

Health Payroll System Commission of Inquiry

STATEMENT OF NIGEL JERVIS HEY


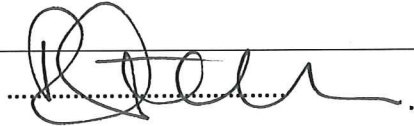
I, NIGEL JERVIS HEY of [REDACTED] state as follows:-

Background

1. I am presently employed as Enterprise Manager of Data Governance and Standards at Treasury Wine Estates. I commenced this role in November 2012. As a result of securing this permanent role I am winding up my consulting company Greenhey Consulting.
2. I was employed as the Program Director of the Queensland Health Enterprise Solutions Transition (QHEST) from July 2006 until my resignation in March 2008. I have subsequently worked within a range of consulting roles within the information and communications technology industry.
3. I have a GCBA, which is a Graduate Certificate in Business Administration from the University of Queensland

Development of QHEST

4. I commenced as Program Director of QHEST in around July 2006. Following a panel interview Mr Michael Kalimnios, who at the time was the Executive Director Corporate Services, and Martin Jarman, Executive Director of the Shared Services Provider (SSP) hired me for this role. As Program Director I reported to Martin Jarman initially, and then Mr Kalimnios shortly thereafter. I left this position in April 2008.
5. My initial brief was to set up a program team to deliver all elements of the whole of government shared services initiative IT system, which was primarily the SAP system, running finance, HR, logistics and payroll, including WorkBrain for rostering and SABA for training. The brief I was given was to work with the various stakeholders across



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government to establish a team and some capability to ensure that Queensland Health and its SSP got a system that met its requirements.

6. My team looked after the initial establishment including an initial budget and the initial program plans for QHEST. Essentially QHEST was a Program Management Office for the rollout of the whole of government shared services in respect to Health and its Shared Service Provider (SSP), which were considered separate, though related entities.
7. At the time that QHEST was set up Accenture was engaged through Corptech and tasked with delivering the shared services technology upgrade program. Accenture had not rolled out any of the shared services program to Health by this date, and we had a third-hand relationship with them through Corptech. I didn't have a lot of visibility over that the relationship.
8. I was given some staff with functional expertise such as Ms Andrea Sams who was my finance functional lead and Damon Atzeni my HR functional lead and a few people from SSP to assist me with recruitment, finding accommodation and other like tasks. Mr Neil Glentworth took care of managing the program office.

Governance

9. During my time at QHEST the governance arrangements went through a number of changes. Queensland Health didn't have a program management office to provide assistance or advice.
10. Initially, we were provided with high level guidance from CorpTech about the governance arrangements for QHEST.
11. I developed a governance arrangement for QHEST together with Program Manager Mr Neil Glentworth, in consultation with other stakeholders such as the SSP.
12. In consultation with SSP and CorpTech, this arrangement was amended in late 2007 to include a Decision Review Board for QHEST and Steering Committee for QHIC (the project developed as an interim step to replace the LATTICE system which was due to be unsupported) made up of a number of executives and a steering committee which

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included IBM, Corptech and the Solution Design Authority (SDA). I left QHEST too soon to be able to comment on whether these governance arrangements were working or not.

Review of the Shard Services Solutions (SSS) Program

13. I was made aware that a review of the Shared Services Solutions (SSS) was undertaken in 2007 and was made aware of the SSS Program Rebuild Project report. I was made aware of the report after the review had been undertaken.

Issues with Accenture

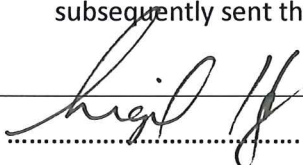
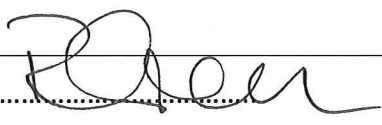
14. I had concerns with the time frames that Corptech and Accenture were operating on in the shared services technology upgrade program from the Queensland Health perspective. The issue was the pace at which the implementation was supposed to proceed versus the pace at which the business groundwork was occurring in order to support that implementation.

15. I was still trying to develop specific requirements for each of those components, and detailed process modelling had just kicked off. I was investing a lot of money in data modelling, data migration, process and change resources in support of the implementation and it felt to me that the technology component of the implementation was moving ahead of the business component of it.

16. I wrote a memo to the Director General of Health in October 2006 outlining the pros, cons and risks associated with a proposed schedule change to the implementation, noting that pushing out the timeframe would provide an opportunity to complete supporting works such as business process work and outlining risks to the organisation.

The selection of IBM as the Prime Contractor

17. I had limited involvement in the selection of IBM as the prime contractor. I met with Terry Burns in August 2007 regarding the RFT and to discuss the composition of the evaluation panel as I flagged that QH had a number of questions regarding the RFT. I subsequently sent those questions regarding the RFT to Terry in August 2007, and have

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no record of receiving a reply. The questions were based on the SSS Program Rebuild Project report and included questions about the implementation scope and schedule.

18. I understand that Mr Paul Monaghan was involved in these discussions but I don't know to what level. Paul shared some developments from these discussions with me. CorpTech had a primary relationship with SSP, not Queensland Health.
19. I don't recall having any specific concerns about the selection of IBM as the Prime Contractor. There had been issues with Accenture and the general feeling was "phew, we've got a new organisation who can actually move ahead and get things done". From a Health perspective we wanted to make sure that questions were addressed before engaging with a prime contractor. These questions included concerns about the defects associated with the Housing implementation, and the rostering resources required for building Workbrain.

Concerns with IBM

20. The concern that I had with IBM was that the relationship appeared to me, or appeared to Queensland Health, to be between CorpTech, Citec and those shared services groups, with very little direct engagement with Queensland Health who I considered to be the customer. The (QHIC) Steering Committee, which was inclusive of IBM and Queensland Health, was created because of these concerns so we could talk directly with IBM.
21. I think I was an Executive Officer on QHEST BRG, I made recommendations but I don't recall being a big part of the decision group. I was a member of the QHIC Steering Committee until I left Health.
22. One of my biggest frustrations was actually getting CorpTech to the table. There was a lot of argument from CorpTech about that direct engagement.
23. These meetings were attended by a range of stakeholders including Michael Kalimnios from Queensland Health, Paul Monaghan from the Shared Services Provider, Chris Prebble from IBM, Terry Burns from CorpTech and Steve Mitchell from the Solution

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24. Design Authority (SDA). To my recollection I only attended 2 steering committee meetings before I left in early 2008.

Resignation from Queensland Health

25. I found Queensland Health to be an extremely stressful environment and my wife and I had a small baby with sleeping problems and we were not native to Queensland. We decided to move to South Australia where my wife's family resided.

26. A contributor to that stress was that Mr Peter Douglas had been brought into the program team and I couldn't work out what his role was. He was at the same level as I was. This caused quite a bit of friction and both of us reported directly to Mr Michael Kalimnios. That was actually a catalyst for me to resign as I felt that I had lost the support of Michael Kalimnios, in particular.

27. For my entire tenure in QHEST we had a relatively stable team. I think the team that we put together was heading in the right direction and I was very proud of them. I have no knowledge of whether the teams I established remained intact after my departure.

28. I think there was a lack of understanding of the complexities of Queensland Health's requirements and I had concerns that the requirements were based on the implementation at Housing, a significantly smaller and simpler environment. When you add that to the complexity of the stakeholder arrangements and the governance, it was always going to be an incredibly challenging project to deliver.

29. 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 27 day of FEB 2013 at 1000 in the State of Queensland.



NIGEL JERVIS HEY



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