EDUCATION AND HEALTH STANDING COMMITTEE

INQUIRY INTO THE DEPARTMENT OF HEALTH'S RESPONSE TO THE CHALLENGES ASSOCIATED WITH COMMISSIONING FIONA STANLEY HOSPITAL

TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
MONDAY, 4 NOVEMBER 2013

SESSION FOUR

Members

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

Hearing commenced at 2.22 pm

Mr KIM SNOWBALL
Director, Healthfix Consulting, examined:

The CHAIR: Thank you for offering to appear before us today. The purpose of this hearing is to assist the committee as it gathers evidence for its inquiry into the Department of Health's management of the commissioning of the Fiona Stanley Hospital. At this stage, I would like to introduce myself, Graham Jacobs; on my immediate left are Rob Johnson, Rita Saffioti and Janine Freeman; and on my right are Nathan Norton, and the executive of the committee, Matthew Bates, Alice Jones; and Michelle from Hansard.

The Education and Health Standing Committee is a committee of the Legislative Assembly of the Parliament of Western Australia and this hearing is a formal procedure of the Parliament and therefore commands the same respect given to proceedings of the house itself. 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 of the committee may be regarded as contempt of Parliament. This is a public hearing and Hansard will be making the transcript of the proceedings for the public record. If you refer to any document or documents during the evidence, it would assist Hansard if you could provide the full title for the record.

Before we proceed on the questions for today, I ask whether you have completed the "Details of Witness" form?

Mr Snowball: I have.

The CHAIR: Do you understand the notes on the bottom of the form about giving evidence to a parliamentary committee?

Mr Snowball: I do.

The CHAIR: Did you receive and read the "Information for Witnesses" sheet provided with the "Details of Witness" form today?

Mr Snowball: Yes, I did.

The CHAIR: Do you have any questions of us?

Mr Snowball: No.

The CHAIR: I believe you would wish to make an opening statement to us?

Mr Snowball: I would, if I may, and thank you for the opportunity. I would like to thank both the chairman and the committee for accepting my offer to come and talk to you today.

The CHAIR: Before you start, Kim, I ask that the cameras could now retire from the committee room.

Mr Snowball: I had a prepared statement as well, if I might hand that through to officers. There is a copy of that statement. If I may just take you through that statement, which goes to the three key reasons why I sought to present to the committee—despite the fact, of course, I have been out of the role of director general for about seven months, so bear with me in terms of my memory. There are three reasons. First, I actually want to utterly refute the conspiracy theory or any assertion that I or my officers failed to inform government or central agencies of delays to the opening of Fiona Stanley Hospital prior to the last state election. My evidence today will make clear that that did not occur. My second reason for asking to appear was to refute any suggestion that I ignored any report that was suggesting the hospital would be delayed. Again, my evidence will go directly to the

actions I took which will clearly refute this suggestion. Finally, I want to make sure that the committee has the full context and understanding of the processes and the decision-making and the governance that I as director general adopted to deliver on this enormously complex project. If I may, I will just touch on each of these matters in turn, and I have checked to make sure that where I quote documentation that the Department of Health has in fact furnished the committee with those relevant documents, so I will name the title as I go, otherwise I will mention the title of the document.

In terms of government processes, Fiona Stanley obviously was a major priority and project throughout my tenure as director general. I am immensely proud of the work that the staff of the health department and, in fact, their partners, the Treasury's Office of Strategic Projects, undertook to deliver on this incredible infrastructure both on time and on budget. At the time I left the role in Health, I am pleased to be able to report that during my watch every major health infrastructure project was on budget, which I do not think was too bad in a $7 billion infrastructure program. During my tenure as director general, we completed and commissioned a number of significant projects, including the new Port Hedland hospital, major infrastructure at QEII, and more recently the new Albany hospital and associated new ICT in that hospital. The reason I mention this is to make the committee aware that, as a health system, we were not without significant capability to manage and effectively govern both the infrastructure and commissioning of major hospital services and capital. Although commissioning of Fiona Stanley has much in common with these projects, it is complicated by the need to coordinate its commissioning with changes at the other major hospitals in the metropolitan area, and particularly in the south metropolitan area.

In January 2010, when I came into the role of director general—this is to really enter into the governance arrangements that were in place—the project, from a Health perspective, was being run by the chief executive, South Metropolitan Health Service, closely partnered with the Office of Strategic Projects. A series of governing bodies and control groups were in place regularly reporting through that chief executive to me; and, ultimately, I reported through what was known as the major hospitals infrastructure steering committee. That was established as a cross-agency governing body chaired by me and with formal delegated powers and reporting arrangements to both the Minister for Health and the Treasurer. That committee included the Under Treasurer, the State Solicitor, the Department of Premier and Cabinet and the Department of Planning, amongst others. This was a high-level group whose job it was to oversee the delivery of particularly those hospitals over $300 million as capital projects. The main focus of our governance during this earlier period was directed towards the construction phase and also the tendering of the non-clinical services at Fiona Stanley Hospital, which were ultimately awarded to Serco. During 2010 and 2011, all of the issues associated with construction and tendering were successfully managed through Health and its partner agencies.

In early 2012 I decided that although I was receiving reassurance that the commissioning of Fiona Stanley Hospital was on track—by commissioning I am talking here also about workforce, clinical service planning, so all of the things other than construction and building work of the building itself—I felt it was prudent to undertake an independent review of the commissioning process while sufficient time was available to make adjustments or corrections to the governance and processes we had in place.

[2.30 pm]

So, it was really a bit of a stocktake at that point, just to make sure everything is moving the right way. During that time, I had formed some personal but not substantiated concerns about some aspects to the commissioning and I wanted these tested by people with expertise and experience with a commissioning task of this size. In particular, I was concerned about the workload that was developing and had seen some slippage in some key deliverables. The committee must remember that the reporting ultimately all came through to the director general, so I got a pretty good picture

of who was doing what and who was delivering on time across that project. Although these slippages would not be irretrievable, I was concerned that I had one chief executive carrying the commissioning of Fiona Stanley Hospital, as well as reconfiguring all the other major hospitals—Fremantle, Royal Perth and so on—as well as the day-to-day running of the largest health service in the state. It was a pretty heavy workload, and it was increasing exponentially. Ultimately, I got a team of senior executives from the Queen Elizabeth Hospital, Birmingham, where they had undertaken a commissioning of the Birmingham hospital, a very significant facility there; they had done it very successfully. I asked them to provide me with some rapid and high-level reviews—conducted very quickly—on the status of Fiona Stanley Hospital. The reason why it could be done so quickly is that these were people who were experienced in commissioning; they had just done one, so they had all of the detail and all their own information about what needed to be done. This was concluded with a report to me in July 2012. I have included a report, which essentially concluded —

> … based on the evidence available the review team is unable to give the Director General adequate assurance that the FSH operational implementation program in its entirety —

That is, everything —

> will be delivered on time or within allocated budgets, although —

This is important —

> with decisive and timely action this may be retrieved.

They basically said, "Look, you've got some slippage in some pretty key and important areas, but it's retrievable and here's what you need to do to retrieve it." That led me, obviously, to initiate decisive and timely action on their advice. The review went on to make a series of recommended actions to address their concerns. As a consequence, and after consultation with central agencies—I did not do this purely on my own—a series of actions were initiated, particularly to make stronger and more transparent governance on every aspect of the commissioning process. These were recommended and accepted by government. This included forming what was known as a Fiona Stanley Hospital and major hospital transition taskforce, whose job it was to keep government informed of the status of the project and the associated risks. It also set up a project control group for each major element of the commissioning and to fully integrate all of those elements and finally to establish a clinical commissioner. That last post would mean that the clinical commissioning of Fiona Stanley would be undertaken by a separate senior officer and no longer by the chief executive, South Metropolitan Health Service. Basically, as I said, it takes that important role away from the chief executive, south metro, and it gives it to a dedicated officer to commission Fiona Stanley Hospital in its clinical services. I also undertook and established a dedicated ICT project director to look after the IT exclusively for Fiona Stanley Hospital. This followed what I thought was a key principle to the meeting to ensure clarity of both roles and accountability within the project. The government approved these changes in September 2012 and the first meeting of the task force was held in the same month—some 19 months before the scheduled opening of the hospital. That gives you a picture, I think, of the lead-in to this point.

I subsequently made the appointments to the key positions, as recommended and agreed by government. Amongst these appointments, Dr Russell-Weisz was appointed by me to the position of chief executive, Fiona Stanley Hospital commissioning. He was previously the chief executive of the North Metropolitan Health Service; and in fact had just completed the work around establishing the Midland Health Campus and the service at that facility. By agreement with me, he undertook his own stocktake of the status of the commissioning before he went on six weeks' annual leave. A document that was delivered to me at that time—I think this is important to note, so this is the actual document I got at the time—was marked "Confidential First Draft and Not for Circulation", and was the document that I received on 8 December, which I think has been referred to in subsequent media reports as well. It was titled "Fiona Stanley Hospital Baseline Schedule Report."

