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Telephone:

Adelaide	(08) 8110 8999
Brisbane	(07) 3211 5599
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Perth	(08) 6210 9999
Sydney	(02) 9217 0999

THE HONOURABLE RICHARD CHESTERMAN AO RFD QC, Commissioner

MR P. FLANAGAN SC, Counsel Assisting
MR J. HORTON, Counsel Assisting
MS A. NICHOLAS, Counsel Assisting

IN THE MATTER OF THE COMMISSIONS INQUIRY ACT 1950

COMMISSIONS OF INQUIRY ORDER (No. 1) 2012

QUEENSLAND HEALTH PAYROLL SYSTEM COMMISSION OF INQUIRY

BRISBANE

..DATE 3/05/2013

Continued from 2/05/13

DAY 25

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THE COMMISSION COMMENCED AT 10.05 AM

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COMMISSIONER: Mr Flanagan, good morning.

MR FLANAGAN: Mr Doak, before I return to the Swinson file note there's two things I'd like to ask you about that was raised yesterday with you in relation to scope. Can I take you to volume 4 and to the QHIC scope definition document. If you go to page 64 under the topic Related Documented it says, "Information sources referenced in developing this document include, but were not limited to," and then it lists a number of documents at pages 64 and 65. Yes?
---Yes.

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I think you may have agreed with the commissioner yesterday that a lot of these documents are in relation to the whole of government Shared Services initiative solution. Yes?
---Yes, the core components. Right.

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All right. They're documents that weren't authored by IBM, were they? They were authored by CorpTech, sometimes in cooperation with Accenture?---That's correct.

They were existing documents that were available, both for the ITO and for the purposes of this scope definition?---I assume so, yes.

Yesterday you said underneath that there's a sub-group or a larger group of thousands of documents that further identified what was required to be done. Yes?---Definitely not thousands of documents, but there are certainly the documents with the detail, yes, for scope.

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COMMISSIONER: Not documents, but thousands of pages?
---There will be thousands of pages, I suspect, yes.

MR FLANAGAN: All right. What documents are you talking about in that respect?---A lot of these detailed documents from this point - this is the high level and then from this point they are developed. So there are many of them. I think we were to provide an example for Mr Commissioner today.

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All right. But this wouldn't give you - these documents wouldn't give you the necessary scope for the LATTICE replacement solution, would it?---Which? This document plus the detailed documents that are built as a result of this do give you the detailed scope.

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The detailed documents you're talking about, which we don't have before us, can you tell us when they were produced?
---There's a blend. So as you rightfully point out, some of the documents were produced prior to this because

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Queensland Health had already worked on this, Accenture had worked on it, CorpTech had worked on it, so there were many documents that are referred to here. Other specific documents get developed as a result of the sign off, as a result of the agreement of the scope document. So we work at the highest level and define it generally and then once we have agreement to that, we then go down the various levels of detail and get the sign off on those particular documents.

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All right. So we - - -?---So it does take - sorry. It can take many months of work once this is approved to develop the detailed design.

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That detailed design, however, is part and parcel of the overarching scope identified in the scope definition?
---That's right. Yes.

In relation to the documents that are created as part of this process, clearly from what you've described they are not documents created as a result of the workshops that occurred in December and January?---Yes, they are. That is the first gathering of the information, but certainly there are many reiterations of that as the documents evolve.

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But they're documents that are created after the acceptance of scope definition which we know was accepted or signed off on 25 February 2008 and then the document we looked at yesterday was actually signed off by James Brown and yourself in or around August 2008?---Correct.

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Yes?---Correct.

So these are documents that occur after 25 February 2008?
---Annexed, yes, but there is - so as you'll recall in this document, we did not get any feedback from the customer, I think that was documented here, so it's deemed accepted within five days under the contract and so then we move on to prepare the detailed documents that are referenced here.

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Mr Doak, what we're interested in is knowing - once these more detailed documents are produced are those documents given to Queensland Health and CorpTech for their acceptance?---Correct.

Can you just describe in detail the mechanism by which those documents become part and parcel of the scope definition?---Right. As a - - -

And also is there a particular clause in the scope definition itself which envisages this and envisages and details the mechanism by which these detailed documents are to be signed off as between the parties?---That's a level of detail as the program director I don't know. I do know that these documents in their entirety encompass the scope.

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As I say, it's the process that's followed to develop these, but each of those documents - and we can provide a sample of those - are signed off so they - a design team works with CorpTech and Queensland Health to build the detailed documents and these are templates. These are screen shots. These are the specific detail that has to be built and then these are signed off and then once they're signed off, they are then accepted as part of the overall scope.

