



# **Climate Health WA Inquiry**

## **Inquiry into the impacts of climate change on health in Western Australia**

**Inquiry Lead:**  
**Dr Tarun Weeramanthri**

**Witnesses:**

**Mr Robert Toms**  
**Chief Executive, Health Support Services**

**Mrs Grace Hockey**  
**Acting Director, Office of the Chief Procurement Officer, Health  
Support Services**

**Thursday, 17 October 2019, 9.00 am**

HEARING COMMENCED

5 PROF WEERAMANTHRI: Mr Toms, Mrs Hockey, I'd like to thank  
you for your interest in the Inquiry and for your appearance at today's hearing.  
The purpose of this hearing is to assist me in gathering evidence for the  
Climate Health WA Inquiry into the impacts of climate change on health in  
Western Australia. My name is Tarun Weeramanthri and I've been appointed  
10 by the Chief Health Officer to undertake the Inquiry. Beside me is Dr Sarah  
Joyce, the Inquiry's Project Director. If everyone could please be aware that  
the use of mobile phones and other recording devices is not permitted in this  
room, so if you could please make sure your phone is on silent or switched off.

15 This hearing is a formal procedure convened under section 231 of the *Public  
Health Act 2016*. While you are not being asked to give your evidence under  
oath or affirmation, it is important you understand that there are penalties under  
the Act of knowingly providing a response or information that is false or  
misleading. This is a public hearing and a transcript of your evidence will be  
20 made for the public record. If you wish to make a confidential statement  
during today's proceedings, you should request that that part of your evidence  
be taken in private. You've previously been provided with the Inquiry's terms  
of reference and information on giving evidence to the Inquiry. Before we  
begin, do you have any questions about today's hearing?

25 MR TOMS: No.

PROF WEERAMANTHRI: Thank you.

30 MRS HOCKEY: No.

PROF WEERAMANTHRI: For the transcript, could I ask each of you  
to state your name and the capacity in which you are here today? And when  
you speak through the hearing, if you just briefly state your name prior to  
speaking, so we know. Thank you.

35 MR TOMS: My name is Robert Toms, I'm the Chief  
Executive of Health Support Services.

40 MRS HOCKEY: My name is Grace Hockey, I'm the  
Acting Director of the Office of the Chief Procurement Officer within Health  
Support Services.

45 PROF WEERAMANTHRI: Thank you. Mr Toms, would you like to  
make a brief opening statement?

MR TOMS: Yes, thank you. So firstly, I'd like to say  
that we at Health Support Services welcome the opportunity to contribute to  
the Climate Health Inquiry and are grateful for the opportunity to answer your  
questions and share our thinking today. As has been well documented, climate  
50 change represents a momentous challenge for current and future generations. It  
is a challenge which needs to be addressed by society at large, including all

5 levels of government and both the private and public sectors. To quote the United Nations, climate change is the defining issue of our time and we are at a defining moment. From shifting weather patterns that threaten food production to rising sea levels that increase the risk of catastrophic flooding, the impacts of climate change are global in scope and unprecedented in scale. Without drastic action today, adapting to these impacts in the future will be most difficult and costly.

10 As outlined in our submission, at Health Support Services we believe that climate change will significantly impact public health over the coming years, and therefore place considerable pressure on the public health system. This pressure is likely to be driven by growing demand characterised by environmental-related health issues, emergency responses to climate change impact, and risks associated with capacity, including physical infrastructure supply chains and asset management. In responding to this momentous challenge, we believe it is essential that a strategy be developed to address the risks and issues presented by climate change in a way that both mitigates the impact and enables the health system to adapt to the impacts of climate change, to use the terminology laid out by the Inquiry. It is our view that this strategy should incorporate some fundamental considerations, including the definition of a clear vision, clear policy position, clear and measurable objectives, an implementation of a performance framework and an integrated approach to risk management, all of which are laid out in our submission.

