

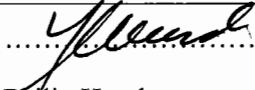
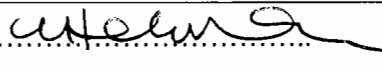
# Health Payroll System Commission of Inquiry

## STATEMENT OF PHILIP HOOD

I, **PHILIP JAMES HOOD**, of an address known to Crown Law, state as follows:–

### Background

- 1 I have been asked about my employment history and IT qualifications. I was employed with CorpTech in various roles between 1 July 2003 and 30 June 2012.
- 2 On 1 July 2012, I was appointed Executive Director of the Payroll Portfolio in Queensland Health.
- 3 I hold a Bachelor of Computer Science from the University of New England in Armidale, New South Wales and two graduate certificates in information technology from the Queensland University of Technology.
- 4 On 1 July 2003 I commenced employment at CorpTech which was established as part of the implementation of shared services in the Queensland Government. My initial role was as Director of Service and Account Management responsible for the management of customer relationships. I reported to the Executive Director, Geoff Waite.
- 5 In September 2005, I was appointed Deputy Executive Director of CorpTech. I reported to the Executive Director, Geoff Waite. (Annexure A – Job Description – Deputy Executive Director) I was responsible for running the “business as usual” components of CorpTech. I managed the operations, technical support, training and client engagement for the finance and HR solutions that had been transferred to CorpTech as a part of the Shared Service Initiative (SSI). In September 2005, the

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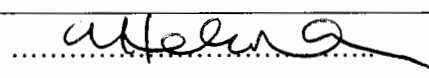
Queensland Health rostering and payroll systems had not transferred to CorpTech. The role of the Deputy Executive Director was to oversee the operation of the existing finance and payroll solutions not to directly build new or replacement solutions.

**Contract between State of Queensland and SAP Australia**

- 6 It was put to me that in 2005 a decision was made that SAP software applications would be implemented. I am aware of a contract between the State of Queensland and SAP Australia for the licence of SAP as a finance and payroll product for the whole of government. SAP has been used in the Queensland Government for finance and human resource management since the late 1990s. It is my understanding that the contract has been renegotiated a number of times. The selection processes were initially conducted within the Shared Service Implementation Office (SSIO). I was not a member of the selection panel; however I was aware of the process.


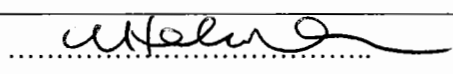
**LATTICE and Talent2**

- 7 I have been asked about the status of LATTICE in 2005 and it was put to me that vendor support was about to be withdrawn. Talent2 had formally advised the State of Queensland that they were going to cease support for their product. I believe this advice was received in 2007. CorpTech had been responsible for the technical support and maintenance of the Department of Corrective Services and Department of Emergency Services LATTICE solutions since 1 July 2003. My first exposure to the Queensland Health LATTICE system was at the end of 2005 when discussions commenced for the transfer of responsibility for the Queensland Health LATTICE system from Queensland Health to CorpTech. Following the interview with the Commission of Inquiry on 19 February 2013, I have accessed a copy of a letter dated 3 January 2007 received from Ms Eileen Aitken, National General Manager, Talent2 Works, addressed to myself as Deputy Executive Director, CorpTech. (Annexure B –

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Letter from Talent2 dated 3 January 2007) The letter confirmed that Talent2 would not support Consisto HRIS (LATTICE) after 30 June 2008.


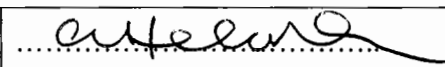
- 8 As I no longer have direct access to my Queensland Treasury emails or calendar, or to files that may have been created during the period that I worked for CorpTech when it was hosted by Queensland Treasury it has been challenging to access documents to inform my statement. I have sought access to emails and calendar entries from Queensland Treasury to assist in preparing my statement.
- 9 I have been asked whether I had looked at negotiating increased vendor support for LATTICE. I did travel to Melbourne to meet with John Rawlinson, CEO of Talent2. The purpose of this meeting was to negotiate extended vendor support for LATTICE. No agreement was reached at that meeting. However, I left Melbourne with a handshake which gave me the impression that Talent2 would make an offer extending vendor support for Lattice. Following the interview with the Commission of Inquiry on 19 February 2013 I have accessed documentation which confirmed my visit to Melbourne and the meeting with John Rawlinson on Friday 27 July 2007.
- 10 After this meeting, I sent an email to Talent2 to follow up whether an offer would be made to extend vendor support. Talent2 subsequently advised that they would not be making an offer. Following the interview with the Commission of Inquiry of 19 February 2013 I have accessed a copy of an email I sent to John Rawlinson on 6 August 2007 summarising the outcomes of the meeting of 27 July 2007. (Annexure C – email to John Rawlinson dated 6 August 2007) I have a copy of an email received from Mr Rawlinson of 8 August 2007 (Annexure D – Email from John Rawlinson dated 8 August 2007) and a copy of a letter Mr Rawlinson sent me on 6 August 2007 (Annexure E – Letter from John Rawlinson dated 6 August 2007). In that letter Mr Rawlinson states “since our meeting on Friday 27 July 2007, we have revisited this matter and reviewed the risk to determine if we can provide further

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Consisto HRIS support for the period 1 July to 30 June 2011. Regretfully, I need to advise that we will not be proceeding further with this option.”

**30 November 2005 Contract**

- 11 It was put to me that in 2005, negotiations were entered into between CorpTech and IBM for the SAP and Workbrain application. I am aware of a contract between the State and IBM dated 30 November 2005. The contract provided for the licensing, through IBM of software known as Workbrain, Saba and Recruit ASP. That contract did not cover the SAP software. I was not involved in the negotiation of the IBM contract however I remember attending a signing ceremony. Following the interview with the Commission of Inquiry on 19 February 2013 I have sighted a copy of the contract dated 30 November 2005. The contract was signed on behalf of the State of Queensland by Geoff Waite on 29 November 2005 and was witnessed by me. (Annexure F – Page 17 Customer Contract Q-11 dated 30 November 2005)
- 12 I have been asked about the selection of the combination of SAP and Workbrain. Workbrain is a rostering solution and my experience has predominately been in SAP financial and HR solutions. At the time I did not consider how Workbrain would interact with SAP.
- 13 I have been asked whether I recalled at that time that there was any discussion of looking at what else was being used in the market for rostering. My recollection is that as part of the tender process a number of parties responded and different products were put forward as a part of that process.
- 14 I have been asked whether there were a lot of external consultants engaged at CorpTech in 2005. Ms Nicholas confirmed that consultants could be used interchangeably with contractors. The DET payroll was run almost entirely by contractors. Accenture and Logica were involved in the implementing the software after that period. CorpTech

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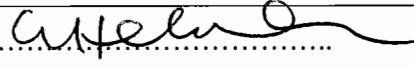
certainly employed contractors across the organisation and large numbers of contractors were employed by CorpTech as the implementation of the solutions progressed in 2006 and 2007. I do not recall how many contractors were engaged by CorpTech in 2005.