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Can we further understand it this way: there would not be disputes, would there, in relation to the detailed documents whether they're within or without scope? They are in fact a logical consequence of the documents that would be produced as a result of the acceptance of the scope definition?---That's correct.

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All right, thank you. Can I - - -?---Can I add, please - - -

Please?--- - - - that there was no dispute at that point? The disputes only arose when we got to testing. So it was at that point which was - with some exceptions. The HR finance integration was an exception. There was a dispute, as we know, from day 1 around that and there change requests, business as usual, but the major disputes only arose sort of the second half of 2008, once Queensland Health entered user acceptance testing then they saw what we'd built, what had been signed off, what had been agreed, what had been built and then at that point the disputes started to arise.

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Thank you. Yesterday in evidence you also mentioned when I asked you some questions about scoping - you also mentioned the requirements traceability matrix?---Yes.

We've heard evidence that as part of ordinary project management one would have or create such a document for the purposes of, in effect, tracing through what the requirements are and what's happening and what's being done. Yes? How would you describe yourself a requirements traceability matrix?---Sure. Typically, it's called a requirements baseline, but this document itself became very contentious. Queensland Health and CorpTech both had a problem with us producing this document. I can only speculate as to why, as it was locking down the requirements. We felt very strongly about the need to have this. It's an executive summary tracing from the business requirements through to the functionality for each of the business requirements. So this was a key document, we felt, that was needed. There was a lot of objection to it, to the point where we were told that nothing with the word "requirements" in it will be accepted contractually. So we named it the Apple and this document was known as - - -

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COMMISSIONER: Sorry, it was named what?---The Apple, the Apple. John Gower takes credit for that. So it was called the Apple. For many months we ran with the RTM, the requirements traceability matrix, under the name of the Apple, so we didn't upset Queensland Health. We didn't upset CorpTech because they didn't want or the SPO didn't want to know about it until we reached a point where it dawned on CorpTech that if they're going to support the system after go live they needed it and then I note it starts to creep into documentation, the actual name.

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MR FLANAGAN: When was the document called the Requirements Traceability Matrix or the document you've described created?---I'd have to refer back to the notes, but I'm thinking it's - I'm thinking it's around mid-2008.

COMMISSIONER: Is there some significance in the nickname Apple?---None at all. It was a little facetious, Mr Commissioner. We picked a word that nobody could have an issue with.

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MR FLANAGAN: Do you have an knowledge of Mr Malcolm Campbell requesting Mr Gower to produce a requirements traceability matrix?---No, I do not.

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And Mr Gower, in fact, Mr Campbell says to his credit - he informed Mr Campbell that there wasn't one in existence at the time of this conversation. They take us around mid-2008?---Okay. 1

Mr Gower did endeavour to retrofit some type of tracability matrix to make that discussion between IBM and Queensland Health more productive, but it was really after the event? ---I find that interesting because Mr Beeston, who was Mr Campbell's manager, had a real issue with it which is why we aborted the name. 10

When you say "Mr Beeston had a real issue with it, is that based on a direct conversation between yourself and Mr Beeston?---Yes.

Can you tell us what was said in that regard?---In fact, it may be a minute because I recall it was around one of the project directorate meetings, where we wanted to bring this up as something that was useful for all parties and necessary for testing. Mr Beeston said to me that: 20

This is not a document that the state would accept, it's not part of the contract, it's not part of the documentation that is required from IBM or in fact document that they want to see used in any contractual sense.

So at that point we said, "That's fine, we will use that internally for our own purposes so we can track what is in and out of scope," and he said, "Therefore, I do not want to see the words "requirements" used in any shape or form, and this is what he said to me. 30

This is a conversation that clearly took place after 1 July 2008 when you became program director?---Yes.

In relation to the document that Mr Gower produced, whether you call it "Apple" or whether you call it a "Requirements Tracability Matrix", can you tell us was that document ever presented to the client for acceptance?---No, because, as I say, we were warned by Mr Beeston never to present it. That said, again, this is this parallel process thing I talked about yesterday. On the work floor, it was a very useful tool from a user acceptance testing perspective and especially from our perspective, so we didn't spend literally days going through the scope definition document and all the related documents to prove whether something was in and out of scope, this gave us that information more quickly. Again, two levels here, at a working level it was accepted as a very useful document and the Apple was used by user acceptance testing as well as by system testing and by our team, but CorpTech, the SBO, John Beeston would not accept that as a contractual document. 40 50

From your own experience, can I ask you what would normally happen? Would a requirements tracability matrix be created very early on in the process?---It depends. Something as complex as this? Yes.

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Is it the type of document that would ordinarily be presented to the client for acceptance?---I would think so.

