



**QUEENSLAND HEALTH PAYROLL SYSTEM  
COMMISSION OF INQUIRY**

**Statement of Witness**

<i>Name of Witness</i>	Robert Pedler
<i>Date of Birth</i>	Known to the Commission
<i>Address and contact details</i>	Known to the Commission
<i>Occupation</i>	IT Executive
<i>Officer taking statement</i>	Toby Corsbie
<i>Date taken</i>	8 April 2013

I, **ROBERT KINGSLEY PEDLER** of an address known to the Commission state as follows

- 1 I am currently employed by Environmental Resources Management Australia Pty Ltd which is based in Brisbane in the role of Partner – Sustainability Information Solutions.
- 2 I was employed by SAP from April 2000 until the end of August 2008. I had a responsibility for Sales Management Leadership for SAP in Queensland and other Territories.
- 3 During my time at SAP, I performed a significant amount of work with the Queensland Government. The Queensland Government was a very important client for SAP, but I also had responsibility for other clients such as Rio Tinto.
- 4 In mid 2005, SAP conducted negotiations with the Queensland Government for a Finance software solution. In 2005, I was the branch manager for SAP in Queensland and played a key part in the negotiations with the Queensland Government. The lead from SAP for those negotiations was SAP's Chief Financial Officer at the time, Tim Ebbeck.
- 5 I continued to work with the Queensland Government between 2005 and 2007 in various capacities on the deployment of Shared Services Initiative. I recall that there were two major threads of work for SAP between 2005 and 2007. One was around

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deployment of Shared Services Initiative for Finance and the second was around the implementation of HR/Payroll for the Department of Housing.

- 6 I am not aware that Gary Uhlmann of Arena conducted a review of the Shared Services Initiative in 2005. I do not believe that I was ever interviewed by Mr Uhlmann for this review however, and I do not recall seeing a copy of his report.
- 7 I am aware that a review was conducted in 2007 by Mr Uhlmann, but I cannot recall being interviewed for that review or being directly involved with that report.
- 8 At the beginning of 2007, SAP was the software provider for all of the CorpTech business systems. SAP was actively engaged with CorpTech as the owner of that software. As a consequence, I used to have a lot of meetings with CorpTech representatives, testing the project progress and status and assessing whether there were issues that SAP as the owner of the software could assisted with. SAP's reputation was on the line with the software so we were clearly focused on the relationship with Queensland Government and trying to get them to use the software to the best of its ability.
- 9 In 2007, SAP was also providing specialist consulting resources into various agencies for CorpTech. SAP was seen as the subject matter expert around particular modules and components of the software that we were providing to CorpTech and SAP gave CorpTech advice on how they should use the software products effectively.
- 10 I observed at the time that SAP was never viewed by CorpTech as being a 'Systems Integrator', by which I mean that SAP were never engaged by CorpTech to implement a large scale IT project from start to finish. Rather, SAP was viewed by CorpTech as being an organisation which could provide specific people for an IT project to provide discrete and specialist advice about software.

### **Appointment of a Prime Contractor**

- 11 I am aware that in the beginning of 2007, CorpTech engaged a consultant by the name of Terry Burns. I cannot recall when I first met Terry Burns but I am aware that he was engaged by CorpTech to advise on the implantation of the Shared Services program. I

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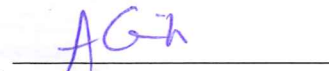
recall that he was engaged by CorpTech to refresh and revitalise the Shared Services program as a new program director or project manager.