**Review by Arena Consulting**

15 I have been asked about consultants being brought in from a company called Arena in mid-2007. There have been a number of reviews conducted into Shared Services and I believe that Arena Consulting did undertake a review. I cannot recall the date of that review or how long the review went for. I do not recall who conducted this review but I believe it was a former public servant. Upon reflection after the interview with the Commission of Inquiry on 19 February 2013 I believe that the reference I made to the public servant was in reference to a review conducted by Mr Gary Uhlmann of Arena Consulting at an earlier time and not the review that occurred in 2007. I have a calendar entry for 30 April 2007 for a meeting with Gary Uhlmann. It is unclear to me whether the review by Arena Consulting in 2007 as was put to me and the Replanning Activity undertaken by Terry Burns in May 2007, are one and the same or separate activities.

**Review by Terry Burns**

16 It was put to me that in 2007, a contractor named Terry Burns from a consulting company called Cavendish conducted a review. I believe he was engaged or recommended by either Information Professionals or Arena. I remember some debate around this. I recall that at some time after his initial appointment there were discussions between CorpTech and Information Professionals about who had introduced Mr Burns to CorpTech. Following the interview with the Commission of Inquiry on 19 February 2013, I have further considered this matter. I believe the Terry Burns "Review", as put to me, was the extensive Schedule 9 Re-Planning activity that took place in May 2007. At that time "Schedule 9" was maintained as the forward


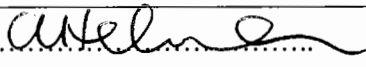
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timetable for solution delivery for Shared Service Solutions. I did participate in the replanning activity during May 2007 in the Production Support working group.


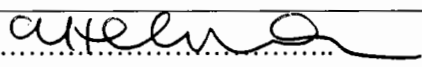
- 17 Prior to this activity, I have no recollection of working with Terry Burns.
- 18 I have been asked whether I was involved in the review that Terry Burns conducted and whether I read his review. I did participate in the Schedule 9 Replanning exercise led by Terry Burns. I do not specifically recall reading the final report prepared by Terry Burns. However I may have read it as a member of the Replanning Team and senior management team of CorpTech.
- 19 I have been asked about my reaction to one of the recommendations of the Terry Burn's Review, specifically the appointment of a prime contractor. I do not recall my reaction to the prime contractor model proposed by Terry Burns. To me it did not really matter who built the solutions, as Service Management was going to have to run the solutions regardless of what group built them.

### **Request for Proposal**

- 20 I have been asked about a Request for Proposal (RFP) that was put to the open market prior to an Invitation to Offer (ITO) which resulted in the contract between the State and IBM dated 5 December 2007. At the interview on 19 February 2013 I stated that I had no specific recollection of the RFP process or what was contained in the RFP. However, it may have been how the respondents were selected for the ITO. Following the interview of 19 February 2013 I have specifically requested a search of my emails for the period May to October 2007 inclusive, containing the phrase "Request for Proposal". No emails relating to a "Request for Proposal" were located. (Annexure G – Search results for emails containing "Request for Proposal" between May and October 2007).

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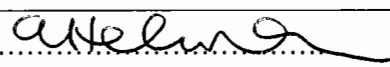
- 21 I have been asked if I ever saw the request for proposal (RFP) document that went to market, any responses that were received and if I recall any meetings around the time with Barbara Perrott or Terry Burns about the RFP. I have no recollection of seeing a document titled "RFP". Following the interview with the Commission of Inquiry on 19 February 2013, I have reviewed emails relating to the Schedule 9 Re-Planning activity. I have an email from Maree Blakeney dated 1 August 2007 which contains a project Gantt chart. (Annexure H – Email and attachment from Maree Blakeney dated 1 August 2007) A review of the attached Gantt chart for Replanning Phase III dated 1 August 2007 version 0.15, specifies that a Request for Information (RFI) process was a part of Replanning Phase III. A calendar entry on 2 August 2007 indicates that a special Program Corporate Purchaser meeting was scheduled. Day book notes on 2 August 2007 include – "Special PCP Meeting – Level 8 Santos House. BP-KG-TB - Gantt chart and evaluation process. Phase III Replanning – draft structures (2) no mention of Service Management. RFI=>RFO (abbreviated process) 4 presentations. Need to brief staff. \* intense effort new documents transition attendance at presentations SEG. IBM, SAP, need for strict confidentiality." (Annexure I - Day book entry 2 August 2007 – Special PCP Meeting)
- 22 I have been asked about Accenture providing a 100 page document in response to the RFP and knowledge of intellectual property in that document finding its way into the invitation to offer or IBM's proposal. I recall that Accenture did provide a comprehensive briefing on 7 August 2007 and such a document may have been provided at that time. I have no knowledge of Accenture's response or intellectual property being provided to other parties.
- 23 As part of the Phase III Replanning Process I attended four vendor presentations: SAP 6 August 2007, Accenture 7 August 2007, Logica 7 August 2007 and IBM 9 August 2007.