As I mentioned, the report was completed over a five-week period. A key statement in the report expressed the view that when assessed against the opening date of 1 April 2014. With a fully digitalised paperless hospital, it was expected that ICT delays on clinical applications would cause an expected delay in the opening of the hospital of nine to 12 months. That is the first time I had a report that indicated that fact. I was receiving advice from, I think, the Health Information Network, to say we were on track and on target. I fundamentally disagreed with this view from that first draft report for several reasons. The first of those reasons is that we had already reached the view that we needed to stage the implementation of the clinical services and what would be needed, meaning that every service would not be in place on 1 April. This had already been conveyed to the task force and the minister and central agencies had been advised; and, indeed, it was included in subsequent media releases to that effect. A stocktake did not take that into account; in other words, a stocktake looked at whether we could deliver ICT by 1 April for everything, when in fact the scheduling of clinical services would occur over a period of time. The challenge was to make sure ICT could deliver against that staged, sequenced introduction of clinical services.

The second issue with the report for me was that while the opening of the hospital was some 17 months away, the report gave the impression that nothing could be done in that intervening period to retrieve the situation, other than delay the opening of the hospital. Effectively, it was saying that we should do nothing but just delay the opening of the hospital and we would not manage the risk. That did not appear to make logical sense to me when we were very satisfactorily running 100 other public hospitals effectively, but perhaps with outdated ICT systems. The view being expressed again, as I said earlier, was contradictory to the advice I had been routinely receiving from the Health Information Network. Those are the three reasons why I disagreed with that view. Although I disagreed with what was expressed in the report about those seeming inevitable delays, I did take it seriously and I did agree with much of the remaining assessment of risk undertaken in that report. But I did not ignore the report; instead, I sought to assess the validity of the report and I took the following actions while Dr Russell-Weisz was on leave to satisfy myself, basically, that my view was a reasonable view.

Let me talk now about some dots there around what I did. The first was that I directed that the executive director, clinical commissioning, immediately prepare and document the appropriate staged and sequenced approach to commencing clinical services at Fiona Stanley Hospital. We had to have that in order to assess the readiness and availability of all the rest of its workforce of ICT or any other component. We had to agree on what we were delivering and when. This was provided to me at the end of January. I had been asking for that for some considerable period of time. The staged approach, though, was not based on ICT readiness, nor any other factor other than a sensible timing that we could be certain would ensure patient safety. I asked that clinical commissioner to tell me the sequence that would be required to make sure we maximised patient safety with the opening of Fiona Stanley Hospital. That is why what I got back was a staged sequenced approach to those services.

The second thing that I did, which was probably more specific, was around meeting with the Health Information Network. They had been informing me up to that point in time that we were on track. Suddenly I get a report that says it is going to delay the opening by nine to 12 months; so I needed to get to the bottom of that very quickly. I had meetings, almost daily, with the Health Information Network over both December and January—over Christmas—to establish the validity of those comments contained in the draft report and to check to see if anything could be done to ensure ICT was ready to support the commissioning of Fiona Stanley, given we had 17 months to go. This culminated in a direction by me to them to immediately prepare a discussion paper for me on those options that were available to ensure ICT applications did not delay the opening of Fiona Stanley Hospital and were consistent with the staged implementation of clinical services.

The Health Information Network delivered an options paper to me dated 10 January, recommending to me an option for a partial establishment of the foundations for a digital hospital; so, not the full

digital paperless hospital, but nonetheless on the path to that, as well as replicating some of the ICT already in use at Royal Perth Hospital. The paper included an estimated cost to do that to deliver the hospital on time. I approved this application in early February, subject to the full assessment of the work plan and the cash flow across 2012–13 and 2013–14.

I also directed the preparation of a purchasing plan for Fiona Stanley Hospital from the relevant division. This was effectively establishing a budget for Fiona Stanley Hospital based on its activity and service profile and building in the efficiencies that had been identified in the original business case that established Fiona Stanley Hospital as a project, as well as ensuring it was designed within the overall health budget forward estimates and clinical service framework. This would then guide the commissioning team on the resources required to deliver the expected services and activity. What those things basically did was to establish a budget for Fiona Stanley going forward; it established a commissioning of clinical services over time and it established we could deliver the ICT needed to support those clinical services. It was my view that it was the role of the department in governing and managing this project to make sure that it drove the project hard to achieve the targets set. At this stage I did not have sufficient evidence to support the view that the project would be delayed, but I had set in motion actions that would determine the capacity of the Health Information Network to deliver the ICT clinical services to support the staged opening. In just over six weeks, I had clear response to the report from HIN that indeed it seemed at that time that ICT could be delivered to allow the opening of Fiona Stanley, and this would be further assessed in coming weeks. I also had been able to keep the project moving by establishing budget parameters for the hospital, a clear staged commissioning approach and the HIN option paper for ICT. Clearly, after getting all that evidence, this did not require a report to government to delay the entire project at this time.

Having gathered all of that information, I had a very clear picture of the status of the project and what our risks were. I took that to the newly formed Fiona Stanley Hospital commissioning and major hospital transition taskforce on 6 February, providing a status report on commissioning, including all those dots, such as the staged implementation plan; the workforce—there was all that work happening at the same time; a purchasing plan, which is budget; reconfiguration of major hospitals; key appointments and governance arrangements that have been undertaken; and ICT readiness—remembering that that taskforce is the group that represents pretty much all of the central agencies and so on in terms of delivery.

In respect to ICT, I reported to the taskforce that ICT was identified as a key risk, but a clear plan to enable the required suite of applications to be tested and delivered in a phased approach had been prepared. This report to the taskforce represented my view of the status of the commissioning of Fiona Stanley Hospital at this time; and subsequent to the meeting I proposed to the taskforce members that the content of the meeting would be the basis for a report to the new government. That was developed and submitted to the members in early March 2013.

After all that, I also responded in writing to Dr Russell-Weisz, summarising my actions and my response to his report. He responded back to me, in an attached report, repeating his view that delay was inevitable, but reduced it from nine to 12 months, to six to nine months, and asking that his subsequent report be submitted to the incoming government directly. The appropriate channel for such advice is in fact through the taskforce. That is the governance arrangement that we had established for the purpose—I held the same view that I expressed to him three days earlier; that is, it was far too early to judge the project as delayed when we still had so much time to actually rectify anything that was a problem.

Following that task force meeting, I had a series of further detailed briefings with the members to make sure they were fully conversant with every aspect of the project. The last of those was held on 11 March 2013.

[2.45 pm]

For my own part right through this period and to the day I left the role, I remained confident that Fiona Stanley Hospital could be delivered on time with strong project management and drive. I am not privy to the subsequent discussions or analysis since I left the job, but I would only add that, as I understand it, while a decision was made to delay the hospital, it was made at least three months after I left the role.

I would like to conclude by saying that contrary to recent media reports, I have shown you the evidence that I took quick and decisive action following reports I received on any indication of delays to Fiona Stanley. I undertook appropriate due diligence on the view expressed by the chief executive of Fiona Stanley Hospital commissioning that delays were likely and based on that due diligence, my reviews and expert advice, I concluded that the project could be retrieved and delivered on time. The task force established to govern the project was advised accordingly. While it may be represented that there was a difference of opinion between myself and a subordinate, ultimately, it is the director general who makes the judgement call and I had insufficient evidence to convince me that the project would be delayed. My advice to the minister was that whilst risks remained on the project and ICT was a significant risk, I remained confident that these risks could be managed in the period remaining before the opening. Thank you to the committee and the Chair for giving me the opportunity to take you through that.

The CHAIR: Thanks, Kim, and thank you again for appearing before us. Can I ask you a little about the internal reporting about the status of the project and what it had been telling you? There is the University of Birmingham report, there was, for want of a better term, Dr Russell-Weisz's hospital baseline schedule report for Fiona Stanley and I believe there was also another report. Can you tell us whether you had had any other reports telling you about the status of the project and highlighting potential problems?

Mr Snowball: The key reports that I commissioned were commissioned specifically to test whether we had any problems with it. The University of Birmingham being a key one of those, but also the subsequent baseline assessment undertaken by Dr Russell-Weisz. As I said in my statement, I agreed pretty much with all of that report in respect to other risks, so those risks around workforce and so on, but I did not agree with the one around ICT.