- 12 I was working with CorpTech at the time that a Request for Proposal (RFP) was issued to the market in 2007. **ANNEXURE A** to this statement is a copy of an undated letter from Maree Blakeney, Manager of the Resource Management Unit in CorpTech to me regarding the Shared Services Initiative Replanning. The letter contains an invitation to SAP to present a proposal to a CorpTech Evaluation Team on Friday 13 July 2007. I specifically remember attending that event and I was part of that SAP presentation to CorpTech on that day. I recall that presentation was very important to SAP. I cannot recall who else was present on that day from SAP but I believe I would have been accompanied by Megan Janke and others from SAP. I cannot recall specifically, but I believe Terry Burns was present on that day.
- 13 Around that time, I had a regular set of meetings with CorpTech representatives. I had a regular pattern of meetings with Darrin Bond and Barbara Perrott. I recall at the time I also had a regular meeting in my diary with Terry Burns. It might have been a monthly or fortnightly meeting but it was what I would describe as a 'health check' meeting. I recall regular meetings with Mr Burns were scheduled in my calendar but the pattern was that they did not always happen at regular intervals because meetings would get shifted or cancelled. Mr Burns and I would discuss what was planned for CorpTech, what issues had arisen with the SAP software and any obstacles we could see on the horizon.
- 14 **ANNEXURE B** to this statement is a meeting request from Elizabeth Russell of Treasury dated 27 April 2007 to myself, and Vanessa O'Neil of SAP as well as Lochlan Bloomfield and Britt Spring of IBM. This meeting request was made on behalf of David Ford, the Deputy Under Treasurer and the meeting was scheduled for Monday 30 April 2007 at 3pm. The email states that Mr Ford has asked for a meeting with myself and Mr Bloomfield to discuss CorpTech issues. To the best of my recollection, Mr Bloomfield and I attended that meeting with Mr Ford. Although I cannot recall, I presume that the meeting was called because particular parts of the SAP implementation were troubling Mr Ford and Mr Bloomfield and I were called in to give him some comfort that we could get the project back on track.

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- 15 I do not know why Mr Bloomfield would have been specifically invited to that meeting. I believe IBM won a package of work around technology and platforms thread as part of the original rounds of tendering and IBM had a number of consultants engaged into CorpTech at the time.
- 16 I cannot recall specifically when I first met Mr Bloomfield. Mr Bloomfield worked at Accenture prior to going to IBM in early 2007. SAP and Accenture put in some joint tenders for a School Information System project for the Department of Education, which pre-dated the meeting of 27 April 2007. Mr Bloomfield and I worked together on that bid, but it was ultimately unsuccessful. I cannot recall the specific timing of that bid. Mr Bloomfield was the account director and primary sales person for Accenture on that bid. The Accenture bid was a proposed consortium led by Accenture, using software from SAP and others.

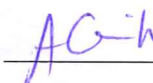
**Request for Information and Request for Proposal**

- 17 In 2007 SAP put together a response to CorpTech's Request for Information (RFI) and subsequent Request for Proposal (RFP).
- 18 During this time, I had a number of meetings with Mr Burns on a one on one basis however I cannot recall the specific dates of those meetings or what was discussed at the meetings. I would describe those meetings as regular 'cadence meetings' about the use of the SAP software by CorpTech.
- 19 Prior to Mr Burns' engagement by CorpTech, I had similar meetings with Darrin Bond. My meetings with Mr Burns tended to take place in the office of CorpTech. I may have had coffee with Mr Burns on a one on one basis if there was ever an opportunity to do so.
- 20 At no point during the RFP process did Mr Burns meet with me on an 'off the record' basis.
- 21 Mr Burns, at no stage, provided any coaching to SAP as to how we should structure our response to the RFP.
- 22 Mr Burns never strongly recommended the position that SAP should adopt in its approach to the RFP response.

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- 23 Mr Burns never indicated to me that he was a 'long time IBMer'. Mr Burns never told me that IBM was grossly under-represented on the Shared Services engagement or that the CorpTech program needed a significant increase of involvement by IBM.
- 24 Mr Burns indicated to me that there were no 'sacred cows' within CorpTech, meaning that SAP shouldn't be constrained by the existing structures, models or approaches of the shared services program.
- 25 I cannot be certain, but I do not believe that Mr Burns ever indicated to me that CorpTech budget for the Share Services project was \$108million. However, I was aware that SAP needed to be competitive in its pricing in our bid. I do not believe Mr Burns told me that directly but I considered that price was always an important consideration when bidding for Government work.
- 26 Mr Burns never offered SAP a dry- run for any presentation that SAP gave to CorpTech as a part of the RFP process. I do not believe that Mr Burns ever provided an indication to SAP that it was on the right track with its RFP bid thinking.