25 Whilst the development of such a strategy might take some time, it is right that organisations currently operating within the public health system and the environment act to minimise climate impact and improve sustainability in the short-term. This process will certainly help to place a focus on the issue in the short-term. However, there are some clear opportunities in the following areas which HSS plays an active role in, which I think we'll talk about as we go through this morning. Supply chain optimisation and sustainability, more sustainable procurement and contract management practices, improved asset strategy planning and management, more effective risk management, actions to minimise climate impact, and continuing to develop a culture that focuses on climate impact and sustainability.

40 The scale of this issue is obviously significant, and the cognitive challenges involved in understanding what one can do within an organisation to positively influence the situation need to be recognised. We do, however, believe that there is strong support and willingness to act and we are ready at HSS to play our part. Thank you once again for the opportunity to share our views and we look forward to assisting the Inquiry throughout this process.

45 PROF WEERAMANTHRI: Thank you for that statement and for your thoughtful and comprehensive written submission as well. I would like to focus on a number of areas that may not be covered by other witnesses. Firstly, can you please explain the role of Health Support Services with respect to the various health service providers?

MR TOMS: Sure. So, Health Support Services is the shared services centre, or shared services organisation, for the WA health system. We provide a range of ICT, procurement, supply chain, workforce-related and financial services for our customers across the public health system. Our purpose is to support our customers, which consist of more than 45,000 WA Health employees, to provide excellent healthcare by delivering simple, reliable and responsive services through a “Think customer first” approach. Each year, we pay more than 45,000 WA health system employees every fortnight. We provide payroll services. We manage 143 contracts, worth about \$2.7 billion. We actually manage a considerable amount of the spend that is undertaken each year across the health system.

We support about 26,000 IT devices, so we provide desktop support and IT support and IT operations support. We also provide accounts payable services, and we process about half a million supplier invoices each year. We have a warehouse which provides all of commodities for the WA health system. There's about 84,000 different product lines ranging from things like gloves, all the way through to dental equipment and so on. We manage a lot of the end-to-end procurement and contract management exercise for whole of health system contracts. We also undertake the recruitment process for the health system, so that was about 7,000 positions every year that we, essentially, support and facilitate a recruitment process for, or an extension process for. We also provide NurseWest services. So we fill about 80,000 metropolitan nursing shifts through a pool of casual nurses that we administer.

So essentially, we provide a whole suite of different shared services to our customers. And when we talk about our customers, we think about the major health service providers as well as the Department of Health, the Mental Health Commission and some smaller organisations that we support as well.

PROF WEERAMANTHRI: Thank you. We've heard from others about the impacts of climate change on people. Could you please describe the specific impacts, firstly, on critical health infrastructure, and secondly, on supply chains?

MR TOMS: Yes, sure. I'll take health infrastructure first, and then supply chain, and maybe ask Grace to make some supporting comments as well.

MRS HOCKEY: Sure.

MR TOMS: When one considers the impact on critical health infrastructure, there's a couple of, I think, dimensions to that. I think the first dimension is to understand the actual contribution that health infrastructure actually makes to the issue, and actually mitigation around that contribution. I would say that what we first need to do is understand what our health infrastructure is and understand the state of that infrastructure, and then

measure the contribution that it actually makes to the climate change issue. Because I'm not sure that we've actually really considered that from a climate change perspective. So whilst a lot of the focus may well be around operational efficiency and the physical strength of that infrastructure, I'm not  
5 sure that we've actually really considered strategies that would actually minimise the contribution that has on the climate change issue.

I think the second dimension, then, is thinking about the infrastructure that we need for the future from a climate change perspective. In your public health  
10 presentations and in the background information that this Inquiry process shares, a lot of the regional challenges were laid out very, very clearly, particularly around vulnerable populations. We believe that the second dimension is really going through an organised process to understand what infrastructure needs we have in the future, where we have those needs, what  
15 type of needs exist and then actually having a well thought through asset management strategy that enables us to have the right assets in the right place at the right time, to provide services that respond to climate change impact, but also minimise the impact of climate change on that infrastructure.