But at least given to the client for the purpose of information?---That was done, so I think the client found it as useful as we did.

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Do you know when it was done? Do you know when the client actually received a document that fits some sort of description of the requirements tracability matrix?---Can I suggest you ask John Gower that question?

COMMISSIONER: Mr Doak, can I just ask you - I'm just concerned whether we might find some records of this: you say the underlying specific detail document which underlay the scope document were presented to the state and signed off by the state. Was that the CorpTech people or QH people? Do you know or don't you know?---Contractually, Mr Commissioner, it was always CorpTech who did the sign offs. This was the issue we had with governance, so we had our client - - -

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You dealt with CorpTech?---We dealt with CorpTech, yes.

It might have been before your time, but do you know the mechanism by which the document were presented and accepted at a meeting, or was it by correspondence?---By correspondence. At that time when I first joined we were all in Santos House, so we were all in adjoining offices so the documents were walked around. The SBO was right next door to my office and others.

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Thank you.

MR FLANAGAN: May we return then to JBS 9, which we were dealing with just before the adjournment yesterday, and can I ask you to turn to page 4 of the file note? It's the last major dot point of that file note at page 4, this is Mr Campbell speaking, "Government requirements, like for like interim LATTICE replacement system, always very clear on this." You have no difficulty with the fact that both parties were proceeding on the basis that there would be a like for like replacement?---By "both parties", you mean CorpTech and IBM?

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Yes?---I have disagreement with that.

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All right. Thank you?---I'm suggesting that - - -

Yes, Queensland Health had a - - -?--- - - - Queensland Health had a different view.

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As I understand your evidence, Queensland Health had the view that they would have a fully automated system as an interim solution?---That is certainly where they were leading us. I'm not saying everyone had that view but certainly that's where they were leading us.

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But at least as between IBM and CorpTech, they knew that it would be a like for like interim LATTICE replacement system?---Correct.

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All right. Thank you. Then, "SOW 7 solution authorised to scope that like for like replacement, surely this initially requires IBM to scope the current system." You'd agree with that comment, wouldn't you, that in order to do a like for like replacement even on an interim basis one would need to know the workarounds and the operation of LATTICE? ---We would need to know what functionality was currently in LATTICE.

Yesterday, I took you to the scope definition, I showed you paragraph 2.1.1, which is the only reference, it seems, to minimum scope in the document.

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MR DOYLE: It's not, but I'm not sure anything turns on this, there are other references.

MR FLANAGAN: All right. It seems to be one of the references to minimum scope in the document. What I don't find though is a list or a document that tells me that there has been agreement between IBM and Queensland Health as to the minimum requirements. Do you understand? Minimum functionality requirements. What we're looking for is: it was required to be agreed, and we're trying to find out where is the document that agrees it?---As I mentioned yesterday, it was a like for like replacement with a few changes, so there was some workarounds that would have been addressed that was agreed, plus there was the enterprise bargaining awards which the old LATTICE couldn't do which was one of the drivers for the interim solution. The agreement that you're looking is in a sign off of the scope document, the QHIC scope definition document is that agreement that this is the functionality that Queensland Health accepts needs to be built in the new system for the like for like replacement.

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Thank you. Could I ask you to turn to page 5 of this document? You'll see there around the middle of the page Mr Swinson is speaking, and he says, "We need a process to work out whether this is in scope or not," and you reply to that, "We need to give a direction to the team. Bill Doak wants to tell the team to get on with the project on the basis the current IBM proposed schedule, in parallel with this, propose we get the right people in room to discuss scope." Yes?---Mm'hm.

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So in that sense you're agree with Mr Swinson, at least at this stage you're both identifying a need for parties to sit down and discuss scope?---This is for HR and finance integration we're talking about here, and just looking at the previous sentence, "If customise SAP finance solution to meet Health requirements, please ensure that sign off." I think this is referring to HR finance integration.

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But that wasn't the only dispute you were having in relation to scope as between CorpTech, IBM and Queensland Health, was it?---At this point, no.

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You were having fairly serious disputes as to scope, not just in relation to the integration question but in relation to other questions. Yes?---Yes, I was just saying that this comment refers to HR and finance integration.

All right. But did you get at least the impression that Mr Swinson was suggesting that because of these scope disputes, the change requests and the dissatisfaction that each party were expressing in relation to each other, that people needed to sit down to finally identify and clarify scope. Yes?---Yes.

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Were you generally in agreement with that concept of sitting down?---Absolutely.

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But what happened after this meeting was that you actually went and saw Mr Grierson, didn't you?---I saw Mr Grierson every week.

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Yes, quite, but after this meeting, you actually went and saw about this meeting, did you not?---I can't - I would have to check my notes to recall what was said about the particular meeting.