Just for the committee's information, in terms of getting reporting, I had weekly meetings with HIN giving me updates on where they were with ICT with Fiona Stanley Hospital. That is why I said earlier that this report was inconsistent with the routine regular reporting I was receiving from HIN on the project. I also had regular reporting from the chief executive of the South Metropolitan Health Service and the FM contract, so those that are responsible for the contracting with Serco reported to me on a fortnightly basis right through this period. So not only did I have reports and commissioned reports, I also had weekly meetings providing me with regular information. That information is obviously with the department, not with me, but every week I would have meetings on ICT, on the progress of the workforce and on the FM contract with Serco. That contract required obligations from the state as well as Serco in terms of planning and preparation work going forward. On the clinical service planning, I received all the reports around what services were going to be provided at what hospitals to what degree of quality, the service profiles themselves and progress with implementing all of those across the state and across the transitioning hospital.

I had basically five vehicles, I guess, of information routinely and regularly conveyed to me in terms of progress. All that came together with the Fiona Stanley commissioning and transitioning body—that is, the body that was formed in September 2012. That was the body under which all that material was brought together. I also established what is called an integrating master program for it, because, as you would expect, you have got work happening in the construction, work happening in workforce, in finance, in budget, in ICT and so on. This integrated master planning brought all of those elements together to make sure that they were coordinated and moving forward together at the right pace. The person I put in to administer that reported directly to me. It was her job to make sure

that it was happening in a coordinated fashion—everybody was doing their bit that they needed to do in terms of the project, so she would chase that down—and she would report to me on progress against that integrated plan.

The CHAIR: The University of Birmingham hospital report in one of its recommendations, Kim, was not very optimistic about how the ICT was being managed. I would just like you to comment about that, because, as I said, it was not very optimistic. The other question I would like to ask is: the task force that was implemented to get traction on the commissioning dates and bring this thing in on time, when was the University of Birmingham hospital report provided to the task force?

Mr Snowball: If I could answer that last one first, the Birmingham report became part of a submission to government, so there was a submission including the report, which recommended to government a series of actions.

Ms R. SAFFIOTI: So to cabinet are you saying?

Mr Snowball: Indeed. So that went through all those central agencies that were actually on the task force. The Under Treasurer, the State Solicitor's Office and so on all got access to both the cabinet submission—in fact, I discussed, obviously, the content of a response to that report, particularly with the Under Treasurer and the Department of the Premier and Cabinet, to make sure that what I was proposing was in sync with what the central agencies views were, and obviously the State Solicitor as well in terms of the legal arrangements that would underpin that task force.

Mr R.F. JOHNSON: What date was that?

Mr Snowball: That was August–September. It would have gone forward in August for a September meeting, but the decision was in September in terms of, "Yes, proceed with the governance arrangements around Fiona Stanley Hospital." That report was available to the central agencies at that time. I actually checked with the department because I had thought I had actually provided the report to the task force members at the late September meeting as well. I recall there were a couple of proxies on that meeting who would not have seen the Birmingham report, because they would not necessarily have been in the process.

The CHAIR: When was the first meeting of the task force?

Mr Snowball: Late September.

Mr R.F. JOHNSON: It was 25 September.

Mr Snowball: It was at that meeting, in fact, that we discussed both the terms of reference—in fact, it was mentioned at that time about the staging of the implementation as well. I undertook at that meeting, too, to give an update to them in terms of the implementation of the recommendations arising from the Birmingham report, so that was all contained in the September —

The CHAIR: But they did not have the report at that meeting?

Mr Snowball: For that meeting? The representatives that were involved, the Under Treasurer, the State Solicitor and the Premier's department, would have already seen that report, so that baseline report went as part of the cabinet submission.

Ms J.M. FREEMAN: How did you assure yourself of that, given that that is what the report was set up for? Was there anything in the minutes that would have assured you that they all knew the basis of the report? How did you assure yourself that they had the report?

Mr Snowball: It was mainly because there was only one member who was a proxy at that meeting and did not have that report. They actually said, "I've never heard of this report; can I see a copy?" There was no reason not to provide a copy.

Ms J.M. FREEMAN: And did you give that person a copy?

Mr Snowball: My recollection is I did, but I have been checking with the health department to make sure and confirm that that occurred, but I have not been able to get a response to that as yet. As I said, that report was the foundation for the submission to government, to cabinet, recommending government's responses to the recommendations that the Birmingham report had put forward. So, all that was signed off. That is why I say I had discussed that report with the central agencies before a submission went forward.

Ms R. SAFFIOTI: Just in relation to the report, I know you have quoted a paragraph, but did the report send out any other alarms? You are trying to paint that this report said, "Yes, there are dangers, but it can be retrieved." Did the report raise any other key issues or other parts that would have alarmed anyone that read it?

Mr Snowball: Yes, it did and I discussed the report's findings with the reviewers as well, so "What led you to this conclusion?" Just establishing for my own part that what they were recommending also was not unreasonable. Probably the key areas were observations around the degree of clarity of, in particular, the ICT planning for Fiona Stanley. They felt they could not cite that; their view was that that was not well enough advanced or mature enough. Likewise, they talked about the preparation and readiness for workforce. They likened some of it to their own preparation and bear in mind that what they did in Birmingham was probably not sophisticated as you are expecting at Fiona Stanley, because it was kind of close that, open this, so it was fairly straightforward, if you like, in that respect. In their view, they had a much clearer accountability for each element of the project than we did. That is one of the key things that we adopted and that is the point I made during my statement, which was to say, "What are the principles?" and the reason I set up an ICT project director as part of HIN. We just did not ask HIN, "Do all your good stuff to deliver Fiona Stanley as well as all the other requirements in every other hospital in the state." Instead, what was coming out of the Birmingham report was, "You need a dedicated accountable person to deliver the ICT for Fiona Stanley Hospital."

Ms J.M. FREEMAN: And that was Russell-Weisz?

Mr Snowball: No, in this case it was Jon Harrison, who was responsible for the ICT. Dr Russell-Weisz was responsible for the commissioning of Fiona Stanley clinical services as a whole, including delivery of all the things that would make Fiona Stanley Hospital work—workforce, equipment and all of those requirements.

Mr R.F. JOHNSON: Kim, the Birmingham report and the concerns over the ICT, I think it is fair to say there is a lack of confidence that many people have in the ability of those involved in ICT in the Department of Health, because it is not their core function. Also, almost certainly the delays to the fully functioning opening of Fiona Stanley will probably be due to ICT problems, because things are just not in place yet. Do you not think that the task force should have considered all of this is a matter of urgency? I mean, you had your first meeting on 25 September? You were supposed to have one every two months, but you did not have one for four months. I would have thought that you would have had one every two months, particularly after the initial one, when I would have thought you would have looked more closely at the Birmingham report and the ICT problems that are inevitable where they do not coincide with Serco's ICT perhaps, and that would have been a matter of urgency for you.

Mr Snowball: It certainly was, and one of the issues that I picked up in that conversation was that there was a report done earlier in terms of the readiness of ICT, which I am not sure you are aware of. It was the WA Health ICT review, which was an expert review panel established to look at ICT in WA Health. These are ICT experts. The people from Birmingham were not ICT experts; this was an expert group including both national and international experts to give us advice on WA Health's ICT program generally, but also specifically around readiness for Fiona Stanley Hospital. This is kind of a lead-in, I guess, to it—and if I can just quote from them. The reason this came about was that there was concern about whether health ICT could deliver—there was the concern that you

have mentioned. So, it was reputational, and the lack of confidence in the Health Information Network to deliver a major ICT system was an issue. That is why this report and this expert group were brought in to say, "Do we actually have the capability in our Health Information Network to deliver the ICT that is needed for the state as well as for Fiona Stanley Hospital?" It concluded, if I may, that WA Health —

> … has considerable work to do to restore confidence in its ability to deliver a large program of change … the … Panel are convinced and see evidence that there have been significant improvements in capabilities over the last two years.

[3.00 pm]

This is in 2011. And they went on to cite that evidence. The report then identified five key things we need to do in health ICT as a whole as well as what was required to be delivered on Fiona Stanley Hospital. It is that report that we were following to the Health Information Network to deliver what was needed. So you had that as the backdrop, and then came the Birmingham review that put the red flag up saying, "We think you are slipping in terms of your readiness for Fiona Stanley in conjunction with Serco—work needs to be done there—and it is unclear in terms of accountability through HIN who is responsible for that." That is why we did the changes to say there will be a project director purely responsible for Fiona Stanley Hospital, and there is a body of work for them to undertake to get ICT ready for Fiona Stanley. So they were progressively reporting back to me on that and I was getting reassurance that, "Yes, we have followed what the expert group said and, yes, we are following what was required out of the Birmingham review to finetune all that." PricewaterhouseCoopers was helping with that. There was a whole series of efforts and resources being applied to do that. What concerned me when I received the report from Dr Russell-Weisz was, "Hang on, it is back to where we were 12 months ago. Are you telling me nothing has happened to improve on that performance and that we can't deliver it?" That is why had all of the meetings I did with the Health Information Network to say, "You need to be able to show me where you are going to deliver what is needed for Fiona Stanley and the Health Information Network." That is what I got. On 10 January I got a report that said, "Here are your options and here are the resources needed to deliver that." So, I was convinced at that point that we had a way forward to make sure that we had ICT ready for Fiona Stanley Hospital. I would highlight that ICT remained the highest risk in my view in terms of the project, but I believed we had a way forward and that we could deliver sufficient ICT to support Fiona Stanley Hospital to open.