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- 24 I have been asked whether I am aware whether the RFP procedure was one whereby a contract would ultimately be awarded at the end of that process without proceeding to issue an ITO. I am not aware that that would occur. The Gantt chart for Replanning Phase III dated 1 August 2007 version 0.15 includes both an RFI and an RFO process.
- 25 I have been asked about legal advice being obtained in relation to the RFP. I have no specific recollection of legal advice being sought. However, the Gantt chart does reference a probity component for both the RFI and RFO processes.
- 26 I have been asked whether it was clear within CorpTech or the market that Accenture would be the entity that would be awarded the contract. I am not aware of that there was any understanding that Accenture would be awarded the contract.
- 27 I have been asked about being invited to a meeting with Mr Bradley and Accenture. I recall being invited to a meeting between the Under Treasurer, Mr Gerard Bradley and Accenture possibly after the contract was executed between IBM and the State on 5 December 2007. I recall I got to the door of that meeting and was advised I was no longer required to attend. I am not aware of the purpose of this meeting, what was discussed at the meeting or who attended the meeting. Following the interview of 19 February 2013 I have been provided a copy of a Lotus Notes Calendar entry for a meeting with Accenture on 12 December 2007. Invitees are shown as Doug Snedden, David Ford and Gerard Bradley. (Annexure J – Calendar entry 12 December 2007 – Meeting with Accenture)

**ITO 435/000334**

- 28 I have been asked about the ITO which preceded the contract between the State and IBM dated 5 December 2007.
- 29 I have been asked if the tender process started with the ITO and if that was the first time it had been offered to market. A tender process would normally commence with

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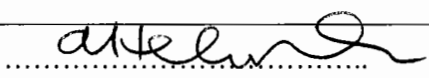


an offer. I am not aware whether the ITO was put to the open market or was a closed process. This was a complex tender as it required the implementation of a large number of business solutions across government. Prior to the ITO, I had never been involved in a similar tender for a prime contractor. Following the interview of 19 February 2013 I have accessed a copy of the Invitation to Offer No: 435 000334 dated 12 September 2007 and can confirm that it was not open to the public and was issued to three potential offerors.

30 I have been asked about my input and who else was involved in developing the ITO document. The ITO document was circulated to a wide range of people who provided technical and business input into the development of the document. I had input into specific sections, probably around support and possibly technology. Terry Burns, Keith Goddard, Maree Blakeney and others were involved in this process. I read the main ITO document and provided editorial input. Following the interview of 19 February 2013 I have accessed a copy of the Invitation to Offer No: 435 000334 dated 12 September 2007 and can recall contributing to Part D – Statement of Work and Part E – Requirements and making comments in early drafts of the document. John Swinson from Mallesons also contributed to the preparation of the ITO document.

31 I am not aware of who had final sign off on the ITO. I believe Terry Burns was in charge of the ITO process. However final sign off would probably have been by way of a briefing note to the Executive Director and then up the chain to more senior persons. Following the interview of 19 February 2013, I have accessed copies of emails. An email from Keith Goddard dated 31 August 2007 – RFO completion schedule and evaluation panel; outlines the time table for RFO completion and consultation. (Annexure K – Email from Keith Goddard dated 31 August 2007) The CorpTech Senior Executive Group was part of the consultation process.

32 I have been advised that the respondents to the ITO were given just over two weeks to respond and asked about my impression of that timeframe. I believe that timeframe


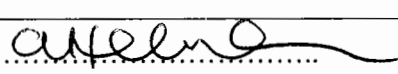
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probably placed a lot of pressure on respondents. This information was not communicated to me directly at that time. Following the interview of 19 February 2013 I have accessed a copy of the Invitation to Offer No: 435 000334 dated 12 September 2007 and can confirm that it was released to market on 12 September 2007 and closed on 1 October 2007.

33 I have been asked about the proper process for dealing with enquiries regarding the ITO process. I understand that any queries in respect of the ITO would have been directed to Maree Blakeney. Maree Blakeney was the first point of contact for the ITO and she would have kept a register of queries and questions from the respondents. Maree may have needed to seek assistance from others in clarifying respondent's queries and would be the person who provided the response back to the respondent. I do not recall any questions directed to me directly from respondents in respect of the ITO. Following the interview with the Commission of Inquiry on 19 February 2013, I have accessed an email from Maree Blakeney detailing a specific clarification sought regarding Knowledge Transfer. (Annexure L – Email from Maree Blakeney dated 19 September 2007 – FW: Accenture's Clarification Request)

34 I have been asked on my impression of the success or otherwise of the implementation of Shared Services. I consider the implementation of the SSI was reasonably successful. Good progress had been made in establishing shared service providers and on implementing consolidated financial solutions and the HR solution within the Department of Housing. From discussions I have had with transactional people within the Shared Services Agency at that time, I believe the Department of Housing system is robust. The system is still in use today and there are a larger number of people being paid from it than when it went live.


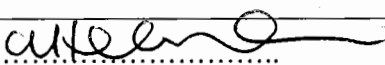
**Tender Evaluation**

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35 I have been asked about the tender evaluation process. I recall attending a number of meetings regarding how the tender process would proceed. Barbara Perrott and Terry Burns attended these meetings along with other members of the Evaluation Panel. I understood the purpose of my attendance at these meetings was because I would a member of the evaluation panel. Following the interview with the Commission of Inquiry on 19 February 2013, I have been provided copies of meetings from my Lotus Notes Calendar. I have calendar entries on 5 September 2007 – Comprehensive walk through of RFO [Chair: Terry Burns], 5 September 2007 – Request for offer walk through – process and scope [Chair: Terry Burns], 6 September 2007 – Tentative: RFO Review Level 8 Goodwill Bridge Room [Chair: Keith Goddard] and on 7 September 2007 – Tentative: RFO Review / Refinement [Chair: Maree Blakeney] (Annexure M – Calendar entries - RFO evaluation process) Invitees to these meeting included members of the evaluation teams. Invitees included: Brett Matthews, Darrin Bond, Joanne Bugden, Keith Goddard, Maree Blakeney and others.


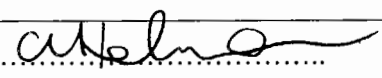
36 I have been asked about the Evaluation Panel and the decision to break into sub-groups. The Evaluation Panel was divided into teams. I was the Team Leader of the Operations and Support team. The team comprised me and Roland Smith. Roland Smith was employed by CorpTech but had previously worked at Queensland Health. Following the interview with the Commission of Inquiry on 19 February 2013, I have been accessed copies of emails. An email from Keith Goddard dated 31 August 2007 – RFO completion schedule and evaluation panel (Annexure K refers); notes that the CorpTech Senior Executive Group was requested to forward evaluation panel nominees to Keith Goddard.