All right. You don't have a recollection of calling upon Mr Grierson soon after this particular meeting?---As I said, I met him every week for two and a half years. I'm sure I discussed this meeting with him.

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Can you tell the Commissioner this: did the parties actually sit down as suggested by Mr Swinson to try to identify the scope disputes and work out scope requirements?---This was done every day. This is nothing new. The issue here is that you can't resolve the scope disputes in a general discussion. It is very, very specific in terms of what is in and out of scope so these discussions were about the detail and this is where the change advisory board came in. That was the role of the change advisory board to look at the - if you wish, the evidence as to whether it is in and out of scope and to then determine whether it is or not and then take the approved change request up the line for approval.

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But this suggestion by Mr Swinson is actually to avoid change request itself, isn't it? It's actually to try to identify and put to bed what were the ongoing scope requirements so the parties could be agreed as to what had to be done. Yes?---With the greatest of respect to Mr Swinson, you can't do that at a - that's not a legal discussion or a general discussion, that is systems analysts and business analysts looking at the specific requirements.

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Tell us what would have been required, Mr Doak, to have laid to bed the scope disputes that were happening in relation to this project so that all parties were (indistinct) in relation to going forward?---We produced the scope definition document. What we needed Queensland Health to do was to have a look at it and proactively agree that that reflected the scope and then once we build from that which was the detailed documents to then agree that that reflects their understanding of what we have agreed and the scope document, but the issue we had is that until we got to testing, we didn't have that level of engagement with the scope, so to your point, what was needed, this is a little late in the piece but we needed that specific agreement that what had been designed and built was right or wrong.

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But the point was with the scope definition document that you had, that change request, numerous change requests, were being made resulting from that document, yes, or things not being within that document? Yes?---Six months later?

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Yes?---Yes.

And disputes with Queensland Health in relation to what is within scope and outside scope by reference to that document. Yes?---Yes.

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Yes. What I'm asking you, Mr Doak, is having identified for a meeting such as this having identified that there was a real problem between the parties in what was quickly becoming a fairly poisonous relationship, what steps could have been taken to lay to rest these disputes? Now, as a program manager, you must have experience in this. Can you tell us what should have been done?---Well, there's only two things that you can do. So there has to be an attempt to freeze scope changes, so that - for us, that would have been the ideal situation; stop the changes, let's build, let's finish what we're doing and then you can have a stage 2 or a phase 2 where these late - any other changes can be made, and that was - you may recall, that was one of the proposals which was discussed and in fact we were going to do at one stage.

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Did it happen?---No.

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Can you tell us why it didn't happen?---It was a decision of the steering committee that wasn't their preferred approach. The board, sorry; that was the board decision.

Can I take you to page 8 of the document, and it's the second entry which has "BD" beside it. You say because IBM are producing deliverables, also not just IBM responsibility for delay, why should IBM keep working if not CorpTech isn't paying. Yes?---I hope I said it better than that, yes.

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I know, it records so. Can you actually recall what you did say?---Accurately, no. I think this record is fairly accurate.

Can I just get a feel for this, Mr Doak; after you did your audit in March and May 2008 and after you became the project manager or director and in your experience from 1 July 2008 onwards, you came to know, didn't you, that IBM were having difficulty with the build of the Workbrain SAP solution that had been proposed in the ITO?---What do you mean?

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That IBM were having difficulty with the build. Yes?---The requirements for the build kept changing. We had difficulties with that, yes.

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Are you saying that you only had difficulties because of the changes from the customer, or did you have difficulties in relation to the build of the solution even on the scope definition document?---We had some difficulties with some of the build on Workbrain at this point early on. I can go into detail with it if you wish.

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I think there were around 1100 configurations that needed to be done to Workbrain. Is that correct? That is just arising from the scope document itself?---I can't recall.

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Right?---But it doesn't sound unusual.

When I say "configurations", I should have used the word "extensions". You will forgive me. 1100 extensions in relation to the configuration of Workbrain for the purposes of the rostering and awards implementation for the interim solution. Yes?---Okay.

And in relation to that, one would have IBM contractors, IBM employees; you would also have CorpTech people that you were managing for the purposes of bringing about those extensions. Yes?---Not for Workbrain. That was a very specific skill. So the team we had for that was a company called ThinkStorm and ThinkStorm were the original owners of Workbrain before Infor bought their product and they created their own consultancy practice around Workbrain, so that was the team responsible for that.