20 PROF WEERAMANTHRI: So that sounds like you're – and I certainly take it as – you're suggesting that that might be a recommendation that comes out of this Inquiry, that we actually have some kind of organised process to make that assessment.

25 MR TOMS: Yes, I believe so. I think that there is an opportunity for us to think about an asset strategy for infrastructure across the state from a climate change perspective that will address both of those types of risk.

30 PROF WEERAMANTHRI: So there has been a major asset building program over the last decade in WA Health.

MR TOMS: Yes.

35 PROF WEERAMANTHRI: And presumably, there will be ongoing major assets built. Do you know of any thought going into the planning of the next phase of capital building?

40 MR TOMS: I'm not sure. I think that the Department of Health may well be able to provide more informed perspective on that, for sure. What I would say is that the new infrastructure builds that have occurred have obviously taken climate impact into account. And the system may well have a long-term and short-term, medium-term asset strategies around infrastructure. I guess what I'm not so sure about is whether climate is a  
45 priority and whether it's actually a specific objective that is taken into that process. I think it's a well-managed process, but not necessarily driven from climate change.

PROF WEERAMANTHRI: Could you now turn your mind to supply chains?

MR TOMS: Yes. I'm going to get Grace to make a few comments around the supply chain, actually, and I'll just provide some sort of introductory, to... I think that, contextually, the supply chain for the WA health system is a global supply chain. So it's not just about supply chain within the state, you need to consider with the supply chain that it's national, it's regional, and it's actually international in nature. And so, therefore, climate change risk needs to be considered on a global scale. I think the second lead is we need to consider the impacts of supply chain again in an organised way. I'm not so sure that we've actually gone through a process of really understanding the risks and vulnerabilities in our supply chain and really thought about what a sustainable supply chain might look like. But if it's okay, I'm going to ask Grace to just add some comments to that.

MRS HOCKEY: Sure. Thank you, Rob. Some of the specific impacts on supply chains with regards to climate change include, with the demand for health care services to the public increasing, so does demand on our health supply chains, for goods and services. Climate change also will continue to test the reliability and resilience of our supply chains right across government. Natural disasters, as Rob mentioned earlier, about globally and locally having impacts on our WA Health supply chains, where, for example, our lines of supply have not been assessed and adjusted to mitigate that disruption, some of the considerations for mitigation and adaptation would be to consider the impact of health supply chains on climate change over the short-, medium- and long-terms. With regard to considering, also, the preparedness of health supply chains, we would need to be looking at, and further assessing and building into our risk management frameworks, an ability to understand how climate change is going to impact those arrangements over the next decade.

I think with regard to provisions, I just wanted to highlight, within the *Public Health Act*, there's a range of sustainability principles that link back to triple bottom line considerations. And we'll probably go into that a little bit further later in the hearing.

PROF WEERAMANTHRI: Happy for you to go to there now. So, triple bottom line has been a concept that's been around for at least a couple of decades. In your experience, can you just explain briefly what that is and how it's being utilised, or is it still kind of more written about than practised?

MRS HOCKEY: I think in the first instance, having had lengthy experience in the procurement discipline in WA Government since early 2000s, I know that, certainly, procurement and expectations on procurement practitioners has been to drive a lot of economic outcomes for Government. And then in the last five years, we've also been looking at further drivers around selecting respondents in the market that can clearly demonstrate

social benefits with regard to their solutions that they're providing to Government. I think the next great step for that will also be the environmental aspect. It's looking at all three factors to be considered in decision-making, with the objective of improving community well-being and benefit to future generations, which is also outlined in the *Public Health Act 2016*.

