STATEMENT OF JOHN DOUGLAS GOWER

Name	John Douglas Gower
Address	Known to Ashurst
Occupation	Project Director
Date	2 May ~~April~~ 2013

I state as follows:

PRELIMINARY

1. I am currently employed by Australia and New Zealand Banking Group Ltd (**ANZ**) as Program Director and have been since about January 2011. Before that I was employed by IBM Australia Ltd (**IBM**) from about 2002 until December 2010.

2. I have a degree in Accountancy from Queensland University of Technology, which I obtained in 1990. I became a Certified Practising Accountant in about 1997, however I no longer hold that accreditation.

3. I also hold a Graduate Diploma in Human Resources from Monash University and am qualified as a Project Director by the Australian Institute of Project Management (**AIPM**).

4. My main professional experience is in relation to the project management of Information Technology (IT) projects. During my time at IBM my experience involved two strands: human resources consulting; and package systems implementations (for example, SAP and PeopleSoft).

STATEMENT OVERVIEW

5. I was involved in the Shared Service Solutions Program (**SSSP**) in two different roles: firstly as Deputy Program Director, from about November 2007 until about March 2009; and then as QHIC Project Director from about March 2009 until about January 2010.

6. As Deputy Program Director I provided assistance to the Program Director. Initially this was Paul Hickey and later Bill Doak. In this capacity, my primary role was the management of the work done by IBM under Statement of Work (**SOW**) 4, which dealt with Forward Planning for the SSSP.

7. I took over as QHIC Project Director from Mr Hickey in March 2009. From that time, I took over the management of the IBM team working on the delivery of the Lattice replacement payroll system.

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SOW 4 FORWARD PLANNING

8. The work to be done under SOW 4 was in relation to forward planning for the SSSP. Its purpose was to define and better understand the needs of government agencies involved in the SSSP and the details of the technical solution required to meet those needs.

9. For the purposes of SOW 4, I managed a team of about 25-30 staff, working collaboratively with a range of agencies.

10. My team was working closely with a range of government agencies, such as Queensland Police, Department of Emergency Services and Department of Public Works, over a nine to 10 month period. It was necessary to develop a detailed understanding of what particular agencies wanted in terms of functionality beyond the standard offer, including business processes and RICEFs.

11. I recall that this process revealed more extensive agency requirements than had previously been understood in the context of the development of the standard offer by CorpTech.

12. I was not involved in scoping, planning or delivering the Lattice replacement solution for Queensland Health, the Queensland Health Implementation of Continuity (**QHIC**) project until I started as the Project Director of the QHIC Project in March 2009.

13. During my interview with the Commission, I was asked about whether the IBM team that gathered business requirements for the QHIC project reported to me. I wish to clarify my response to the Commission, which arose from an initial misunderstanding about the question. The team that undertook the scoping and planning work for the Lattice interim replacement solution under SOWs 7 and 8 did not report to me. I believe that members of the SOW 4 forward planning team may have worked with Queensland Health in gathering requirements for the whole of government SSSP deployment (not the Lattice replacement system), however I have no clear recollection of this.

14. A component of the work my team was doing was the delivery of fixed price quotes and draft SOWs for each release stage of the SSSP deployment. The fixed price quotes and draft SOWs were due to be delivered on about 29 August 2008. These were completed and provided to CorpTech Vendor Management on about 15 August 2008 and were accepted as deliverables on 26 August 2008.

15. Following the completion of this work, my team was engaged in a series of discussions with CorpTech's Solution Design Authority (**SDA**) about the composition of the fixed price estimates and related assumptions.

16. I recall that, although the fixed price estimates had been delivered in August 2008, my team and I continued in discussions with the SDA about options for the future roll out of the SSSP. In these discussions, it appeared to me that the SDA's aim was to see how they could continue

the program within a constrained funding situation. I believe that this continued until at least February 2009.

QHIC PROJECT DIRECTOR

17. I started as QHIC Project Director in about March 2009. In this role, I reported to Mr Doak and was based at QHEST's offices in Adelaide Street, Brisbane.

18. I met weekly with CorpTech and Queensland Health representatives as part of the QHIC Project Directorate. Tony Price was the chair (later replaced by James Brown) and other representatives included Terry Burns, Amanda Doughty, Jane Stewart and Janette Jones. I produced weekly reports for these meetings. I also attended monthly QHIC Board meetings.

19. At the time I joined the QHIC Project, IBM and CorpTech were negotiating a way forward in relation to various contractual matters, including the scope of the integration between the Queensland Health human resources and finance systems (**HR-FI integration**). This was ultimately agreed in Change Request (**CR**) 184, which was being drafted around that time.

20. My initial focus as Project Director was to keep the IBM QHIC team moving forward while these negotiations were taking place.

21. The QHIC team was working towards a "Go Live" date in June 2009. As the CR 184 negotiations continued, this was causing some disruption to the team because of the lack of certainty about the "Go Live" date. This was an issue that I brought up regularly at the weekly Project Directorate meetings.