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Can you just give us this answer: given the existing scope in the scope definition and given the fact that there were 1100 extensions to Workbrain for the interim solution, was it ever possible for IBM to complete this project by the end of 2008?---That was before my time so I couldn't have a definite answer on that. I would suggest that that would be a question that Paul Hickey could answer better but - - -

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You started on 1 July 2008 so you had six months, so I'm asking you - - -?---That was before 1 July so - - -

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No, by the end of 2008. That's December 2008?---In the next six months?

Yes?---I really don't know. At that point the Workbrain build was going slower than what we liked, it was off-schedule. I think when I came on it was about three weeks behind, three or four weeks behind and the technical reason for that is we could only do one drop a week into the production environment when we had scheduled for three; that was an issue that was addressed and we did get to three, but at that point, it wasn't on the critical path because it was overshadowed by the changing scope. If we didn't have the issues with the changing scope, we would have had to address the drop rate for Workbrain a lot earlier - - -

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DOAK, W.N. XN

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THE COMMISSIONER: I thought - - -?---Certainly.

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I thought you said the agreements or disagreements rather about scope didn't occur until UAT began which is the beginning of 09?---No, mid-2008, Mr Commissioner. That's when we started the original testing and that is when the disputes arose, when testing started.

All right. I thought that UAT began early in 09?---UAT? Yes. So we went into build completion and we went into system testing, all that happened before so - - -

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I understand. Sorry about that?---Sorry.

No, you go on?---I was just saying so the dispute started to arise from memory about mid-2008 when I came on board.

MR FLANAGAN: The difficulty - - -?---Sorry, to your point, Workbrain needed more people, it needed a better process. If it had been on the critical path, we would have had to address that a lot earlier.

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Yes, because what you're identifying there is that it's not just IBM's responsibility for the delay. That would seem that you're accepting some responsibility for IBM in relation to the delay, surely?---And you'll recall in a letter that I wrote to Barbara Perrott, I mentioned tools and - IBM tools and techniques as one of the four issues that had added to the delays.

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Yes, quite. If you could just come back to my question? ---Sorry.

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You were accepting in that meeting that IBM were, at least, partially responsible for the delay?---Yes. And I'm referring specifically to the Workbrain through - - -

All right?---That is getting the defect fixers back to Queensland Health to test.

When you did your March audit in 2008 or your May audit in 2008, did you identify the difficulties with the build of Workbrain as being part of an issue that had to be managed by IBM?---No. That wasn't clear at that point.

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All right. I see, but in the sense of having not a well-defined scope for the purpose of Queensland Health agreeing what's within scope and what's without scope and the same, too, with CorpTech, it worked to the advantage of IBM in this sense, didn't it, that if you had difficulties with the Workbrain SAP solution build and implementation it gave you more time to get that right, didn't it?---It was a matter of priorities. We had a critical path that we had to adhere to and focus on and at that point Workbrain wasn't on the critical path so it didn't get the focus at that point. I take your point that if the project had been on schedule we would have had to address the one drop a week issue with Workbrain a lot earlier.

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Indeed, with disputes about scope, it also assisted IBM, did it not, in the sense that one could apportion blame or seek to blame the delay for go lives, which were delayed nine times, but seek to blame the delays for go lives on CorpTech or Queensland Health for changing scope?---If Queensland Health changed scope and accept that they change scope, which was addressed in terms of the change requests, and that requires more time to build then naturally they are responsible for that.

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I just want to ask you this and I want a direct answer, if I could, you knew that IBM needed more time to build and implement the interim solution using Workbrain and SAP, didn't you?---No. No, I totally disagree with that.

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I'm suggesting from the problems that were done and identified in the audits that were done by Infor and whatever, you knew you needed time to get the solution up

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and running?---No. We had a QHIC scope definition document. If we were allowed to build that, if we'd built to that, no change requests then we would have delivered it.

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We'll come back to Workbrain shortly, Mr Doak. I want to deal with a completely different topic, which is the rescoping that happened which was a government decision. Do you recall that you said yesterday that a lot of your effort was based on the fact of identifying the way forward for the whole of government solution. Yes? You recall that you did a presentation or a presentation document was compiled by IBM. IBM had previously written to the government saying, "Look, we need to relook at the whole of government solution because it's going to cost more," and ultimately a costing is put up to the government. Yes? ---The go forward are we talking about?

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Yes?---Yes.

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And then you had a meeting with Mr Grierson, did you not? ---At which time?

In around January 2009?---Certainly, yes.

Where he informs you that the whole of government solution will be dealt with in a different way; that no further statements of work were to be done by IBM and IBM was to do the interim LATTICE replacement only. Yes?---Mr Grierson said to me that the whole of government was on hold until the payroll replacement had been delivered.

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I'll just show you a document in terms of - - -?---Which is why we wanted to get it delivered quickly.