MR TOMS: Could I just add a couple of comments to that? I mean, triple bottom line, from our perspective, means that you're considering the social, environmental and economic performance of the organisation and actually quantifying that in monetary or statistical terms. Obviously, a lot of organisations – and I think it'd be fair to say that my organisation is pretty much driven by economic outcomes and profitability – we're not going to say profitability, but say, like, budget, SLE performance, and so on. A hard cycle type, sort of, KPIs.

But what we see in a lot of organisations is that they extend that to start – and quantify, say, environmental impact in a very organised way – a very deliberate and very organised way. So we think there's an opportunity to be able to put a price on carbon, so to speak, and actually set some objectives around that triple bottom line that organisations need to perform to, and incentivise organisations to perform to those things, as well as the social components that Grace has shared as well. What specific strategies are being employed to develop the social health of the community, as well as the economic products that the organisation provides. I think the opportunity to actually start to think about triple bottom line objectives, and ensuring that those objectives are measurable, and then incentivising organisations to perform against them, would be a really healthy – it would make a very healthy contribution to the climate change issue.

PROF WEERAMANTHRI: So I understand the point you're making there about the three different kinds of objectives and bringing them together. But also, if you just focus on the economic - - -

MR TOMS: Yes.

PROF WEERAMANTHRI: - - - piece of that, is there also a case to be made that even the economics at the moment are more focused on purchase price, if you like, or immediate short-term costs, as opposed to whole of life costs? So even from an economic point of view, you could make an argument that you need to be looking more across the purchase and the maintenance over the life of the product.

MR TOMS: Yes, I think so. And I think there's a – again, there's a couple of dimensions, I think, to that topic too, because I think at the moment, organisations are driven by that kind of short-term performance, or short-term returns. If you look at a lot of the considerations that we're here for, our kind of one to three-year time frame, but obviously something like a climate change-related issue is actually short-, medium- and

long-term. I think it's fair to say that at the moment, the framework, or the environment, within which we work, is very much focused around that economic performance and it's focused around the short- to medium-term.

5 The second point, though, that I would like to make on that issue is that I think that the conversation, in general terms, around climate change is as if there's some kind of... there's no benefit trade-off. There's no financial benefit associated with investing in climate change strategy. And I guess what we would say to that is that there is, because whilst investing in climate change  
10 strategy in the short-term may well require upfront investment, our view is that it actually avoids considerable cost in the long-term, either through unanticipated weather events, or gradual climate impact on physical infrastructure, and so on. So, actually, it's a false economy. And we need to be considering around true whole of life cycle decisions, including quantifying  
15 what the potential climate change impact could be in monetary terms, and we believe, actually, in the long run, there is no negative economic impact. In fact, in the long run, you know, one might argue there is a positive economic impact, in broader terms.

20 PROF WEERAMANTHRI: So if you did wish to go down that path, or if an organisation did wish to go down that path, how would that be written into... or other criteria for contracts or procurement, et cetera, are there mechanisms to write that into your current systems?

25 MR TOMS: Do you want to just lay out the current state, and then I'll talk about what we could do?

MRS HOCKEY: Yes.

30 MR TOMS: Yes.

MRS HOCKEY: Yes. We already have, if I may put it, an existing framework, which has been in place for the last three decades with the State Supply Commission having been established in 1991 under an Act. And  
35 the purpose of the State Supply Commission was to arrange for, and coordinate for, the supply of goods and services, and also the disposal of goods on behalf of public authorities. And that responsibility is delegated down to agencies by the State Supply Commission and with involvement from the Department of Finance. They are also responsible for regulating and monitoring how those  
40 functions are undertaken. We already have, under the Act, a State Supply Commission policy suite, which includes primary policies around value for money, which include cost and non-cost factors, probity and accountability, opening effective competition, procurement planning and contract management, sustainable procurement and disposal of goods policy.

