has to come together*).

"The EOI (expressions of interest) assessment confirmed that the full range of services...was demonstrably achievable, including the integration of ICT (information and communications technology) support for the hospital."⁶ (*By word of mouth it was intimated that ICT support involves*

¹ Summary of Facilities Manager Service Contract for the Fiona Stanley Hospital section I

² Ibid.

³ Ibid.

⁴ Ibid. Section 3.1

⁵ Ibid. Section 3.2

⁶ Ibid.

Technology Transfer). (Is it being suggested that the full range of what was being specified might not have been achievable?)

“...specialist reviews...assessed:

- The ICT implications of service solutions...
- Variations between...specifications and the respondent solutions that had commercial implications.
- Any commercial impact”.⁷

(Just what these ‘implications’ include is not mentioned).

“The evaluation...concluded that the proposal from Serco represented the best option for service delivery and lowest price; therefore, the best value for money for the state.”⁸

(This claim that Serco’s proposal is the lowest price is a dubious one because this would require knowing all the contingencies which might arise over the first twenty years of hospital operation. So ‘cost’ is not a valid criterion for ‘going private’).

“A critical component of the services...is (to) ensure (that) service operates in an efficient and effective way to provide the best possible patient care”.⁹

(This is not something you specify it is something ‘hoped for’ rather than something ‘specified’.)

It has been intimated (*by word of mouth*) that technology transfer (*presumably for ICT*) influenced the decision to ‘go private’. This is not, however, a valid reason for engaging a private company to provide the non-clinical services. If you want to *transfer* technology you engage a consultant to assist in the training of your own staff in the new technique. You do not engage somebody else to *do it for you!*

“The length of the contract is ten years”.¹⁰

“Serco is obliged to meet a set of key performance indicators (KPIs) that measure whether Serco is performing...to the standards required by its contract”.¹¹ (*Which are what?*)

⁷ Ibid. Section 3.4

⁸ Ibid. Section 3.4

⁹ Ibid. Section 4.1

¹⁰ Ibid. Section 5.2

¹¹ Ibid. Section 5.3

“Serco will provide...procurement of supplies for Fiona Stanley Hospital...in accordance with the State procurement guidelines and in a manner that achieves value for money for the State.”¹²

“Serco must...meet the environmental obligations of the site on which Fiona Stanley Hospital is located.”¹³

“Serco will procure and manage several subcontracts to deliver certain...services.”

“Serco is responsible for coordinating all subcontracts so that there is a seamless delivery of all the services.”¹⁴

“If the State and Serco are in dispute, Serco is to continue (to provide) services pending the outcome...unless the State decides to suspend (the contract).”¹⁵

“Serco is entitled to relief from performance to the extent that...circumstances beyond its control interfere with its ability to provide the...services.”¹⁶

Discussion

The summary does not give any rationale for deciding to ‘go private’ for the provision of non-clinical services and includes what amounts to operational control of the hospital. Instead it presents the Serco contract as the only possibility.

The possibility of adding new technical dimensions to the public health organization of WA i.e to the existing and well-functioning public services provided by its public hospitals now needs to be examined as the preferred policy. This would add to the State’s human resources rather than bypassing them. This would be the path of true development.

If this approach is confirmed as in the best interests of the people of WA that means that the Serco contract will have to be cancelled.

Finally there are strong grounds for instituting a review of the State’s Constitution with respect to how the powers of government are exercised. This is because the technical diversity of the modern world involves making decisions about matters which are beyond the competence of an executive and of parliament (which tends to be made up of lawyers or other non-technical people). This has a tendency to produce policy decisions which are essentially *arbitrary* and not properly based on fact and good reason.

To my personal knowledge I have three examples:

- 1) The decision by the government to adopt a development plan for the City of Perth’s waterfront which completely ignored the thirty years of studies carried out over the period 1980-2010.

¹² Ibid. Section 5.5

¹³ Ibid. Section 5.8

¹⁴ Ibid. Section 5.9

¹⁵ Ibid. Section 5.11

¹⁶ Ibid. Section 5.17.1

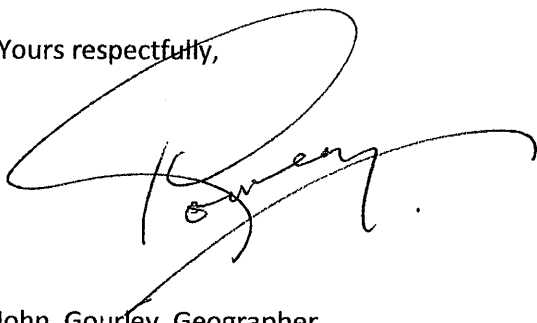
- 2) The new Building Act which gives builders the right to nominate who will inspect and certify that they have complied with the relevant building codes which in effect puts the fox in charge of the chickens. This happens because the Executive and the parliament do not have sufficient knowledge of building houses and of the technical requirements.
- 3) Fiona Stanley Hospital and the awarding of the Serco contract which takes no account of the excellent public service provided by public hospitals in WA and which incorrectly assumes that "technology transfer" can be achieved by engaging a private company to perform what is required. That is not how one affects a *transfer*. That can be achieved by engaging someone as a consultant whose task is specifically to assist in introducing new methods into the State's own workforce.

The first task will be to appoint a diversely qualified committee to review the need for a better way of making decisions which have complex dimensions and which require a staged process that starts with the *particular* and finishes with the *general*. This then needs to be mandated within a new constitution that defines how initial stages are managed.

This of course is not a problem confined to Western Australia; it is a general problem of the world's governments. That is no reason however why WA should not initiate an early review of its own problems.

I remain

Yours respectfully,

A handwritten signature in black ink, appearing to read 'John Gourley', written over a large, loopy flourish.

John Gourley, Geographer.

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CC:

John Kobelke MLA, Public Accounts Committee

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