37 Each Evaluation Team was only responsible for assessing specified parts of the ITO. In my role as Team Leader of Operations and Support Team, I and my team assessed the sections of the responses relevant for the purpose of assessing my team's part of the evaluation. Following the interview of 19 February 2013 I have accessed a copy of the


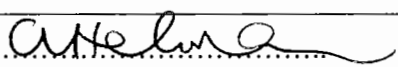
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Team Evaluation Report for Operations and Support dated 19 October 2007 and the full Evaluation Report for the Prime Contractor for the Shared Services Solution Program. Both these documents outline the Evaluation Process for the ITO. Each team was required to assess specific components of responses to the ITO. The assessment process was well documented and scoring involved a very complex set of spreadsheets. Appendix - C Team Scoring Matrix for the Team Evaluation Report for Operations and Support details those questions assessed by the Operations and Support Team. (Annexure N - Evaluation Report for Operations and Support Appendix - C Team Scoring Matrix for the Team)

- 38 I have been asked about my role as Deputy Executive Director as it related to the ITO. The Deputy Executive Director was one of a number of roles that reported directly to the Executive Director (Barbara Perrott). The Deputy Executive Director Position was not the second in charge of CorpTech. There were five Program Directors, Darrin Bond, Terry Burns, Jan Dalton, David Ekert and John Beeston. The Program Directors and the Deputy Executive Director were the next level of management in CorpTech. I was not sitting on the Evaluation Panel as the Deputy Executive Director, but rather as a person with expertise in the operation and support of finance and human resources solutions. My title and position as Deputy Executive Director were not relevant to the expertise I brought to the Evaluation Panel.
- 39 I have been shown a copy of the Team Evaluation Report for Operations and Support dated 19 October 2007. Following the interview of 19 February 2013 I have accessed a copy of the Team Evaluation Report for Operations and Support dated 19 October 2007 and the full Evaluation Report for the Prime Contractor for the Shared Services Solution Program.
- 40 The assessment criteria for operations and support would have been written by myself and Roland Smith with input from others. I was ultimately responsible for the assessment criteria.

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- 41 I have been asked about the recommendation that the Operations and Support Evaluation Team put forward. The Operations and Support Evaluation Team recommended Accenture as the respondent that best met the criteria the team were assessing.
- 42 I have been asked about IBM's negotiation of extended support for LATTICE and if that was seen as a strength. It was considered a strength that IBM had negotiated three months of additional support from the LATTICE vendor, Talent2. LATTICE support was going to cease on 30 June 2008 and the additional vendor support would have allowed the Queensland Health LATTICE solution to remain supported until 30 September 2008 whilst the new solution was being built.
- 43 I have been asked about IBM weaknesses identified in the Evaluation Report, specifically "The ability of the vendor to deliver the proposed Health solution on time...". Large IT projects are often challenged with meeting their deadlines and coming in on time. IBM proposed a compressed timeframe or a more compressed timeframe. The shorter the timeframe to implement a large IT initiative, the more challenging it is going to be.
- 44 I have been asked about whether I was aware IBM was the preferred respondent before IBM was notified that they were successful in the tender. Following the interview of 19 February 2013 I have accessed a copy of the full Evaluation Report for the Prime Contractor for the Shared Services Solution Program. As a Team Leader I signed this document on 23 October 2007. (Annexure O – Evaluation Report page 13, Section 7.0 Recommendation) I am not aware of how IBM was notified that it was the successful offeror.
- 45 I was asked if I was surprised when IBM was awarded the tender instead of Accenture, No, I knew the team that I had been a part of did not choose them, but it was very close. The process came up with the outcome. Following the interview of 19 February 2013 I

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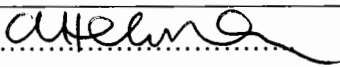
have accessed a copy of the full Evaluation Report for the Prime Contractor for the Shared Services Solution Program. That document confirmed that there was not much between IBM and Accenture.

**Price**

46 I have been asked about the price submitted by the respondents to the ITO. I was not aware of the price submitted by each respondent in my role as Team Leader of Operations and Support at the time of undertaking the scoring of responses to the ITO. Following the interview of 19 February 2013 I have accessed a copy of the Team Evaluation Report for Operations and Support dated 19 October 2007 and the full Evaluation Report for the Prime Contractor for the Shared Services Solution Program. Both these documents outline the Evaluation Process for the ITO. The Team Evaluation Report for the Operations and Support Team excludes the assessment of the value for money criteria.

47 I have been asked when I became aware of the price that each of the tenderers was offering. Following the interview of 19 February 2013 I have accessed a copy of the full Evaluation Report for the Prime Contractor for the Shared Services Solution Program. The Evaluation Report for the Prime Contractor for the Shared Services Solution Program details the "Vendor Cost to complete Phase 1" for both IBM and Accenture. As I signed the Evaluation Report for the Prime Contractor for the Shared Services Solution Program on 23 October 2007 I was aware of the pricing information.

48 I have been asked about briefings given by various tenderers during the evaluation process. Following the interview with the Commission of Inquiry on 19 February 2013, I have accessed email and calendar entries. I have a calendar entry on 17 September 2007 which contains an agenda for a "Supplier Briefing Process". (Annexure P – Supplier Briefing Process) I have not located any calendar entries indicating that offerors undertook presentations after the offer was released on

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1 October 2007. I believe references I made to vendor presentations at interview with the Commission of Inquiry on 19 February 2013, relate to presentations that occurred in August 2007 as part of the RFI process.

49 I have been asked about “price” in the assessment of proposals. In any ITO process price would normally only be one component that would be assessed. In my experience, price should not be the driving factor. The ITO process should seek the best product for the business needs without the influence of price. The Support and Operations Evaluation Team did not score “Value for Money” as part of their assessment.

### Governance

50 I have been asked about QHEST (Queensland Health Enterprise Solutions Transition) and QHIC (Queensland Health Implementation of Continuity) after IBM was appointed (as Prime Contractor). The governance structure for the replacement of existing finance and human resources across the sector after the appointment of the Prime Contractor was complex and was outlined in part in the contract dated 5 December 2007. IBM’s responsibilities were broader than the replacement of the Queensland Health rostering and payroll solution. Their role was to complete the delivery of the replacement finance and human resources solutions across the sector that had been commenced under the Shared Service Solutions program.

51 I understand QHEST was a program established within Queensland Health to manage a number of projects within Queensland Health. QHEST was responsible for a number of projects other than just the Queensland Health Payroll system replacement.