45 Collectively, the framework already allows procurement practitioners and the discipline in procurement to use qualitative criteria when selecting respondents, or offers, including weighting on different non-cost factors, including things

such as sustainability or climate-conscious requirements. So it is really in the hands of procurement practitioners and the facilitators of those evaluation panels to allow, and to enact, what they're already empowered to do. So, for example, an evaluation panel that is undertaking a selection process of a respondent may include, amongst other subject matter experts, environmental engineers, architects or other sustainability consultants on the panel. And the procurement practitioners can test the market using a multi-criteria and multi-stakeholder approach. It's not just about delivering the lowest cost options for government.

MR TOMS: We think there's a platform that's already established, which lays out the process very, very clearly, end-to-end. What we believe is that the opportunities around being a lot clearer around the priority that's assigned to, and associated with, climate change. One of the things, for example, that could be done is to say that throughout the end-to-end procurement process, and when we look at those selection-based choices and decisions that are made, that there is actually a mandatory consideration that needs to be applied to long-term climate impact and return on investment, and sustainability within that context. And what that would do would be to both incentivise and focus those decisions, so that they considered climate impact. And one would hope over time, what that would result in is this more sustainable decisions being made, decisions being made that take into consideration social and environmental and economic return on investment. I think to summarise, we think there's actually a really good platform. There's actually some signalling already that it's an important issue, but I think it's taking that now to that next step and being a lot clearer around how important this issue is in the end-to-end process.

PROF WEERAMANTHRI: That's very helpful. You're suggesting, I think, that there's actually been a framework in place for some time around sustainability, that the policy settings are reasonably facilitatory in terms of making these kinds of decisions and including quantitative and qualitative information. That there is also a level of devolved decision-making to agencies within that framework.

MRS HOCKEY: Yes.

PROF WEERAMANTHRI: And we'll certainly bring these issues up with the Department and Health Service Providers about how they see the future enacting off that.

MR TOMS: Yes.

PROF WEERAMANTHRI: So thank you.

MR TOMS: I mean, I believe that the policies, as they currently stand, are more voluntary in nature than they are, say, mandatory. So

they're there, but it relies more on the individual, or the team working on that particular topic, to say it's an important issue for us.

5 PROF WEERAMANTHRI: Which goes to your other points you've made in the submission just now around leadership and culture as well.

MR TOMS: Yes.

10 PROF WEERAMANTHRI: So you can, with a shift in leadership and culture, you can make more of those decisions - - -

MR TOMS: Yes.

15 PROF WEERAMANTHRI: - - - that are allowable now.

MR TOMS: Yes.

20 PROF WEERAMANTHRI: Okay. Are there any implications for current contractors who are used to the existing system? They obviously want to understand, you know, where the Department, as a big agency, or agencies, is going.

MR TOMS: Yes.

25 PROF WEERAMANTHRI: How do you communicate any of these policy shifts or changes in interpretation to contractors with the state?

30 MR TOMS: I think that, in terms of the short-term implications around the contracts and agreements that we have in place already, there is – unless they're actually already factored into those agreements, there is no short-term negative impact. I think you'd be looking at... we spend, roughly speaking, about \$4 billion a year on materials and services. Therefore, that's actually a pretty significant footprint within the Western Australian context. And the public health system would work with  
35 some very, very large organisations on very large agreements and multi-year, sort of, arrangements through to smaller organisations who we have a lower value of spend, but actually play a very important role in the community.

40 So I think it would be laying out, again, a well thought through approach to starting to migrate the supplier base through a process of becoming more sustainable, and actually considering more climate change issues within that contracting and contract management process. But what I would say is a lot of the larger organisations that we work with are already considering this already, because they work with other organisations who have, say, maybe signal that  
45 triple bottom line or environmental considerations are very important, and some of their contracts may well be incentivised around their performance to perform against some targets that are set already. So some of the organisations would be quite used to working in that environment. And actually, some of

5 those organisations may well have some really, really good ideas and contributions to how we could actually make that more sustainable as well. I think, you know, in my view, there is no short-term shock. There's no short-term negative impact. It's about working through a methodical way to move into a future environment that's different to today.