**Simon Porter**

- 27 Simon Porter and I served on the Australian Information Industry Association together when he was head of Accenture and I was head of SAP until late 2007.
- 28 We talked and emailed regularly as Accenture was an SAP Tier 1 Global Partner, by which I mean that Accenture was considered by SAP to be one of its most valuable partners and that Accenture had a consistent partnership relationship with SAP around the world.
- 29 Simon and I talked frequently about the joint activities that we could do together during the period when we worked for Accenture and SAP respectively. I recall there may have been a suggestion at some stage that Accenture and SAP could partner for the Prime Contractor role in CorpTech. This suggestion may have been countenanced by SAP but I do not think it would have been acceptable to Accenture and I do not think it would have been acceptable to SAP. Accenture's style is that they would want to run that piece of work with their own resources. Typically, Accenture doesn't do a lot of consortium

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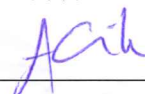
bids. I cannot be certain, but I believe Accenture would have considered itself to be well placed to win the Prime Contractor work in its own right.

- 30 **ANNEXURE C** to this statement is an email I have been shown by the Commission. It is an email from Lochlan Bloomfield of IBM to Paul Surprenant of IBM dated 3 August 2007. At the footer of **ANNEXURE C**, below the line, is the text of an email I am aware was originally drafted by Simon Porter of Accenture. Although I do not have a specific recollection of receiving this email, it is absolutely possible that Mr Porter sent this email to me in early August 2007. This email is representative of the sort of exchanges that I would typically have with Mr Porter. We certainly emailed each other at the time. The email resonates with me as being the kind of conversation that I would have with Mr Porter. The email is quite frank and in some way aggressive, so the tone of their email resonates with me as being representative of the sort of conversations or 'banter' that Mr Porter and I would typically have.
- 31 Although I have no specific recollection of receiving the email in **ANNEXURE C**, it would not have sat terribly well with me to receive it at the time, as SAP had our own bid alive on the table and we had not given our RFP presentation to CorpTech at that point in time.
- 32 I cannot recall if I have ever had lunch or dinner with Simon Porter at Cha Cha Cha Grill.
- 33 Although I have no specific recollection of receiving Mr Porter's email contained in **ANNEXURE C**, if I did receive it, it is unlikely that I would have sent it on to anybody else. I can not be absolutely confident that I did not send it on, but I consider it to be unlikely because that email contained confidential information.
- 34 I can say with absolute certainty that I never forwarded Mr Porter's email in **ANNEXURE C** on to Terry Burns.
- 35 I do not believe I ever sent Mr Porter's email in **ANNEXURE C** on to Lochlan Bloomfield, although I can not be certain.
- 36 In August 2007, I considered myself to be a mutual and respected colleague of Lochlan Bloomfield and Simon Porter. I knew Barbara Perrott in August 2007.

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- 37 It gives me cause for concern that the information in **ANNEXURE C** ended up with IBM. The reason for that concern is that the email contains Accenture's pricing strategy and a not-to-exceed figure. There would be a competitive advantage in receiving that information during the RFP process. I would be very concerned if SAP's bid information was being treated in that way.
- 38 I do not know Mr Paul Surprenant.
- 39 **ANNEXURE D** to this statement is a letter dated 17 August 2007 from Barbara Perrott to myself noting that Accenture and IBM's responses were the most highly rated throughout the RFP process.
- 40 **ANNEXURE E** to this statement is an email from myself to Maree Blakeney of CorpTech dated 26 August 2007. In this email, I confirm SAP's decision to withdraw from the prime contractor selection process.
- 41 SAP was prompted to withdraw from the process because we knew that we were not placed first or second after the RFP process and we did not consider that we had a great probability of winning the work. I recall that we always thought that we were an outside chance of winning the work. I may have communicated that belief to Simon Porter during the RFP process but I have no specific recollection of such communication.
- 42 I do not believe that Mr Burns and I ever met on a daily basis at any stage during 2007. I do not have any recollection of meeting with that frequency.



Robert Pedler

10/4/2013


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**Declaration**

This written statement by me dated 8 April 2013 and contained in the pages numbered 1 to 8 is true and correct to the best of my knowledge and belief.

  
Signed at W7, 60 Leichhardt St this 10th day of April 20 13  
Spring ADA

Witnessed:  
  
Name Anna Carrick Signature 10th day of April. 2013

Signature: \_\_\_\_\_

Witness signature: \_\_\_\_\_