I'll show you a document in terms of timing. Can I show you volume 8 at page 98? It says under the heading Business Solution Program Way Forward, if you could just read that?---Yes.

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So it was after the interim LATTICE solution was to be completed that the government would relook at the whole of government solution in terms of IBM's involvement. Yes? ---Yes, yes.

That's a conversation that took place in or around January 2009, is it not?---Yes.

The note there makes reference to a meeting with the premier, the minister and the director-general of the Department of Public Works. You didn't attend that meeting, did you?---No, I did not.

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No. Nor did Mr Munro?---No.

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No. So the meeting you had was with Mr Grierson, Mr Munro and yourself. Yes?---Correct. Yes. 1

Can you tell us by reference to that document when that meeting took place?---Certainly it would have been within a week of the steering committee meeting.

All right?---I see that was on a Thursday. I had a scheduled meeting with Mr Grierson every Friday. 10

Did this come as a shock to IBM?---Yes.

It did? All right. Then when you did the way forward presentation and you ultimately found out that there was a budgetary review committee decision on 21 September 2009 that IBM would only be doing the QH interim payroll solution. Yes?---No, no. I wasn't aware of it until Mr Grierson told me.

Can you tell us something of IBM's reaction to this and what you said to Mr Grierson when he informed you of this? 20

---We were disappointed, obviously, as we felt that we were being punished because of Queensland Health's delays in clarifying scope for us. We felt in that respect it was unfair. Mr Grierson said it was about politics; that because of the delays and frustration around Queensland Health payroll that politically we needed to get the payroll delivered before IBM moved back to whole of government. It was a bit of a carrot and a stick. He was again saying to us, "Stop the scope changes. If you stop them, you'll get the payroll delivered sooner and then you can get back to the main show," the reason why I was there. 30

All right, thank you. Can we move through a few topics fairly briefly. First of all your conversations with Mr Grierson in relation to Mr Beeston. Yes?---Oh, yes.

Doing as best you can as you sit there, just tell us when did this meeting take place with Mr Grierson?---Over - - - 40

Mr Beeston?---I'd have to refer. Perhaps you have the documents there. I can't - - -

I'll take you to something, but if you start with 105(d) of your statement, that's where you deal with this?---Okay.

Without going to the document there was an email from Ms Perrott to Mr Grierson sent on 11 August 2008, which is volume 5, page 269, where she refers to this. She says - - - 50

COMMISSIONER: Do you want Mr Doak to have that document?

MR FLANAGAN: No. I think we'll just go on. I'll just tell him what was said in relation to it. It says:

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Bill has also raised a high level of dissatisfaction with John Beeston's performance as the head of the SPO.

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You had done that with Ms Perrott?---Yes. Correct.

And that is, "The managing to the letter of the law" et cetera, et cetera?---I wouldn't put it like that, but yes.

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All right:

I would like to discuss his concerns with you at some stage soon to clarify my thinking.

She says:

Bill Doak is certainly pushing me to terminate John's contract, just as he has moved on a couple of IBM staff -

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that is, had Mr Beeston been instrumental in having some IBM staff removed from the project?---No.

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Do you recall expressing the view to Ms Perrott that you wanted Mr Beeston terminated in relation to his present role in the SBO?---Yes.

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And the reason for that?---He was an obstacle to the success of the project.

You went and saw Mr Grierson about this, did you not?
---Yes, I did.

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Can I suggest that you actually had a conversation along these lines - actually, first of all, tell me your own recollection of what you said?---Mr Grierson asked me what he could do to assist, as he generally did in terms of moving the project alone. I said one of the issues that we had, "we" being Queensland Health and ourselves, was the confusion around the role that Mr Beeston was playing. That one thing that would assist would be allowing us to focus on delivery and not focus on the exchange of what we saw unnecessary letters at this higher level that took a lot of time to research and took a lot of people away from the project.

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All right. Can I suggest you actually said words to this effect to Mr Grierson at this meeting, and, Mr Commissioner, I'm referring to Mr Grierson's statement that will be tendered, paragraph 25, that's been supplied to the parties. He said, "John Beeston, if I recall, and I didn't have a lot to do with John directly, but I do know that he was very pedantic." That's Mr Grierson's statement. "He made sure that the comma had to be where the comma had to be, and that was getting up Bill Doak's nose, and so Bill Doak came to me and the general tenure of his conversation was," and this is you speaking, "You weren't happy with our project manager, you complained we did something about it. We got rid of him and we brought in a new man," namely, you?---Sorry, can - - -

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And I'm suggesting that this is what you said to Mr Grierson?---The project manager that he's referring to was Chris Prebble not me.