10 PROF WEERAMANTHRI: You make a point about treating climate risk as part of an overall risk management process, and that seems sensible. But can I ask you, is there anything different about climate versus other business risks that needs to be taken into account?

MR TOMS: Maybe – maybe I'll talk on – and you can talk about supply chain management?

15 MRS HOCKEY: Sure.

20 MR TOMS: So in terms of what we would be advocating for is – sorry, I'll start with if there's anything different. I might get the terminology wrong, but it's the externalisation of the issue that's different. So, I think, if you look at a lot of the modern organisations with Boards, they go through a risk appetite statement, they set their corporate risks and they consider, then, actions to control or mitigate those risks. Climate change as an issue – and I'm by no means an expert, but it's such a big issue, and it's kind of omnipresent and it's in the conversation every single day for most people in society. It's one of these issues that can become so big, it becomes really hard to know what you can actually do about it as an individual or as an organisation, in an organised way that has a positive impact. We think what is different about this is the scale and the complexity of the issue itself, and the difficulty of translating that issue into a risk that organisations face and identifying actions that organisations can take to help mitigate that risk.

35 But what we do believe, though, is that the opportunity that this Inquiry provides is a platform to have a discussion, as a health system, around risk appetite as it relates to this issue. And I think that's important because if we can actually get a clear risk appetite on climate change, what that enables a lot of the organisations to do is adjust and focus their own risk management strategies around that. It signals and it sends a message to say we have a low tolerance for something, and it really helps to bring people together. So I think from a corporate point of view, we think there's an opportunity to establish an integrated risk framework around climate change which is set by risk appetite aligned to government and what comes out of this Inquiry. From a supply chain perspective, though, it might be... if it's okay for Grace just to make a couple of comments around how that would manifest in the supply chain.

45 MRS HOCKEY: With regard to the supply chain and certainly inventory management, I think it's very important that we understand that risks are, generally speaking, if not addressed, tend to then develop into something bigger. And with regard to climate change, not addressing it,

continuing forward, would mean that we'll have exponential risk exposure. Directly, with regard to supply chain, there are more than likely disruptions to high frequency products and services, or products and inventory, in contrast to the low frequency goods and equipment that we receive on an irregular basis.  
5 Key suppliers, perhaps, may have manufacturing facilities in geographical regions prone to extreme weather events, and if we're doing business with those companies that have supply chains that lead into a range of other areas across the globe which are experiencing those extreme weather events, then we are going to be impacted.

10 The length of the supply chain and the number of countries involved contributes to an increased risk profile and environmental impacts, as well as increased logistical costs. Key considerations to address those vulnerabilities and risks would be to continue engaging in cross-agency emergency  
15 management planning and practices, but it shouldn't be the only thing that we look at. We need to be collaborating with key suppliers to build in additional mechanisms to improve supply chain resilience, because we do, particularly as the health system, we have quite a wide-ranging reach with industry. Procurement is also the discipline that is the interface between industry and  
20 government. So when we signal changes, or we signal what's most important to us, we do then also see very soon, and even sometimes in advance, changes in industry practices.

25 We need to not only be looking at the supply chain, but the full value chain that operates in the background, and the exchange of value, both costs and benefits. And apply economics principles to the supply chain and go back to what we would consider to be tried and tested basics. Risk management practices should also incorporate the identification of those climate change driven risks, because it's an intergenerational risk that we're looking at. It's not something  
30 that's just going to be dealt with right now. We'll have to continue working towards solutions going into the future.

PROF WEERAMANTHRI: That's great. We've got about just  
35 between 10 or 15 minutes left, and I'd like to get your thoughts just about a couple of other things - - -

MR TOMS: Sure.

40 PROF WEERAMANTHRI: - - - which you've mentioned that others haven't - - -

MR TOMS: Sure.

45 PROF WEERAMANTHRI: - - - specifically. You mentioned the need to consider transition costs and risks. Can you just explain what you mean by that?