52 QHIC was a project which specifically focussed on the replacement of Queensland Health’s LATTICE and ESP (the payroll and rostering solutions) within Queensland Health. I believe QHIC was just one of a number of projects operating under the

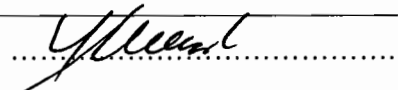
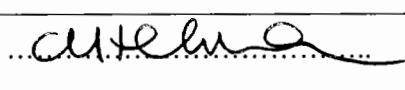
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QHEST program. I was invited to be an advisor to the QHIC Steering Committee in July 2008. (Annexure Q – Letter from Tony Price dated 14 July 2008) Terry Burns was also an advisor to the QHIC Project Board for quality assurance. The QHIC Project Governance Model, Version 2.0, 14 September 2008 outlines the governance structures at that date. I was not a member of the QHIC Board. (Annexure R – QHIC Project Governance Model, Version 2.0, 14 September 2008)

53 The Project Directorate was the principal body for providing advice to the QHIC Project Board. I was not a member of the Project Directorate. I do recall chairing at least one meeting of the Project Directorate for James Brown in his absence..

54 I have been asked about changes to personnel in CorpTech in December 2007. Darrin Bond the Program Director, Business Solutions left CorpTech in December 2007. In or around June 2008, CorpTech moved from the Treasury to the Department of Public Works. My title changed from Deputy Executive Director to Program Director. I recall Terry Burns left at this time and I believe he went to work for Queensland Health and the Department of Education and Training (**DET**). DET was within the ambit of the contract dated 5 December 2007. At the time Barbara Perrott was the Executive Director and Jan Dalton was the Director of Business Services. James Brown joined CorpTech as Program Director in or around July 2008.

55 In or around June 2008 I became concerned that IBM was not going to deliver on time for Queensland Health. This concerned me as CorpTech was responsible for maintaining the Queensland Health LATTICE solution. CorpTech had created the project “PJ-30” which represented “Post June 30”, the date Talent2 was originally to have ceased support for LATTICE. LATTICE support was extended until 30 September 2008. The PJ30 project oversaw the development of in-house capability to support the LATTICE product once it was no longer vendor supported. CorpTech did seek to engage Talent2 employees to provide support for LATTICE in accordance with the Talent2 contract.


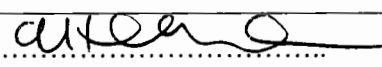
 Philip Hood	 Witness
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- 56 I have been asked whether I had dealings with Nigel Hey. I know Nigel Hey was Director of QHEST and did meet with him on occasion. I did not have a lot to do with him. I had more dealings with his successor, Tony Price. I believe Tony Price was the signatory to the letter inviting me to be an advisor to the QHIC Steering Committee.
- 57 I have been asked about a person named Bill de Kretser. Mr de Kretser was an employee of CorpTech and prior to CorpTech's formation on 1 July 2003 was an employee of the Department of Emergency Services. He was involved with LATTICE in that department and I believe also spent time in Queensland Health relieving for somebody who was on leave during the original LATTICE implementation in Queensland Health. After his retirement from CorpTech, Mr de Kretser was subsequently engaged as a temporary employee within Queensland Health. I believe he left Queensland Health in December 2012.
- 58 I have no recollection of a person named Cathy Brown.
- 59 I have been asked about a person named Neil Glentworth. I recall the name. Following the interview with the Commission of Inquiry on 19 February 2013, I have accessed documentation which indicates that Neil Glentworth was a member of QHEST Program. I do not recall having extensive dealings with Mr Glentworth.

**Prince 2 and Project Methodology**

- 60 I have been asked about the PRINCE2 project methodology and whether IBM's methodology was PRINCE2 compliant. I am not a qualified PRINCE2 Practitioner. However I am aware that the Queensland Government Project Management Methodology is based on PRINCE2. I recall that IBM proposed to use their Project Management methodology which I believe was known as "Ascendant". I am not aware whether IBM's methodology was PRINCE2 compliant.


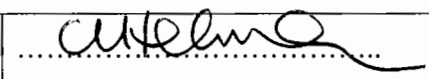
 ..... Philip Hood	 ..... Witness
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61 I have been asked whether when assessing the tender the IBM governance model proposed was considered in terms of “Queensland Government Project Management Methodology”. I have no recollection of considering conformance to the Queensland Government Project Management Methodology as a member of the Operations and Support Evaluation Team.

**Conflicts of Interest**

62 I have been asked about a potential conflict of interest David Eckert had with Arena. I was advised that David Eckert was originally part of the evaluation panel. I am aware that David Eckert was removed from the Evaluation Panel. I am most recently aware of this because I ran into David Eckert in the street a few weeks ago and he reminded me of that point. Following the interview of 19 February 2013 I have reviewed my day books. I have a note on 26 September 2007 that at a CorpTech staff session “CTSessions” a member of staff raised a matter with me - “Tom Gordon – concerns re TB/Accenture/Arena-Training Services and the RFO – raise with Maree”. (Annexure S – Day book entry 26 September 2007) On 1 October 2007 I have another note “Spoke to Maree Blakeney re query raised by Tom Gordon (26/9/07) – need to email Tom”. (Annexure T – Day book entry 1 October 2007) I have requested copies of any emails exchanged between Tom Gordon and I during the period 25 September 2007 and 3 October 2007 and also any notes that might be held on the Prime Contractor RFO/ITO file relating to this matter. No emails on this topic have been located and I have not been provided any documentation relating to this matter that might have formed part of the “RFO/ITO file”.

63 I have been asked about my knowledge of Terry Burns working previously with IBM and whether I had to sign a conflict of interest declaration because of my involvement in the offer process. I have no knowledge of Terry Burns being involved in a major project with IBM in 2006 either in Australia or New Zealand. I recall that there was a process for all people working with the offer to declare any conflicts of interest.

 Philip Hood	 Witness
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Following the interview with the Commission of Inquiry on 19 February 2013, I have accessed a copy of the “Disclosure Conflict of Interest – Evaluation of Phase III Rebuild Project” that I signed on 7 August 2007. (Annexure U – Disclosure Conflict of Interest dated 7 August 2007)

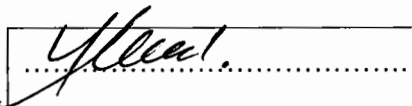
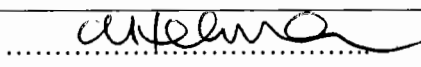
64 It was put to me that there was a view that “CorpTech was IBM” – which refers to the number of employees that were previously employed by IBM, and the number of contractors engaged in government work through IBM. I do not agree with the proposition that “CorpTech was IBM. As a founding member of CorpTech, I worked very hard for CorpTech to establish its own identity. There was a lot of criticism of CorpTech at various times. The decision to move away from CorpTech as the implementer and builder and to seek a prime contractor was probably seen in some quarters that CorpTech couldn’t do the job.