Ms J.M. FREEMAN: Is there are copy of the report available that HIN gave you that assured you that it would occur?

Mr Snowball: Yes, that one is through the Department of Health; I do not have that, but I signed that off and I approved it. I can give you the title and the date that is useful.

The CHAIR: Could you provide that by supplementary, Kim?

Mr Snowball: No, I cannot.

Ms J.M. FREEMAN: This is a report from the Health Information Network and you said, "You need to assure me because I have had someone basically saying it is not going to happen, and I am not going to go with that person, so you need to assure me that I am making the right determination here." And you felt assured by this report that the Health Information Network gave you that you could meet the time frames?

Mr Snowball: Let me rephrase that a little. What I actually said to them was, "I have a report that says it is going to be nine to 12 months before we can deliver the ICT to Fiona Stanley as originally planned. First of all, tell me why; and in what areas." So I honed it down. It was not this general statement; the work was purely clinical service systems that it ended up being honed down to—so 40 systems applications. All of them were already running in the other parts of the system; they are already running at Royal Perth and Fremantle and so on. So I said to them, "Are you telling me that

you cannot get those systems up for Fiona Stanley? Are we opening an ICT system or are we opening a hospital?" My point back to HIN was, "You need to tell me how you can actually deliver it, because you have got 17 months yet to actually make this work. Give me something that will work so I can be convinced that you are still on track." That was the purpose of this piece of work. They had three options. They deliver one option that said, "Fully paperless digitalised hospital: here is how long that would take to deliver. Here is where we are with some of those things we can actually deliver, but there is a range that we are still working through and we are less convinced." I said, "Of those, which ones do you have a contingency plan for; and what is your contingency plan? So if you cannot deliver a new —

Ms J.M. FREEMAN: That is all right; we have gone through all that. We have been taken through any number of those things by your department at some stage.

Mr Snowball: With those applications, what I was saying to them was, "If you cannot deliver the full digitalised version, what can you deliver; is it deliverable; and by when are you going to determine that you cannot not do the full digitalised one?" So they went away with a job that said, "We have to set up the matrix on this program. Here are the things we can deliver; that is fine. Here are the things that with some extra effort and resources we can deliver." I said to them, "If you say you cannot deliver this, why aren't you working on weekends? Do you need additional staff to deliver it? If it is about a volume issue, tell me what it is and we will look to fix it. I do not just want to be handed a problem. If at the end that I had concluded that you would have to delay the facility, I would have gone forward with that with the confidence that we have done everything we possibly can to present to government that we have tried to manage this risk but we have got to the point where we cannot manage the risk, and here is what the risk looks like." At this point in this whole process I did not have that information that I was requiring from HIN to deliver to me. I will refer to the report I got. This was a report dated 10 January prepared by the acting chief information officer at the Health Information Network. It was also signed off through Brad Sebbes, who was acting chief executive at that time for the Fiona Stanley Hospital project while Dr Russell-Weisz was on leave. That came forward and gave me all of the Fiona Stanley ICT options. There were three of them that they put forward and they had detail against each of those. The one I signed off on, which was option 2, said, "You can deliver on partially establishing the foundations of the digital hospital as well as replicating some of the ICT components currently being used at Royal Perth Hospital." And I went through exactly what each of those component parts was.

Ms J.M. FREEMAN: When you say it went through, that looks like a two-page report you have got there.

Mr Snowball: I have done an extract; this is just the extract. I assumed you would have that. That is just the extract of the option to just to remind me of that particular report. It is a much more significant report. You have to bear in mind that over this period I had been in my office every single day to say, if we were responsible for managing the delivery Fiona Stanley Hospital, I was not going to leave any stone unturned to be able get to the bottom of whether we can deliver it or not.

Ms R. SAFFIOTI: Can we just clarify that? Basically what you are telling us is that you were trying to adjust the IT systems that would be operating the hospital to try to meet the deadline, if you know what I am saying. I am trying to put it as simply as I can, Russell-Weisz was saying that to actually have all of those systems up and running, as we had determined—I keep talking about the robots because the robots are there—there is a closed-loop medication but the robots are dispensing medication. So Russell-Weisz was saying that if you were to implement all of the IT systems as was originally thought, we would have delays. You determined three options and the second option was what is in the bag, in a sense. All those with question marks, can we not do those for the time being to try to make sure we can achieve a start date somewhere around 1 April 2014? Is that what you were doing?

Mr Snowball: Against the sequence, not against the first of April, against the sequence of commissioning the clinical services for Fiona Stanley. That was in order to be in a position to say the government, "Here are the options. If the priority is to deliver Fiona Stanley on time according to this patient safe clinical staging of these services, this is what we could do with ICT to get it there in that time." It is not about a lesser product. These have to still be safe ICT systems. In fact, the systems were running at all the hospitals. It was to give enough information so we could go to government and say, "Here are the options. You can go with a revised version of your ICT—some will be digitalised, some will be on the way to being digitalised and some will not be—but here is a starting point that will deliver you the hospital and all the associated clinical services on time." If the preference was then to say, "Actually, we want fully digitalised, that is what we committed to do", yes, there would be a delay to it. I did not have at this point that information.

Ms R. SAFFIOTI: Just on that, "We want fully digitalised because that is what we committed to do", and I think this is a key point, as we understand it they had committed to fully digitalised and that was a key selling part of the project in 2010 when they showed the visuals of the closed loop-communication robots. As I understand, that was part of the project, but frankly, the team was not ready to go with that part of the project, and that is one of the reasons there was a delay.

Mr Snowball: Most of the clinical systems were actually on the right path, on the right trajectory. In fact, you keep mentioning the closed-loop medication system. That was actually a recommendation in this report of December 2011, which said so long as you make a decision within 12 months around closed loop, it will be sufficient time for you to deliver the closed loop for Fiona Stanley before April. This report actually stated that. That advice is contained in the report and is very specific about the closed-loop medication.

Ms R. SAFFIOTI: You are talking about 10 January and the staging, so 1 April was going to be one stage. At that stage on 10 January what was your idea of how the hospital was going to be opened. When was the hospital going to be finally opened, as you understood on 10 January?

Mr Snowball: They were going through the detail of the sequencing for the commissioning at that point. I got a final report on 28 January, which went to the level of detail; however, there was on 10 January an outline that said, "You will start with the state rehab service, then you will move into some of the less complex services." So the design was basically to start increasing the acuteness and complexity of services at Fiona Stanley. Some of those services were more important to have absolutely everything running than others. For example, you would not do complex heart–lung surgery if you did not have the absolute whole thing running to perfection. So you stage the implementation over that time.

The CHAIR: That was going to happen between January and April, was it?

Mr Snowball: That is correct. In terms of the implementation of it from 1 April, at the end of December we would take control the building. We were given, basically notionally, up to 1 April to look at any faults and get faults corrected and all that sort of stuff before we actually started any services. So even that is still subject to—if you have 100 000 faults or something, you are probably going to go beyond that. Bear in mind these dates are still "subject to", so even taking possession on 1 April and having services start is subject to all of those things being successfully run through. From then on though, the implementation was to put in a group of services, evaluate and ensure it is working well. So the first group of services would test your hospitality services—test your meals delivery system, test your cleaning and test all of those things—before you move to the next range of clinical services.

Ms R. SAFFIOTI: As at 28 January what was that stage implementation?

Mr Snowball: If you bear with me I will hopefully find documentation. On 28 January I received the full copy of the Fiona Stanley Hospital commissioning options, which I actually thought I brought with me, but it appears I did not. This is 28 January and this is an email to me and it had the

report. It was tabled ultimately with the 6 February task force. This I received on 28 January, but it was delivered to the task force on 6 February.

[3.15 pm]

So stage 1 is 20 April 2014, state rehab service; May–June, diagnose and rectified any faults—so about eight weeks to do that. Stage 2 was July–August, medical and surgical, that is, a planned medical and surgical, lower acuity level outpatients. Test all theatres, wards, step up associated support services, diagnose, rectify all faults. So that is basically testing every theatre, all of our beds within the facility to make sure that this was going to be safe. And stage 3, at this point, was looking at the emergency department, the ICT, the ICU and medical–surgical unplanned. So the first phase, July–August, was about planned services; so that is elective surgery and the like, whereas in September–October, you started getting into emergency and unplanned services as well and, at this stage, stage 4 was November–December, all other areas fully operational. So that was what was tabled to the task force at that point in terms of sequencing of their services.

Ms J.M. FREEMAN: Sorry, just take me back a step. So you tabled to a task force in February 2013 that you were going to stage implement something that was going to be operable after the date of 1 April finishing date?