22. I was not involved in the contractual negotiations being undertaken by Mr Doak and Paul Ray, including in relation to CR 184 and other CRs being prepared. At times I had a role in communicating project delivery issues so that these could be addressed in the negotiations. However, Mr Doak made it clear to me that my focus should be project delivery and not contractual matters.

23. By about April 2009, there were concerns within the QHIC Project that the June 2009 "Go Live" date was no longer achievable. I believe that around this time the QHIC Project Directorate asked Amanda Doughty and me to facilitate joint team workshops between QHEST and IBM in relation to a revised schedule for the project.

24. As a result of these workshops, we put forward a revised schedule based upon an August 2009 "Go Live" date. However, by the time CR 184 was signed, in June 2009, the "Go Live" date had had been agreed to be 10 November 2009.

PROJECT MANAGEMENT

25. Some weeks after I commenced as QHIC Project Director, it had become apparent to me that there were ongoing disagreements in the context of testing about whether defects were true

defects or new business requirements. Further, these disagreements were consuming a significant amount of time for the QHIC Project. I believe I raised these issues at the Project Directorate level in about April 2009.

26. It seemed to me that we might benefit from a process for escalating and dealing with these disagreements and that an agreed Requirements Traceability Matrix (**RTM**) would be a helpful tool in determining the cause of test failures. At that time, the IBM team appeared to me to be very clear in its understanding of the project scope, however, I felt that the RTM would provide greater transparency in relation to the agreed project scope.

27. I proposed to the Project Directorate that the parties work together to develop a formal RTM to supplement the existing practices being used to manage requirements. This was agreed to by the Project Directorate.

28. It took several months to develop an RTM and required significant input from CorpTech, Queensland Health and IBM.

USER ACCEPTANCE TESTING

29. When I started as Project Director, the QHIC team was working on a number of tasks including fixing defects identified by earlier testing and preparing for re-entry into User Acceptance Testing (**UAT**). I believe that at the time that I started, UAT (which was conducted by Queensland Health) had previously been commenced but had been suspended.

30. On about 6 May 2009, the QHIC Project re-entered UAT and was due to complete on 26 June 2009. I do not recall whether this phase of UAT was suspended or whether it continued and led into later phases of UAT.

31. In about late August 2009, the QHIC Project started a new phase of UAT (**UAT 4**), which I believe was previously referred to as "UAT e2e" (ie, end to end). I believe that the entry and exit criteria for UAT were drafted by QHEST. I was involved in reviewing and agreeing the criteria for UAT with CorpTech and Queensland Health. I was not closely involved in the testing process and relied upon my test team, including the IBM Test Manager, Mark Dymock, for advice in relation to testing and the reported defects.

32. System defects were classified according to agreed criteria approved by the QHIC Board (Steering Committee). As best I can recall, when these criteria were changed on one occasion, it was in order to classify defects appropriately based on business impact, frequency and the number of employees affected.

33. In order to enter UAT 4, the system was required to pass entry criteria, which included that all severity 1 defects had been resolved and all severity 2 defects had passed system test and were ready for testing in UAT.

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34. I considered that the numbers of defects raised during UAT for the QHIC Project was high. I attribute this in part to the fact that some of the apparent defects raised by testers were business requirements that had not previously been articulated by Queensland Health or CorpTech (and agreed with IBM). I believe that this was contributed to by the complexity of the relevant health sector industrial agreements and the large number of possible payment scenarios to be addressed by the QHIC payroll system. In some cases, testers raised defects without necessarily having an understanding of how the system should function. In some cases, apparent defects were raised on the basis of ad hoc testing that was not related to agreed business test cases.

35. In about October 2009, the QHIC solution did not meet the exit criteria. At a QHIC Board meeting on about 19 October 2009, it was agreed that UAT 4 would be extended. The Board also resolved that replanning would be undertaken to produce a deliverable solution by some time in December 2009 and that the "Go Live" date would be extended to 2010, with the date to be determined.

36. From about this time until December 2009, I was focused on replanning and delivering a deployable solution. My team was continuing with UAT activities and fixing outstanding defects.

DEFECT 1100

37. I believe that defect 1100 was first mentioned to me in about July 2009. This defect was in relation to cost allocation. It was my understanding that under CR 184, which had been agreed by the parties in June 2009, cost allocation was out of scope.

38. Queensland Health regarded this functionality as important and IBM was requested to develop options to address this requirement, which we did. This work showed that the effort needed to address this requirement would push back the "Go Live" beyond November 2009.

39. On about 18 August 2009, the QHIC Board agreed that cost allocation would not be in scope for the QHIC Project and that defect 1100 would be removed from the agreed defect register so that the QHIC solution could enter UAT 4.

DEPARTURE FROM THE QHIC PROJECT

40. When I first moved to Brisbane in December 2007, I was on a two year transfer from the Melbourne office. I had always intended to return to Melbourne with my family at the end of this two year period.

41. I was on leave for most of December 2009 and, after I returned, I only attended a few meetings before leaving the role of Project Director. I left the QHIC Project on around 14 January 2010 and moved back to Melbourne.

42. Mr Dymock acted in my role during my absence in December 2009 and he eventually replaced me as Project Director when I left in January 2010.

Signed:

Date: 2 May 2013

Witness: Susan Goodman