65 I have never been employed by IBM.

66 I have been asked about entities associated with Terry Burns and any supply of resources by him or through him to IBM or other parties. I am not aware of any entity associated with Terry Burns who would have obtained a benefit arising out of the contract dated 5 December 2007. I am aware that Cavendish Consulting was associated with Terry Burns. I am not aware whether Cavendish supplied subcontracting services to IBM as a part of the project arising from the contract between IBM and the State dated 5 December 2007. I believe Shaurin Shah was previously a public servant who went to work for Cavendish.

67 I have had dealings with John Swinson of Mallesons Stephen Jaques and one of his associates. I believe John Swinson is associated with Cavendish.

68 I have been asked about my knowledge of Accenture’s approach to subcontracting and whether they were known in the market as not being an entity that engaged in extensive

 Philip Hood	 Witness
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subcontracting. I do not hold a specific view that Accenture was viewed as an entity which did not engage extensive subcontracting. Accenture may have engaged subcontractors as part of the SSS program.


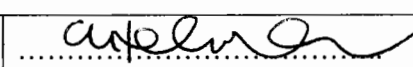
69 It has been suggested to me that, at a meeting of the sub-category team leaders in the evaluation process in or about October 2007, at which Terry Burns was in attendance, Mr Burns urged each of the team leaders to revisit the scores they had given to their particular sub-categories in respect of each of the tenderers. I do not recollect such a meeting, although, if such a meeting occurred, I would likely have been in attendance.

70 During the relevant period, I kept a day-book in which I recorded brief notes, usually in respect of actions I had to take in the course of my job. There are two notes which may be relevant. On Tuesday, 9 October 2007, I recorded "ITO – Team Leader Meeting". On Wednesday, 10 October 2007, I recorded "Aim to finish scoring and draft report by am 11/10. Meeting at 9am Thursday." (Annexure V – Daybook entries Tuesday 9 October and Wednesday 10 October 2007)

71 Scores from the various sub-groups would have been discussed at that meeting on 11 October 2007, but I do not independently recall the meeting.

72 I note that the document entitled "Team Evaluation Report for ITO No: 435/000334 for Shared Services Program & Corptech" dated 19 October 2007 sets out the evaluation process at section 3.0. That process required a review of scores by means of peer review. In particular, at page 4 it stated "Team Leads to QA/Peer review other Team Reports". That meant that each team's report was reviewed by the leader of another team.


73 Along with that process, after the first round of scoring, my colleague Roland Smith and I reviewed our own scores and, whilst some of the scores may have changed, our opinion that Accenture was the superior candidate in respect of our particular area (Operations and Support) did not change.


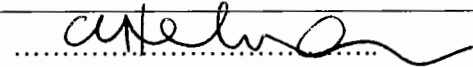
 Philip Hood	 Witness
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74 I voluntarily make this statement to the Commission of Inquiry. The contents of this statement are true and correct to the best of my knowledge. I acknowledge that any false or misleading statement could be an offence against the *Commissions of Inquiry Act 1950* or contempt of the Commission.

Dated 16 day of March 2013 at Brisbane in the State of Queensland.

  
Philip Hood

  
Witness

 Philip Hood	 Witness
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**QUEENSLAND HEALTH PAYROLL SYSTEM  
COMMISSION OF INQUIRY**

**Annexure to PHILIP HOOD**

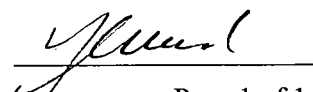
Items to be annexed to the statement of Philip Hood dated 4 March 2013.

- A. Job Description – Deputy Executive Director.
- B. Letter from Talent2 dated 3 January 2007.
- C. Email to John Rawlinson dated 6 August 2007.
- D. Email from John Rawlinson dated 8 August 2007.
- E. Letter from John Rawlinson dated 6 August 2007.
- F. Page 17 Customer Contract Q-11 dated 30 November 2005.
- G. Search results for emails containing “Request for Proposal” between May and October 2007.
- H. Email and attachment from Maree Blakeney dated 1 August 2007.
- I. Day book entry 2 August 2007 – Special PCP Meeting.
- J. Calendar entry 12 December 2007 – Meeting with Accenture.
- K. Email from Keith Goddard dated 31 August 2007.
- L. Email from Maree Blakeney dated 25 September 2007 – FW: Accenture’s Clarification Request.
- M. Calendar entries – RFO evaluation process.
- N. Evaluation Report for Operations and Support, Appendix – C Team Scoring Matrix for the Team.
- O. Evaluation Report page 13, Section 7.0 Recommendation.
- P. Calendar Entry 17 September 2007 – Supplier Briefing Process.
- Q. Letter from Tony Price dated 14 July 2008.
- R. QHIC Project Governance Model, Version 2.0, 14 September 2008.
- S. Day book entry 26 September 2007.
- T. Day book entry 1 October 2007.
- U. Disclosure Conflict of Interest dated 7 August 2007.
- V. Day book entries 9 October and 10 October 2007.

Witness signature:



Philip Hood:





VRN: CT58/2005  
Closing Date: 11 July 2005

## JOB DESCRIPTION

### JOB IDENTIFICATION

<b>Description</b>	Deputy Executive Director
<b>Location</b>	Office of the Executive Director CorpTech Brisbane
<b>Term</b>	Temporary up to 31 December 2007
<b>Classification</b>	Section 70 Contract
<b>Salary</b>	\$125,004 pa (including motor vehicle and superannuation)
<b>Date of Review</b>	June 2005

### ORGANISATIONAL ENVIRONMENT

#### **CorpTech**

CorpTech is the core provider of Information and Communication Technology Services (ICT) to Shared Service Providers in the Queensland Government. CorpTech manages human resources, finance, facilities management, records and document management systems and provides supporting services including help desk, call centres and infrastructure management solutions.