MR TOMS: Yes, sure. I think in terms of transition costs, we were talking about the potential costs associated with implementing strategies that are different to what we do today. It's almost the dividend – or it's almost the additional costs that might be incurred by making choices that are more climate change driven than what we do today. So if the decisions that we make today are generally made, mostly, on economic terms, then we may find that when we start to make decisions that incorporate climate change factors, they might become more costly in the short-term.

10 Obviously, first of all, it's really important to actually, sort of, measure what those additional costs might be, but it's also important to recognise that we wouldn't incur the additional costs, at least in the short-term. However, what we would say, again, is that we think the return on investment is still positive, because you're actually avoiding cost in the long-term. So again, putting a measure and actually quantifying the impact of the climate change-related factors in that process is what we think is really, really important. We can't just be seen to be, 'It's going to cost more to contract with this organisation because we factored in a climate strategy and we factored in client considerations', it's also got to be, 'By contracting with this organisation, we believe it would avoid a cost in the medium- to long-term that would be more significant', and it's putting a measure and a quantification of that in the process.

25 PROF WEERAMANTHRI: Is it also true that, in a routine transition, you've got a clear idea of moving from state A to state B, whereas in this transition, in fact, what you're doing is, you may not exactly know what state B is going to look like, but you know you're going to have to build in greater flexibility as new information comes in. And part of the transition difficulty is that you're actually adopting a different flexible mindset going forward, without an absolute assurance of what state B or state C is going to look like?

30 MR TOMS: Yes. I think that's absolutely... I totally agree with that statement. You know, I personally have a belief that it's important to do something as opposed to not doing anything. I think that, in many other circumstances within the business context, as everybody would know, the outcome or the vision that you're trying to achieve isn't particularly well-defined, but the strategies are designed to take you forward and to learn more as you go forward and adjust, and then do more – adjust or do more. I think, again, coming back to the reason why this issue sometimes isn't necessarily picked up through those risk processes is because it's so big. So one may well be tempted to try and find the perfect solution, but actually, just implementing half-a-dozen strategies to actually move you forward will move everybody forward, but it might not necessarily get you where you want to be in the end. But the most important thing is you actually do something and you don't get paralysed or stalled around the fact that you haven't got all the answers.

PROF WEERAMANTHRI: And given that, what role can HSS play in system-wide data analysis and reporting, because presumably, data underlies some of your ability to make decisions and be flexible?

5 MR TOMS: Yes. We're in a fortunate position, because we have the tentacles, I suppose – because we actually support the whole of system IT systems – the data that's actually captured in those IT systems, we have access to. The opportunity for us to build a really clear data model, as it relates to climate change performance, climate change impact, 10 mitigations, adaptation strategies, to build a model around that to report on our progress against that, that's actually a significant opportunity. That's something that we can assist with. We are actually working on lots of other data models. Part of the digital strategy that was released just recently points to the creation of what's called a data lake, where we actually can place all of the health systems data into one place. And it would only be a case of actually collecting 15 data around climate change, and then embedding that into – so it's collected into that lake – and then we could actually set up the analytics and the technologies to be able to extract that report on that and do analytics around that, and support our customers to do that as well.

20 PROF WEERAMANTHRI: I'll take that concept up with some other - - -

25 MR TOMS: Sure.

PROF WEERAMANTHRI: - - - witnesses later today, in fact, around data linkage and the capacity - - -

30 MR TOMS: Yes.

PROF WEERAMANTHRI: - - - of that to contribute.

MR TOMS: Yes.

35 PROF WEERAMANTHRI: Not just from the analysis, but also from the lesser environmental impact of using those kinds of digital technologies.

MR TOMS: Yes, yes.

40 PROF WEERAMANTHRI: There were a lot of issues that are not specific to health, but which impact via your processes and your expertise. And without wishing to try and touch all of them, building standards come up. Things like third party verification processes, so that you could rely on environmental standards, et cetera, what people are saying is going to be 45 delivered. Have you had a thought about – particularly with respect to infrastructure, where we started – whether those codes, standards, verification processes are fit for purpose?