Mr Snowball: Sorry, commencing 1 April, so the commissioning will start 1 April, be staged between April and November —

Ms J.M. FREEMAN: So you were going to put in ICT on the date it was commissioned to start and not test it out for any bugs beforehand? You were not going to have ICT in there or any of those sorts of things?

Mr Snowball: No, no, no, sorry. So these are the clinical services. So sitting alongside this is the ICT plan that delivers all the ICT needed to deliver those services. So, for example —

Ms J.M. FREEMAN: So when was the date to implement the ICT alongside—so you would know that when you put in your rehab at that—you know, 1 April date, that you would know that it was—I mean, one assumes what you would do is have the ICT up and running before you start having patients.

Mr Snowball: Of course. Of course. And part of what they asked —

Ms J.M. FREEMAN: So where is that in the service delivery staging of—you know, so how did—because you can assure yourself, you can say, "Oh, here we go. Stage 1 is April 2014, we're going to do that state rehabilitation service." But there is nothing in this documentation, if I was sitting on that task force, that would say to me, "Okay, yeah, that's good." How do I assure myself that when I push the button, it is going to buzz?

Mr Snowball: Yes. Okay. So alongside this—so this is the task force meeting, so alongside this is three further detailed briefings as well around exactly that. So in order to —

Ms J.M. FREEMAN: But that would go down —

Mr Snowball: Task force members had briefings below this. So this is painting a picture of the total project, including, here is the staging, here is the ICT plan, here is the workforce plan and so on. They had subsequent briefings outside the formal task force meeting to go and actually understand what that means—how those things just exactly applies.

Ms J.M. FREEMAN: So, Mr Snowball, if I was sitting on this—and I have done this because I did this at WorkCover and were with the ICT, what we did is we took an ICT program and we said, "Deliver that to us by this date, so we can see your outcome so we know it can go." Can you tell me one project that you took to the side and operated it at a different hospital so that you could gain the assurances, because you keep saying you went off and you held meetings so you were assuring yourself. But how did you actually manage to question yourself whether those assurances were

valid? People can sit there and tell you something is going to happen, but unless you have a process to actually be able to critically question yourself as to that and you had a questioner already outside that was saying that could not happen, so you had to have that capacity to scrutinise yourself—how did you do that?

Mr Snowball: There are a couple of questions in there. One is, were there examples of the systems? WebPAS was an example of that; that is the patient administration system. So that is to replace TOPAS, which is the one in the metropolitan area.

Ms J.M. FREEMAN: Yes, but that happened a couple of years beforehand?

Mr Snowball: No, no, no. So that was the basis—that is a very basic system for trying to work through ICT across health because it is set—it would avoid you from having to continually repeat "who are you; what is your address?" and all that sort of stuff. So it was basically a system that would standardise our patient administration across the state. It included a single health identifier. So if you went to Esperance Hospital and Royal Perth, then you would get that information out.

Ms J.M. FREEMAN: My mother works as an admin, yes, so I know it works.

Mr Snowball: So that is an example of the—

Ms J.M. FREEMAN: It is the core statewide patient administration system providing in-patient admission, transfer and discharge, outpatient and primary care referrals, patient demographics, clinical coding, waitlist management and medical record tracking, clinical administration area, hospital operations.

Mr Snowball: Yes.

Ms J.M. FREEMAN: In the document we had, that webPAS was not up and ready to go at Fiona Stanley, though.

Mr Snowball: Well, yes, it was. In fact, that was one of the critical systems in advance that would sit and become the basis for most of the other systems that hang off it. So that was trialled at Fremantle, and in place at Fremantle; it is currently under trial, I understand, at Royal Perth. You recall, going back a little way, the Under Treasurer in particular was saying, "I have got no confidence that you guys can deliver ICT in health." So the litmus test was actually the webPAS. So he agreed that if we could demonstrate we could implement webPAS, which is a major, major change, and it was in at Albany. When we opened Albany, that hospital was likened to Fiona Stanley. It is a new hospital, it has a new ICT, webPAS is in there and running successfully. So when you say, what confidence did I have? Well, I had that report from the expert panel who said, "Actually, yeah, health ICT, now after two years of working on it, have actually got some capacity to deliver what's needed." And we have seen some examples of that. That was one of them. The other example they gave was setting up the data centre for all of health. So actually, they have migrated the data sent now. This is stuff that is kind of not central to delivering a health service per se, but it is critical to actually being able to secure your information for health as a whole. So they have done this successfully. They have introduced the reporting and the pathology systems. So they are not completely useless; they have actually delivered some really good advances. So that is the sort of reassurance I was getting. Your later point, though, was, "What was I seeing? Did I look application by application?" You bet I did. For every single application that was required to be delivered for Fiona Stanley, I said to them, "That is what I want to see, what your timetable is to deliver it and what's the contingency plan if you can't. So in other words, if you are telling me you can, and I want to see there is a contingency, not just a reassurance that you can deliver it." So it was both of those things. It was not just faith that you can deliver; I wanted some hard evidence that that was the case.

Ms J.M. FREEMAN: Yet, in witness evidence to us, Mr Nunis, who was—I think he was the IT person —

Mr Snowball: He was called in.

Ms J.M. FREEMAN: — for the Department of Health, I went through the lines. I got up all those line items and I asked questions and went through and said, "Well, tell me, why isn't this one working? And tell me why this one isn't working?" And I got to number 36, which states —

> I have a number of these outcomes, in fact, we have enhanced systems because of contracting out. No, the only interface points we have with Serco relate to dietary requirements."

Then Mr Nunis, says —

> Number 36 is webPAS, an external system for scheduling. That is a change.

So he was telling us webPAS had to change, as I understood—I could be wrong, it does not go into any great detail in terms of that. So you have told me, "I could assure myself, I questioned myself, I had something that showed that HIN could do it." What went wrong?

Mr Snowball: Well, at the point that I left, it had not gone wrong. So at the point I left I did not have the information that said it will be delayed because of ICT. I actually had reports that said you could. So when you say, "I reassured myself", I had reports from individuals saying this is what we can deliver.

Ms J.M. FREEMAN: But you also had reports saying it is not deliverable.

Mr Snowball: Yes, well, I had a not-for-distribution first draft report from someone who had been in the job for five weeks. I took that report. I did not ignore that report; but I absolutely had to validate—because that was the first time, you see, that was the very first time I had any indication —

Ms J.M. FREEMAN: But you also—no —

Mr Snowball: — that it was —

Ms J.M. FREEMAN: You just told us that Treasury told you some time later—you said on record that Treasury said, you know, "Health, you can't deliver ICT".

Mr Snowball: I did not say I agreed with it.

Ms J.M. FREEMAN: And so you delivered webPAS down in Albany and you felt really grand about it. So you knew that there was a concern about the capacity for HIN to deliver. You had a major report from Russell-Weisz saying that it was not deliverable. And you were relying on your regular daily meetings with the people who had a conflict of interest to tell you that they were going to be able to deliver. How did you question yourself? How did you bring in something that—okay, you did not want to agree with Dr Russell-Weisz. How did you question yourself and give yourself the scrutiny that someone who, at the high level of management that you were, to actually get a perspective that was also about whether HIN was being completely able to deliver what it was saying it was going to deliver?

Mr Snowball: Well, as I said, I had been in the role for over three years overseeing the governance of Fiona Stanley Hospital—every aspect of it. So I went through, as I said, we had expert reports. The ones I relied on most were the external expert independent assessments. They are the ones—so, for ICT, a large part of that came from that expert review of WA Health ICT. The discussions and debate that we had been having with respect to Treasury's view were that that is Treasury's view; that was not my view. So Treasury's view was, "Gee, we can't see that you're going to deliver this stuff, so we won't fund it." So our view was we have to damn well convince these guys and reassure ourselves that we could do it.

So that is where webPAS became the litmus test for it. So when you say, "What reassurance did you have?" Well, I had the reassurance that we had a litmus test around webPAS—it is a major change. It is a major change. We are replacing the patient administration system of public hospitals. That

was implemented—delivered. I would be constantly showing the Under Treasurer and central agencies along the way, "Here, it is." We took people down to Fremantle to look at the system in play and being operated. So I did not have any sudden loss of confidence in HIN; I actually was building confidence in HIN.

The CHAIR: Kim, I am just trying to look at this objectively and step back from it. Is it true that, in order to deliver the ICT, the only way that you were going to be able to deliver on time was actually to ditch some of the components—the ICT components—to make it come in? So you had to make a decision about—you were not going to get the Rolls Royce ICT with all the components in order to bring it in on the advertised starting time. You were going to have to ditch some components. That was the only way you were going to bring it in. Can I just ask a couple of other things; one is, was it not your view that if you bailed out and said, "Look, we're going to have to go another six months and delay the opening", that you would not be able to squeeze your people to actually deliver so that there was a feeling that if we stick to this date, we will drive these people to bring it in on time, but if I relaxed from it and call it off and say that it is going to be another six months or whatever, then we will never get it.