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Can you tell us how Mr Prebble came to be terminated?
---When I first joined the project I attended all of the meetings at all the various levels, that included later became the project directorate, I can't recall the name at the time, that Chris Prebble used to attend. I was alarmed at the high level of friction already at that stage between Mr Prebble and some of the Queensland government people on that committee, and it was not productive. There was obviously personality clashes, so I discussed that with Mr Prebble. I think there had been feedback perhaps to Mr Grierson, certainly to Barbara Perrott, that they were struggling with Chris, so Chris and I agreed that it made

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sense for the best interests of the project for him to finish up. Chris was a contractor so he had a two-week notice period in the contract.

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Do you have a recollection of Mr Grierson speaking to you about Mr Prebble and asking him to be removed from the project?---No.

You don't?---No, that wouldn't be a detail that he would be involved with.

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All right?---I'm surprised by that.

Do you recall saying words to that effect to Mr Grierson, that you weren't happy with the project manager, you complained, "And we did something about it, we got rid of him and we brought in a new man"?---Yes, I do.

Did you also say to him in relation to Mr Beeston, "This fellow is slowing things down. Do you think you could do the same thing here and get rid of him, he's causing interference and slowing everything down"?---I couldn't vouch for the words but I can for the sentiment, yes.

20

Thank you. Mr Beeston remained in place, did he not?---No, he was removed.

When was he removed, to your knowledge?---I'm sorry, I can't remember. Subsequent to that meeting, Mr Beeston was removed.

30

Thank you. Can I then turn to the reclassification of defects. If you want me to go to a document at any time, let me know, but I want to just go by your memory, if I may?---Certainly.

You know that from the master test plan that it had always defined severity 2 major defects to arise on any one of five basis, one of which that pay was affected, or net pay was affected?---The master test plan had some general severity defects, which I think have been taken from the ITO. We hadn't actually looked in detail at them at that point.

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All right. Do you want to look at the document then, just to - - -?---No, that's okay.

Thank you. That same criteria was also repeated in the QHEST test plan, made under the master test plan. Yes? ---Yes.

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In August 2009, the criteria was affirmed in a draft end to end entry criteria where some defect classification guidelines were added. Do you recall that?---In general, yes.

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That these guidelines actually removed from them the qualifying words, "The following inclusion of those items that are deemed to impact the calculation of an employees net pay." My point is this: prior to the reclassification, there were five criteria by which these major defects could be assessed in terms of one or all of them, and one of them was net pay or the affect on net pay. Yes?---I recall that severity definitions in the master test plan were cut and pasted basically from the ITO. At that point, we hadn't got to testing so we hadn't addressed them in any granularity. Then when we did get to that point, there was a discussion with CorpTech and Queensland Health about how they should be classified, I can't recall, but CorpTech or all Queensland Health had a view of the severity 2s, there should be four or five criteria that should be applied. Our view was the criteria should be: if it affects net pay for a minimum number of people, that should make it a severity 2.

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But what I'm suggesting to you is that wasn't the defined definition of it, was it? That was part of the definition but it wasn't the whole definition?---It was a negotiation, that was our point.

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In your statement, as you had it before it was amended, there was a paragraph in there, I'll just get it for you, if I may. You say, "As far as I can now recall - - -"? ---What paragraph was that?

It was 86 of your original statement but it's been amended to take it out. Could you tell us why you took it out?

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COMMISSIONER: Find the paragraph first.

MR FLANAGAN: 86?---86. Right, because it was wrong.

All right. In what sense is it wrong?---It's wrong in that the redefinition of defects was driven by IBM not Queensland Health.

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Quite. In that sense, it was actually driven by you, was it not?---Me personally?

Yes?---No.

All right. Can I show you an email then, which I will need to take you to, volume 9, page 222.

COMMISSIONER: 296?

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MR FLANAGAN: Volume 9, page 222. It's an email from you to Ms Berenyi, dated 1 July 2009, and you had obviously left her a long voice-mail. But you're clarifying your long voice-mail in writing by saying, "IBM will rectify all severity 1s and severity 2s, being only those defects

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impacting net pay prior to the entry of end to end UAT, as agreed by the board." Do you see that?---Yes, I do. 1

"We have never committed or in fact can achieve the resolution of any finance related defects as well." Yes? ---Yes.

"The board has always been extremely clear that severity 2s were only defects that affected net pay." When you say "the board was very clear", that was always your view of the board, was it not?---Yes, it certainly was my view. 10

Yes, but it was an idea that IBM were pushing that severity 2 defects should be reclassified as only those affecting net pay for a certain number of people?---That's correct.