MR TOMS: I'll make some opening comments and then maybe if you could just say a couple of key messages?

MRS HOCKEY: Sure, yes.

5

MR TOMS: As opposed to going – we don't need to go through all the policies and things like that.

MRS HOCKEY: No.

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MR TOMS: In general terms – and we did actually include a short section on this within our submission – but in general terms, when one looks at the, say, physical infrastructure, we think there's a really different way about thinking about our physical infrastructure as it relates to this. And we had a section in there about energy efficiency, power generation through the use of renewable generation solutions, the storage of power on site, and then the consumption of that power that's generated by renewable and coal-fired power stations as an example. We think there's an opportunity to reduce a footprint and establish more sustainable solutions. We've got very large buildings across the state, we've got some very small buildings across the state. We think there's actually a really good contribution that we could make there, as well as looking at all of the other utility efficiency strategies.

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I think it's the – I'll make a general statement. Again, this is my own personal opinion. I'm not entirely sure whether those standards or those codes or those policies really adequately, at this moment in time, address climate change as an issue and embed a strategy for more sustainable solutions in the future. I think there's a general thing around there, and I think there's a really significant opportunity associated with that, too. In terms of the actual building codes itself, maybe if you could just make a couple of short comments on - - -

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MRS HOCKEY: Yes.

MR TOMS: - - - on the building code.

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MRS HOCKEY: Yes. We have some... on the horizon, there will be some wholesale changes to the *State Supply Commission Act* in that we're, across government, going to be moving to a new Act to sweep in goods and services as well as works-type procurements. So when I talk about works, I'm referring to building construction and any additions and alterations to existing buildings. We know that there is a section J of the National Construction Code which was refreshed this year, and we have until, across Government, April 2020 to fully comply with all of the provisions within that update to section J. And the primary purpose of that is to drive energy efficiency and significantly reduce greenhouse gas emissions, and we're talking in the order of 43 per cent [average] across both domestic dwellings as well as commercial buildings, and all classes of buildings.

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5 So with regard to building standards, we would see that, certainly, we  
understand sustainability and energy efficiency initiatives shouldn't  
compromise essential patient care, safety and the delivery of those health  
outcomes. However, we do need a whole of health standardised infrastructure  
and building policy to encourage environmentally sustainable design at the  
10 front end of projects, and then following through for consideration in planning,  
design, construction and operation of those facilities into the future. So I'm not  
saying it's not happening right now, but certainly in terms of the consistent  
approach and a well-known and understood method, we need to be educating  
our workforce in regard to that, and also developing clear policies to encourage  
and incentivise our Health Support Services customers, so the HSPs, in terms  
15 of their efficient use of management of energy, encouraging the use of  
electricity CUAs, for example, or [using] the common use arrangement the  
Department of Finance has put in place to lower costs – efficient use and  
management of water, responsibly managing and minimising waste, and  
benchmarking and researching building standards in similar enterprises and  
seeing how other organisations that are similar implement those standards and  
arrangements.

20 PROF WEERAMANTHRI: Thank you both, that was a very helpful  
last 45 minutes. Thank you.

MR TOMS: Thank you.

25 PROF WEERAMANTHRI: So I will close now. A transcript of this  
hearing will be sent to you so that you can correct minor factual errors before it  
is placed on the public record. If you could please return the transcript within  
10 working days of the date of the covering letter or email, otherwise it will be  
deemed to be correct. While you cannot amend your evidence, if you would  
30 like to explain particular points in more detail or present further information,  
you can provide this as an addition to your submission to the Inquiry when you  
return the transcript. I would note your initial written submission was very  
comprehensive. Once again, Mr Toms, Mrs Hockey, thank you very much for  
your evidence.

35 MR TOMS: Thank you.

MRS HOCKEY: Thank you.

40 HEARING CONCLUDED