So the way of achieving the goal is to say, "You've got to deliver on this time". Was that another component of why you did not recognise that, in fact, our advice is that inevitably this was going to be delayed. The third issue is, who was advising Dr Russell-Weisz in his ICT report to you to say we will not make it? Were they different people in HIN —

Mr Snowball: No.

The CHAIR:— that were reporting—or they were reporting to you something different from what they were reporting to Dr Russell-Weisz? So they were saying to you, "Kim, it is okay, we're going to do it", and obviously someone was talking to Dr Russell-Weisz to give his report. He only had been in the job a few weeks. He must have gone to HIN and said, "Look, there are issues here" and he reported them to you. So how does that stack up? There is a bit of a —

Mr Snowball: Sorry, in terms of when I made my statement, it was made clear that Dr Russell-Weisz was comparing—looking at ICT delivering on 1 April—everything delivered in the hospital for a start—and secondly, that it would be the full paperless digitalised system—exactly what you referred to. So my view was in order to deliver this, you need to look at what ICT systems can still deliver it in a patient safe way. That might not be a digitalised system; that might be a system that Royal Perth currently runs. It is just as safe. It is still going to deliver the service you need.

The CHAIR: So you had to put aside some of the components?

[3.30 pm]

Mr Snowball: That is right. So, what I asked them for was the contingency plan; how much of that would you have to do and at what points in time? You could line that up against the schedule of bringing clinical services on and say that if we do not have a digitalised version at 1 April, will we have it for September when we're going to be doing the surgical work for example? So, it lined those two things up. And you are absolutely right: if you are 17 months out, at what point would it be a good trigger to say to the team that you are driving to deliver it, "You've got another nine months; you've got another 12 months"? So you do have to drive these projects to make sure they are delivered. That is the whole reason why I went through in the statement to say that we have delivered every capital project, every major project, on time and on budget. That does not happen on its own. You actually have to drive and manage those projects. You also have to reassure yourself at key points to go, "Am I driving this to the point they are simply telling me what I'd like to know, as opposed to what I need to know?" And that is where the third party independent expert advice is the key to it. Now, I got that advice from Russell-Weisz. I did not discount it. I actually checked that out. But I was not convinced that you would suddenly take a leap and say that 17 months out let us delay it another nine to 12 months.

Ms R. SAFFIOTI: Can I just follow that up? In relation to the advice, the University of Birmingham report noted that a number of work streams were 12 to 18 months behind. That was the report that went to cabinet, I think, in July–August. Although you read one part of it, the report did highlight significant issues, including workforce planning as another issue too. So, again, why did you think —

The CHAIR: Well divined.

Ms R. SAFFIOTI: Yes. Why did you think you could do it in that time frame?

Mr Snowball: I asked the reviewers exactly that question. So you will notice the overriding comment I make at the front, even though they are saying it is 12 to 18 months behind in particular elements, it was particular elements compared to where they were certainly. It did not mean you could not open the hospital on time, but it is just behind where they were. Some of the things they prepared, like they had their tenders for their shipping from one location to another something like two and a half years out. So, there are some things. The question was: okay, we are 12 to 18 months out but does that stop us from opening the hospital? Is that retrievable? And their overriding comment, which is the one I read out, said that you have some critical areas that you need to pay attention to; and it said that if you did nothing from herein, you would not hit the target, you would actually delay it. But it said that you can intervene and here are the ways we recommend you intervene. And they are the things that we did.

Ms R. SAFFIOTI: So, between 10 and 28 January you had the Russell-Weisz report and you had the University of Birmingham report and you developed options. And that was, first, delay the hospital; is this right? Second, keep that start date of 1 April, transition over a significant period of time up to November–December, and modify what was the ideal or perfect paperless, digital —

The CHAIR: Yes, ditch or delay some of them.

Ms R. SAFFIOTI: Yes, change some of those ITs to meet that, and there are other options. Were you preparing to go to government with those options?

Mr Snowball: Yes, exactly. I mean, what we put to the task force on 6 February basically canvassed all of that. But you have got to, bear in mind, try to separate those issues, because ICT readiness seems to be kind of front of mind. But the issue is, first of all: what is the patient-safest way to open this hospital? And that is where you have got the report that said that it needs to be staged and sequenced in this sensible way. Once you have done that, then it is a case of what are the ICT supports that you can deliver against that?

Ms R. SAFFIOTI: But you also said just previously that you were trying to see whether you could stage the ICT to meet the new transition targets.

Mr Snowball: The staged, sequenced implementation being assessed.

Ms R. SAFFIOTI: Exactly. So, what happened, as in what happened post 28 January? What happened, as in why did you —

Mr Snowball: Okay. As I mentioned in the statement, what I took to the task force was basically the where we are up to, where I saw we were up to in terms of the implementation commissioning across all of those areas. So, the summary: we went through; we changed the governance, as we were required under the Birmingham report; asset deliveries on target within budget; Fiona Stanley will see its first patients in April 2014; Fiona Stanley will open progressively to ensure the consistent delivery of safe quality clinical care; staged opening will enable robust commissioning and testing of all clinical and non-clinical systems at every level; patient safety to be a top priority; the reconfiguration of the other hospitals, Royal Perth, Fremantle and so on, is well advanced with clinical appointments. Behind each of those, workforce plans are prepared and recruitment is underway; purchasing plans developed; ICT identified as a key risk but a clear plan to enable suite of applications be tested and delivered. So, that is the summary. Each of those then had detail

around where we were up to and the actions we had taken on in every one of those fronts. So what went forward to the task force on 6 February was everything I had at that point in terms of delivery—whether it is ICT, workforce, all of the hospital reconfigurations, Fiona Stanley's budget—all of that we put to the task force on 6 February. From that meeting, that is where the task force members were going, "Wow, get your head around this stuff", and wanted to have more specific detailed briefings on each of those, which they had between 6 February and 11 March. So that was the sequence of events.

Ms R. SAFFIOTI: Can I just ask about Serco in this? Did you think about telling Serco at that time about the significant change in the transitioning?

Mr Snowball: Not before we talked to government. In terms of what you deliver to the external environment are now in contractors, we had to be certain that this was an acceptable approach, which is what we took to the task force. The task force agreement was that we would have Serco working with ICT, because there were obligations from the state in respect to Serco in that as well. Now, I am not privy to that anymore. I left in March, so I do not think it would be sensible for me to make comment around that, other than to say that was certainly part of what was taken forward to the task force.

Ms J.M. FREEMAN: Can you clarify for me, on 6 February you took to the task force that you were going to do a staged opening of the hospital, rehab first and whatever else.

Mr Snowball: Yes.

Ms J.M. FREEMAN: So that must have gone through the minister at that point in time beforehand, before you took it to the task force.

Mr Snowball: Indeed, yes.

Ms J.M. FREEMAN: So the minister knew that on 1 April, opening day, it would have been a staged opening, not a complete opening.

Mr Snowball: Yes.

Ms J.M. FREEMAN: So he knew there were concerns about delays because at that stage you were not going to do a full opening; you were going to do a staged opening.

Mr Snowball: No, no.

Ms J.M. FREEMAN: So how did you talk to the minister about the fact that you were changing because it went from being open the doors to a staged rehab this and all of that sort of stuff?

Ms R. SAFFIOTI: There were some comments made by the minister in 2012 but never to this extent, I think.

Mr Snowball: I was simply going to say that. I advised government and central agencies and the task force way back, actually it was in September 2012, that the implementation of the clinical services would need to be staged to be safe. So here was a time that I had enough detail around what that meant in terms of timing and so on that was agreed with the clinicians, because you do not do this stuff without talking through it with clinicians. I think there was a media release in October, there was another one in January, all referring to a staged commissioning of Fiona Stanley Hospital. It is currently characterised as a delay because it was not. So, what we are saying and what I quote, what I asked for in terms of the commissioning, I said, "Ignore any other issue. Just give me what is the clinically patient-safe way to open Fiona Stanley Hospital?" And what they came back with is that staged approach to clinical services. That is the starting point that you then say to ICT and workforce, "This is what you're going to have to deliver." It is the same with the transitions. ED you start in October–November, or whatever the date is. You would have to shut one ED and open a new one. So, all of that has to be sequenced in terms of starting times.

The CHAIR: Can I ask a question, Kim, please? In the report that Dr Russell-Weisz sent to you in December, he enclosed the Fiona Stanley baseline schedule report. He also enclosed a Fiona Stanley ICT task force pack, which was actually prepared by Jon Harrison, from him, and talked about the status and readiness in a working paper. I would just like to ask your opinion of this from the "Executive Summary" and how it did not end up changing your view —

> It is recommended that the Taskforce:
>
> …
>
> - Note that, even with a more pragmatic approach, it will not be possible to safely commission FSH … planned … in April 2014, because key ICT applications will not have completed development, testing and implementation and that a subsequent delay of 9 to 12 months is expected in order to achieve a basic, safe, partial digital hospital.