#### **Purpose**

CorpTech works with Shared Service Providers (SSPs), agencies and the Shared Service Implementation Office (SSIO) to identify and implement the best combination of corporate service business processes and supporting systems for use across whole-of-Government to meet the objectives of the Shared Service Initiative.

CorpTech is responsible for achieving improvements and efficiencies in corporate systems technology across the whole of the Queensland Government.

Over time, CorpTech will maximise the value of investment in ICT by:

- optimising and consolidating the breadth and number of implementations of corporate services applications;
- optimising the involvement in corporate ICT infrastructure through consolidating hardware; and
- decision-making and investment at a Whole-of-Government level.

### **Work Environment**

CorpTech's vision and mission is:

Smart systems solutions for corporate services

*through* partnerships with clients  
*we provide* cost effective, innovative systems expertise and solutions  
*which* underpin delivery of corporate services across Queensland  
*to achieve* optimal return on investment.

CorpTech operates in an environment which operationalises the following values:

***Our people:*** innovative, involved, knowledgeable, client-focused

***Our clients:*** committed, reliable, supportive

***Our business:*** leading edge, flexible, reputable

### **Structure**

CorpTech employs approximately 480 highly skilled people who work collaboratively across three programs:

- Service Management;

Shared Service Solutions consists of two areas:

- Business Solutions; and
- Business Transformation.

**Service Management** is the service delivery face of CorpTech. This area provides critical support to SSPs and some Agencies through its service and performance enhancement, service delivery, business alignment and infrastructure and technology management groups.

**Business Solutions** is driving the sector wide implementation of corporate service ICT solutions to support cost effective and innovative Corporate Services across the Queensland Government. The Program Office within Business Solutions coordinates the activities of the HR, Finance and Electronic Document Record Management Systems Projects. This is to ensure critical projects deliver the enabling systems solutions that SSPs and Agencies will rely on to make the shared service approach work for them.



**Business Transformation** holds the primary responsibilities for working with SSPs and Agencies to ensure the business process and human change that is required to make use of the system solutions delivered by Business Solutions occurs.

Together, our programs provide the means to successfully implement the shared services model and demonstrate its success through our own service delivery.

#### **REPORTING/WORK RELATIONSHIPS**

The position reports to the Executive Director, CorpTech.

#### **PURPOSE OF THE JOB**

The Deputy Executive Director supports the Executive Director of CorpTech as required in:

- Providing leadership and vision to the CorpTech workforce;
- Managing CorpTech's relationships with key stakeholders and clients within the Shared Service Initiative;
- Planning, evaluating and coordinating functions of CorpTech; and
- Leading organisational change within.

The Deputy is specifically responsible for:

- Leadership of the Service Management Program Directorate;
- Leading the development of high quality and cost effective, integrated ICT service delivery to CorpTech clients;
- Ensuring effective integration of Shared Service Solutions applications and technology into CorpTech's service delivery environment; and
- Directing a program of change management and transformation within the CorpTech Service Management Program Directorate.

#### **RESPONSIBILITIES AND DUTIES**

Examples of the range of responsibilities and duties of the Deputy Executive Director include:

1. Undertake line responsibilities as required by the Executive Director of CorpTech, including the provision of leadership of a workforce and management of resources for specific CorpTech group(s) and/or programs.
2. Provide high level strategic and tactical advice to the Executive Director, CorpTech, Under Treasurer, Treasurer, CorpTech Board and sub-committees, Program Implementation Steering Committee and sub-committees, agency CEO's and Heads of Corporate Services on application and technology solutions for the Shared Service Initiative, ICT service delivery, project implementation strategies, project prioritisation, outsourcing strategies and industry issues.

3. Develop effective and productive partnership arrangements with executive management within agencies and SSP's and ensure that operating level agreements and performance standards are established and are effectively managed.
4. Ensure that technology solutions supporting service delivery:
  - Are reliable, efficient and effective;
  - Align with and effectively support the requirements of SSP's and agencies and objectives of the Shared Service Initiative;
  - Comply with appropriate legislation, government standards and policies including information standards;

The Deputy Executive Director will ensure these outcomes through:

- Providing business process and systems advice;
  - Working with SSIO, agencies and SSP's to develop standardised business processes;
  - Advising and influencing the decision making for technology solutions and product selection strategies;
  - Influencing the definition and development of CorpTech's application and technology solutions and architecture development;
  - Leading the establishment of appropriate service continuity, risk management and security management processes for ICT solutions;
  - Ensuring that appropriate review systems are in place to undertake benchmarking against better practice and monitor performance and alignment to requirements; and
  - Fostering a culture of ICT innovation and research into best practice solutions for corporate service support.
5. Ensure the service delivery functions of CorpTech:
    - Are consistently of a high quality across all CorpTech teams;
    - Are organised within the CorpTech organisation structure for maximum efficiency and effectiveness; and
    - Utilise the skills and resources within CorpTech to maximum advantage.

The Deputy Executive Director will ensure these outcomes through:

- Providing leadership, management and support for CorpTech Service Management groups to develop and maintain a culture of innovation, continuous improvement and performance management within ICT support services;
- Developing and implementing change strategies to progressively transform CorpTech's service delivery function towards the desired service delivery model; and
- Ensuring that appropriate review systems are in place to monitor performance and to benchmark functions against better practice.

6. Ensure that CorpTech's ICT service delivery activities facilitate efficient and standard corporate business processes across government (so that the benefits of the SSI can be achieved) by:
  - Leading the development of CorpTech's Strategic ICT plan and ICT implementation program including prioritised projects and project plans;
  - Directing ICT implementation, consolidation and enhancement projects;
  - Ensuring that resourcing strategies are in place to meet requirements which effectively deploy and utilise internal and external resources; and
  - Ensuring that appropriate project management processes are in place to manage project timeframes, budgets and outcomes.
7. Initiate, foster and manage positive working relationships with senior executive stakeholders, suppliers and industry representatives.
8. Represent CorpTech at high level inter and intra Government policy forums related to whole-of-Government ICT and corporate service delivery.
9. Represent the Executive Director, CorpTech as appropriate.
10. Participate in the CorpTech Senior Executive Group meetings and contribute as appropriate.