So he said you cannot even deliver a partial digital hospital; even if you ditch some of the components or delay some of the components, it is still going to be very difficult. So what would you say to that?

Mr Snowball: He was saying that on the basis of the resources he had, and that is why I said to him, "What resources do you need to actually achieve it?", which includes being capable of doing the testing in advance, which they are doing. So they needed to be funded to do the test environment, to do all those things that he is referring to in that report. They are the things, Graham, I went through with Jon Harrison and with his superior as well, Andy Robertson, in terms of, "What are the resources you need to change this? Because what I was being asked to accept was that we have 17 months to go, we have a new hospital being delivered and you're saying you can change nothing in 17 months to deliver and change what you're saying you can deliver in ICT." So they were my questions. I wanted them to say to me, "Well, actually we could, if we had $1 million, if we had five additional FTE, if we had a new testing environment." That is what I asked them to deliver and that is what I got on 10 January, and that is what I supported. I supported funding to go to him to do those things that were being said you could not change, you could not change the trajectory. And I guess that is what disappointed me most about that report, to be honest with you, because what I was getting was nothing about, "How am I going to manage this risk or what are the alternatives that we are putting to government or the community?" This is a 780-bed major facility for the state, and you are saying that you can do nothing over 17 months?

Ms R. SAFFIOTI: But were there not issues that some of the programs had not even gone out to tender, I mean, as I recall?

Mr Snowball: This is a closed loop. I do not know where that came from because it is utter nonsense. The report we got from the ICT expert review group was that you can do it, so long as you make that decision by December—in fact we made a decision in November—you will have it well in time. Other states took longer because they had to do a formulary before they actually went out to do the closed loop medication system. We got the advantage of having that formulary already; we did not have to repeat that. The advice I was getting is that you are talking about eight to 12 months to get this delivered. That was more than enough time. So I am not sure where this view comes from that because you started it then, it was going to take you 20 months to have it in place in Fiona Stanley Hospital. I do not understand that.

Ms R. SAFFIOTI: Are you still of the opinion that the hospital should not be delayed?

Mr Snowball: No, I am not. I am answering your question. You had a closed loop tender —

Ms R. SAFFIOTI: Yes, but what I am saying is: do you now agree with the Russell-Weisz evidence?

Mr Snowball: I have not seen—no. The Russell-Weisz advice was based around 1 April, full start, do not do anything for 17 months and you are going to be delayed by nine to 12. His subsequent

response to me said he changed it from nine to 12 to six to nine on the basis of the things that I had done while he was on annual leave. So, I do not buy the idea that that is now right and it was wrong. I am talking about what I was seeing at that time right in March, the day I left, I was still advising my minister that yes, we have got a risk with ICT and we have got other risks as well with Fiona Stanley Hospital, but I had no evidence to say we will be delayed by X months. I said, "We're working through and seeking to manage these risks for government" and I was intending and proposed to the members of the task force that we report exactly what went to the task force to government the day that a new government was sworn in. So that was the timetable. In fact, I had an email to the members basically saying that now is the time—we have captured all this information; we have put it to the task force—to take that to government and say, "This is the situation with Fiona Stanley Hospital." You have to satisfy yourself that is this valid, is this reasonable to be saying it is 12 months if you could do it in six or what are the alternatives that we can do? And that is why this report to the task force on 6 February was really the full update of everything in relation to Fiona Stanley Hospital at the time from my view. And ultimately that was my responsibility, to make a judgement call as to whether I felt, based on the advice I was getting, that you could actually still deliver this with some changes to the ICT applications and, "Are they digital or not digital but can you still deliver a hospital? That is what I want to be able to take to government."

The CHAIR: Kim, does history prove that you are wrong and Russell-Weisz and his advice was right, because we actually now have a delay in the hospital? There seems to be a litany of advice that was actually stacked against you saying that this could not be done.

[3.45 pm]

Mr Snowball: The advice I have got—I hope you have seen the evidence I have put here today, because that is actually the advice I was getting. So, I think it is a case that you can selectively look at the advice and say, "Ah! If you had seen my three reports, you would have taken this view. If you had seen those five, you would have taken a different view." I had so much advice during the course from a lot of people in the grandstands about whether or not Fiona Stanley was good, bad, indifferent; whether you are going to fail on workforce, fail on ICT. My job was to manage it and to manage it as best I could with the target set for the government, and that is ultimately what I did. In terms of right and wrong, my view is I set it on a trajectory. When I left, when I walked out the door I had informed the task force of my view based on and backed by advice and information from my department and the officers and the expert groups from independently. I put it on a trajectory where yes, there needed to be more work done to validate or otherwise whether they could deliver these things on time, particularly the ICT. That happened after I left, so I cannot judge —

Ms J.M. FREEMAN: But you were not open and frank, were you? You gave them the advice you wanted to give them. You did not give them Russell-Weisz's advice; you gave them the advice that said, "This is it. It's going to meet that." You did not say to the task force what you are saying to us that I got Russell-Weisz's advice but then I went and assured myself and then I put in scrutiny and I've put in these things so that my assurances are clear and valid." What you did was say, "I am not going to agree with you." You said just on the record a moment ago from this man who had been in the position for five weeks when clearly he had been the CEO of one of your major health areas prior to that for some period of time as I understand. So, you know, my question to you, I suppose I put it to you that it is fine for you to sit there now and say, "When I left, I told them, you know, where it was going", but you did not tell them everything; you did not disclose everything, did you?

Mr Snowball: I will put it back to you the other way. Would you have preferred I used a confidential first draft not-for-circulation report as the basis for my advice?

Ms J.M. FREEMAN: No, but what I would have preferred is that if you went to a task force, which was set up because there was a University of Birmingham report, you as the CEO of an organisation and having been a board member where a CEO reports to you, what I would have

preferred is that if I was sitting on an organisation that was trying to manage a big asset of the state, that you would say, "I have had some concerns. These are the sort of outlining aspect of the concerns and here's how I've addressed it." But you did not do that. You just went in said, "This is what's happening and it's on track." And that is why you are before us, Mr Snowball. That is why you are before us, otherwise had you been frank and open and transparent to your task force, not to us—not to us but to your task force at the time—you would not have had to written to us and asked to come and see us, because it would have been on the table, it would have been at that point in time.

Mr Snowball: I mean, I do not honestly accept that. What I took to the task force was absolutely the position, including what were the concerns about ICT. They are all in there. I actually had ICT present to them to say, "This is what we've got. This is how we're attempting to manage this risk. It was not gilding the lily and saying, "Oh gee, forget all that advice. ICT's on target." I did not say that at all to that committee and to that task force. What the task force got from me was, "There are serious concerns about ICT. Here's how we're attempting to manage those risks." So, I can assure you I did not gild the lily with the task force in respect to ICT or any other involved —

Ms J.M. FREEMAN: Did you gild the lily with the minister, which is more important? Did you gild the lily with the minister? Did you make the minister aware that there were serious concerns about ICT?

Mr Snowball: Yes. Yes, I did, all the way along the line right through this project.

Ms J.M. FREEMAN: You made the minister aware all the way along the line that there was a potential ICT risk. Did you make the minister aware that one of your senior managers had written a report saying you were not going to meet the deadlines?

Mr Snowball: What I said to the minister was that ICT is a major risk and we are seeking to manage it. I cannot honestly recall whether I said I had the report or not. I certainly said to him that Dr Russell-Weisz has done a report and he has serious concern. I can actually recall reassuring the minister that in my view those risks could be managed.

Ms J.M. FREEMAN: So when did you tell the minister that Dr Russell-Weisz had done a report and that he had major concerns?

Mr Snowball: I could not tell you, give you a date. What I can tell you, though, is I had a conversation.

Ms J.M. FREEMAN: Was it before the last election?

Mr Snowball: It would have been after—obviously his report was in December. I have got to go back, but bear in mind this report from Dr Russell-Weisz was, again, a confidential first draft not for circulation. The agreement we had for him to do this piece of work and to deliver to me was to reassure himself that he is coming into the job that he could manage and run. He gave me this report on the basis that this is my view and my advice. So, once he had gone I sought to validate all of that when he got back. So it was not reasonable for me to raise it with anybody until such time as I had assured myself that this report in fact was valid and worthwhile. So, having done that, talked to Dr Russell-Weisz —

Ms J.M. FREEMAN: Not worthwhile, as the case was.

Mr Snowball: Well, you know, it is more a case of I had to satisfy and validate for myself. I am not going to run off and say, "Oh look, I've got a report from a guy who has been in the role for five weeks and it's not for circulation, it's a first draft but it's going to delay the facility by nine to 12 months." I am not going to do that.

Ms J.M. FREEMAN: No.

Mr Snowball: But I am going to seek to manage it.

Ms J.M. FREEMAN: But you have got to be open and transparent about those things.

Mr Snowball: Absolutely, and I was.

Ms J.M. FREEMAN: And you were with the minister, and when did you report it to the minister?

Mr Snowball: Absolutely I was with the minister. I cannot give you an exact date, you know, seven months out from the role but I can assure you that before I left, I absolutely went through this report with the minister in terms of what is the risks for Fiona Stanley Hospital, and I said, "There are lots of information coming in; it needed delays.

Ms J.M. FREEMAN: But before the last state election, did you tell the minister that there were concerns?

Mr Snowball: What I advised the minister before the election was that in my view there are significant risks to Fiona Stanley. I actually said ICT was the most serious of them, and in fact I had been saying that for months and months and months. However, it was my view that we could manage that risk for government. I was using the task force as the vehicle to make sure central agencies and government saw what I saw in terms of: What are the risks? How are you managing the risks? What are the options for us to make sure that we can deliver on this facility?

Ms R. SAFFIOTI: Just on that, can I just follow-up on that because I think we have evidence that shows that both the Solomon report and the University of Birmingham report were not tabled until 28 March.

The CHAIR: So people then did not have that report until the third meeting, and that was when you were gone.

Mr Snowball: Sorry, the Solomon report? The Solomon report was a Department of Finance report, but the —

The CHAIR: We are talking about the ICT FSH base schedule 1.

Mr Snowball: Okay. I thought you were referring to the Solomon report, the WA review into WA ICT. That was a report of the Department of Finance. It was undertaken jointly and if you look in the report it will show this interviewed officers and so on from the Department of Health, the Department of Treasury, the Department of Finance and Premier and Cabinet around ICT and the readiness of Fiona Stanley.

Ms R. SAFFIOTI: Yes, sure. All we are saying is that you just said that the task force had all the information that you had.

Mr Snowball: Yes.

Ms R. SAFFIOTI: But we have got information to show that the task force did not have these reports until 28 March.

Mr Snowball: I fail to understand why that would be the case, because it is actually their report. In fact, I went through this report, the Solomon report —

Ms J.M. FREEMAN: No, no, the Birmingham report now, not so much that.

Mr Snowball: Okay, but the Solomon report, I just want to make really clear, was a report done to the Department of Finance and it was tabled with and we discussed it with all the central agencies, because it was very central to how we were going to see financial support to ICT in Health going forward. And the consequence of that was to support Fiona Stanley and Albany Hospitals for ICT and WebPAS; and WebPAS was the litmus test. The other report, being the ICT review report, I did not take this one to the task force. This never got beyond a confidential first draft not for circulation in my view, because I went through that report, I wrote back to Russell-Weisz —

The CHAIR: That was December though.

Mr Snowball: This was 8 December report, yes.

The CHAIR: Yes.

Mr Snowball: So I did not table this with the task force. I went through this report myself and sought all of the advice. As I said to you, I agreed with everything with the exception of that nine to 12-month delay comment. All of those others are actually in the task force report.

The CHAIR: Kim, we have heard today from people who were at the task force meeting that they asked for the University of Birmingham report and it took until 28 March for them to get that report.

Mr Snowball: Yes.

The CHAIR: So if we are talking about a task force that is going to make a difference here, the government authorised to try to get traction on delivering this project but many of the people on the task force did not even have this report. So, the question is, and I suppose one of the opening statements in the minutes is, "Now we're going to have a frank appraisal." The suggestion was that previously there was not a frank appraisal.

Mr Snowball: If I can just comment. The minutes of the meeting on September 2012 state —

- K.Snowball informed members that the report of the independent review of the commissioning of FSH conducted by University Hospitals Birmingham … Foundation Trust … accompanied the Cabinet Minute proposing the establishment of the Taskforce.

That went to the task force. The Birmingham report highlighted key risks flowing from that and describes what those risks were —

- Members agreed that the key areas of focus for the Taskforce …

There were five key areas. I was asked, in fact I can recall, for —

- Information to clarify and confirm the updated governance arrangements for the FSH project … will also be provided at the next meeting.

…

- K.Snowball agreed to report on progress against the recommendations in the Birmingham Report at the next meeting.

So, if they did not have a report, this is September 2012, this is the very first meeting of the task force. So if I am undertaking to provide a report against the progress of the recommendations, do you not think that the task force members must therefore have known what the recommendations were, if they were asking me to respond to the recommendations?

The CHAIR: The other thing is that you had a meeting in September and there was a very long time before you had another one.

Mr Snowball: Yes, but there are obvious reasons for that, but that initial task force meeting, if I can read —

Ms J.M. FREEMAN: Can you just outline what that would be?

Mr Snowball: If I can just repeat: in terms of the Birmingham report, the task force members are the Under Treasurer, the State Solicitor and representatives of Premier and Cabinet. So, in this case the deputy director general of Premier and Cabinet. Those are the people who I discussed—I discussed—the Birmingham report with before it went in a cabinet submission as a recommendation from Health. So I do not understand why your comment would be —

Ms J.M. FREEMAN: What you are saying is that you operated on the assumption that they had a copy of the report through the cabinet submission.

Mr Snowball: Yes, I did.

Ms J.M. FREEMAN: That is what you operated on.

Mr Snowball: Yes.

Ms J.M. FREEMAN: And we have subsequently found out that that operation from the point of view of some of the members may have not been the case.

Mr Snowball: I do not know that it would be. That is why I am saying in the actual minutes —

Ms J.M. FREEMAN: But you made that assumption that they had it. You did not make the report available to them. You just made the assumption.

Mr Snowball: I was very happy to make it available to them. There was no reason why I would not; absolutely no reason why I would not.

Ms J.M. FREEMAN: But you did not make it as a matter of course available to them at the meeting, did you?

Mr Snowball: Only because I assumed they already had it.

Ms J.M. FREEMAN: I get that. You made an assumption.

Mr Snowball: Yes.

Ms J.M. FREEMAN: Can I just ask you, you were going to tell us why there was the delay. You said there were obvious reasons for the delay. Do you want to tell us about September, February, big problems, major issue, you know, that you were looking at and satisfying yourself with task force, really important, should meet every two months. You had a meeting scheduled for November which was cancelled. Why were there delays?

Mr Snowball: There were two delays. I think 27 November was kind of scheduled. We tried to schedule all the meetings so you had one every two months.

Ms J.M. FREEMAN: That is right, they were all very careful on reporting to people.

Mr Snowball: So we tried to do that. On 27 November I think we deferred until 12 December on the basis that we were not ready because we did not have all the information we needed in order to advertise this meeting. At the December meeting my recollection of that is that we could not get all of the members to that meeting and at the last minute we had to delay it. And I have asked; I had an executive officer who looked after all of that. But you have got to remember we were in a period where, December–January, a lot of people had gone on leave but there was also a lot of preparatory work around. There was an election coming up, so there was stuff, particularly from the Treasury side, to prepare stuff for that. So, understandably there were a whole lot of challenges in having a meeting between December and January. Notwithstanding that, in fact both of my chief executives were on leave at that time, so the south metro was on leave as well. And to be frank with you, I did not want to have a meeting full of proxies in the middle of January. It would have been even less meaningful having the sort of proxies there than having the people that really should have been there.

The CHAIR: Could I just ask one last question, the prerogative of the Chairman? Can you tell us why it took so long to reply to Russell-Weisz from 8 December to 5 March?

Mr Snowball: Okay. That was a formal response which basically drew in everything we had done around his report, so we had a comprehensive response.

The CHAIR: So, December, February, March.

Mr Snowball: But bear in mind, Graham, I was meeting with him regularly. In fact I was communicating with him when he was on annual leave as well, getting the sequencing report done. He was under no illusion about my view about that particular comment around the nine to 12 months. As I said to you earlier, all the other aspects of that report I accept that his assessment of the risk; it coincided with my own but it did not in that last one. So it took me that long to formally respond but, as I said, I had been talking to him about every aspect of that report. But I mean the

report itself, this is the original one, has got my comments all over it. And I talked and talked through with Russ that report. And I did it that way because it was first draft not for circulation. I was not suddenly going to have a circular of information going around the system around his report for the very reasons expressed before. If you are suddenly flagging that there is a nine to 12-month delay, first of all without validating it, and secondly if you disagree with it, I do not think it is something you want floating around the health system.

The CHAIR: Thanks. Thank you for your evidence before the committee today. A 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 additional information or elaborate on particular points, please include a supplementary submission and any supplementary information that you have given an undertaking to. This will be considered by the committee when you return your corrected transcript of evidence. Thank you for offering and indeed appearing before us this afternoon.

Mr Snowball: Thank you very much.

Hearing concluded at 4.02 pm