#### **SELECTION CRITERIA**

- SC1** Demonstrated track record in providing outstanding leadership and vision in the delivery of a range of ICT services in large, diverse and complex organisations, programs and projects.
- SC2** Extensive experience in the management of integrated ICT systems within an environment subject to significant change, and a proven capacity to balance multiple priorities and conflicting demands.
- SC3** Demonstrated superior communication and negotiation skills including the ability to foster productive working relationships with a diverse range of clients, stakeholders and industry representatives.
- SC4** Demonstrated experience in implementing processes and systems to manage and monitor the effectiveness and efficiency of service delivery to clients.
- SC5** Demonstrated high level organisational change/management skills with proven ability to successfully implement large scale change, particularly in an ICT service delivery environment, including third party vendor negotiations, contracts negotiation and licence arrangements.
- SC6** Extensive knowledge of relevant best practices in government and ICT service delivery and technology solutions.

**(Applicants must address each of the selection criteria)**

## ADDITIONAL INFORMATION

Whilst CorpTech values the enhanced work performance derived from the expanded knowledge and skills base resulting from tertiary study, it also acknowledges that enhanced work performance can result from other learning experiences. These may include on the job training, structured professional development or life experiences.

This job profile details the minimum outcomes required for the positions and employment.

For further information regarding this positions, please contact Geoff Waite, Executive Director on telephone (07) 322 45676

Please note that pre-employment checks of preferred applicants may include a check of criminal history in accordance with relevant legislation.

A non-smoking policy is effective in Queensland Government buildings, offices and motor vehicles.

If applicants are taking holidays, please contact the Recruitment Officer on (07) 3224 4064 or email [recruitment@treasury.qld.gov.au](mailto:recruitment@treasury.qld.gov.au), to advise of contact details, should you be shortlisted for interview.

*All information submitted by an applicant for this position is subject to the Freedom of Information Act 1992 (the Act). As a result, information submitted by the successful applicant may be released under the Act if requested. Any "personal affairs" information will not be disclosed without prior approval of the successful applicant.*

*Applicants with enquiries in respect of the Freedom of Information Act 1992 or its effect on information provided by them, please contact the Treasury FOI Co-ordinator, on (07) 3224 4171, for assistance.*

CorpTech is an equal opportunity employer.

B

CT 11775

CORPTECH	CTC
RECEIVED 15 JAN 2007	
ACTION BY	FILE NO



Talent2 Works Pty Ltd  
ABN 59 010 602 892  
t +61 8 9355 8300  
f +61 8 9355 8399

Unit 3 6 Brodie Hall Drive  
Bentley WA 6102

PO Box 1049  
Bentley DC 6983

www.talent2.com

3<sup>rd</sup> January 2007

Phillip Hood  
Deputy Executive Director  
Corp Tech  
Level 6, 61 Mary Street  
GPO Box 611  
Brisbane 4001

Dear Phillip

**Talent2 Support -- Consisto HRIS**

Currently Corp Tech has a pre existing Consisto HRIS Support Agreement with Talent2 that concludes on 30<sup>th</sup> June 2008. In response to enquiries requesting further extended support post that date, we undertook to conduct an internal risk analysis into Talent2's ability to provide requested extended support for the Consisto HRIS. In undertaking this review, the focus on (a) our ability to retain existing resources and/or (b) attract alternate expert resources in the event of attrition, was examined in detail. The findings of this review are: -

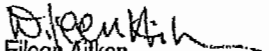
- > Existing expert resources will conclude their commitment to support of the Consisto HRIS with effect from 30<sup>th</sup> June 2008
- > The age of the Consisto HRIS is such that expertise in the marketplace is scarce and knowledge is limited and non current

Please accept this letter as confirmation that the Consisto HRIS Support Agreement between Corp Tech and Talent2 will conclude on 30<sup>th</sup> June 2008. This is consistent with current contractual commitments. As such, no further Support Agreements will be entered into and Corp Tech is encouraged to make the transition to an alternate supported HRIS prior to the 30<sup>th</sup> June 2008. In



this respect, Talent2 continues to extend our offer to transition to the Talent2 HRIS (Alesco) at a no cost licence for licence basis as outlined in our original desupport letter provided in May 2004

If further information or clarification on the content of this advice is required please do not hesitate to contact me on 08 9355 8301

  
Eileen Ailken  
**National General Manager**  
Talent2 Works



C

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Philip  
Hood/CorpTech/QTr  
easury  
06/08/2007 04:02 PM  
To  
john.rawlinson@talent2.com.au,  
eileen.aitken@talent2.com.au,  
eileen.aitken@talent2.com,  
cc  
darrin.bond@corpotech.qld.gov.au,  
jane\_stewart@health.qld.gov.au  
Subject  
Our Meeting

John and Eileen

Thank you very much for meeting with Darrin Bond and myself in Melbourne on Friday 27 July to discuss our respective plans for our organisations and a possible extension of the support and maintenance arrangements for LATTICE beyond 30 June 2008. I believe the meeting was significant as it served to clarify our current positions and how our organisations may continue to work together beyond the term of our current support arrangements for LATTICE. I am sure my colleagues in WA and NSW share my thanks.

In summary, the outcomes of the meeting from my perspective were;

1. For Talent2 to submit to CorpTech a commercial proposal detailing arrangements for a further three years of support for LATTICE beyond the current contractual term (30 June 2008),
2. For CorpTech (in conjunction with Talent2) to review Talent2's Alesco product suite and how it may be used to mitigate against service delivery risks in one or more of the Queensland Government agencies utilising LATTICE,
3. that both parties understood the importance of finalising these investigations and committed to progressing as a matter of urgency.

As CorpTech is currently finalising its re-planning and risk mitigation strategies, we would appreciate receipt of Talent2's proposal as soon as practical, if possible by the end of August. CorpTech is also keen to fully understand the Alesco product as soon as possible and would seek to gain this understanding in a similar timeframe. I wish to advise that Jane Stewart is CorpTech's nominated officer for the Alesco review. Jane's contact details are as follows;

Jane Stewart  
Director HRMISU  
CorpTech

Jane.Stewart@corptech.qld.gov.au  
07 3006 5185

Could you please provide details of Talent2's nominated contact for Jane to liaise with in regards to Alesco.

I look forward to continuing discussions with you in the near future. Please don't hesitate to contact me if you wish to discuss any of the above or any other related issue.

Regards

Philip

Philip Hood  
Deputy Executive Director  
CorpTech  
Level 6  
61 Mary Street  
Brisbane Qld 4000  
Phone: 07 324 75225 Fax: 07 322 77752  
Mobile: 0417 143 590  
www.treasury.qld.gov.au

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