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So, for example, if it only affected - if there was a defect that affected one person in the country because of a particular country holiday, that would not constitute a severity 2 defect?---That was our position. In fact, that's a very real example, the one that you give. Remember, we're just talking about prioritisation. So we're saying, "Let's prioritise those that affect the most people first." That's what we're saying.

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But without this reclassification that you're seeking here in terms of severity 2 defects only relating to net pay for numerous people - - -?---Yes, yes.

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- - - it would have been very difficult having Mr Cowan having identified so many defects to exit user acceptance testing. Yes?---There was a trade off here. So we were prepared to accept this net pay definition for sev 2. In return we were giving up the argument around what was a change, what was an addition, what was in scope or wasn't. So we were saying: and take a pragmatic view. We want to get on with it. Let's focus on these only, so that was a trade off, but of course that created a problem not only for us in building it, it created a problem for Brett in testing it and this is because of the change in scope, the test scripts were continually changing as well which was throwing up, shall we say, false positives, false defects.

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You read the KJ Ross report at the time that it was produced?---It was never given to us.

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It was never given to you? Thank you. But, ultimately, IBM are pushing that line at the steering committee meetings and at the project directorate, the project board. Through your advocacy at the project board level, at least, it was agreed that there would be this reclassification of defects. Yes?---Reclassification, yes. I think in Margaret's response to the note, to my email that you took me to, I think she sums it up well that Adrian Shea has authorised a review of all of the sev 2's and that's been taken by - that's John Gower, Amanda, Janette Jones and James Stewart, so all parties are involved with options to be presented. At that point there was some consensus gathering in terms of what made sense.

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COMMISSIONER: Mr Doak, didn't you sit on the project directorate or the QHIC board?---Did I?

Yes?---I sat on the board, yes.

I thought so. Didn't the KJ Ross come from the board?---If it did, it was before I was on the board. I never saw a copy of the KJ Ross, Mr Commissioner.

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You were on the board, were you, from, what, July 08 to - - -?---Yes.

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- - - March 10?---Initially as an adviser only for a period of time until we changed the governance. 1

But you were certainly on the board, weren't you, at the end of 2009, early 2010?---Yes.

You say you have got no recollection of the KJ Ross coming to the board?---No, Mr Commissioner, I do not.

All right. 10

MR FLANAGAN: I want to show you volume 14. If you turn to page 380 of volume 40. This is actually the QHIC project management response to the KJ Ross user acceptance test, UAT, completion report which is last updated 19 February 2010. This is a report that was distributed to a number of persons, which included Mr Mark Dymock, who was at that time the IBM project director. Is that correct? ---Yes, that's right, the project manager. 20

Having replaced Mr Hickey - - -?---Gower at that point.

Mr Gower?---Yes.

Yes, thank you. If you look at page 384 of this, it gives you a table that goes on for some pages which has three columns, the summary of KJ Ross observations, Queensland Health and CorpTech management response and then the IBM response?---Yes. 30

Mr Dymock, at least, or someone in IBM would have had the KJ Ross report for the purposes of providing IBM's response to the report. Yes?---It looks like Mr Dymock had that, yes.

Yes. Did you have any conversations with Mr Dymock as to what would be the appropriate response of IBM to the report?---I do recall seeing this document.

Yes?---I can't recall when, but I have certainly seen this particular document with IBM's response, but I would assume that I have approved this in some shape or form before it's gone out. 40

One would expect so as project director, would you not? ---Yes. Yes, I would.

But your evidence is that you never read the KJ Ross report?---Correct. 50

But its detail would have been brought to your attention by IBM project directors, for example?---I think the detail here in terms of the KJ Ross observation and Queensland CorpTech response and our testing team's view to that certainly was brought to my attention.

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Did you watch the evidence of Mr Cowan yesterday?---I only saw the last part of it. 1

All right. I'm glad to give you the opportunity to respond. He actually gave evidence along these lines or to this effect that you sought to discredit his report?---And how did I do that?

I'm asking you to respond. Did you seek to discredit his report?---No, no. Well, I didn't see his report. 10

COMMISSIONER: He said you spammed?---I spanned?

He said you sent emails to all the people to whom he sent his daily reports and you responded, in effect, Queensland - Mr Cowan, denigrating his testing?---Mr Commissioner, the only thing I did, I sent less than half a dozen emails that I recorded Mr Cowan asking for further information.

Sorry, say that again?---I sent up to half a dozen emails to Mr Cowan in my role as part of the governance board asking for further information. 20

But what do you say about his assertion that you were sending emails to the people that he had sent them to taking issue, if you like, with what he had reported? ---What I said in my emails, Mr Commissioner, was that the board, which he'd sent the information to - I said, "The board - myself and the board would be interested in further information." I copied the board, as he did, I replied to the board, to ensure that there was full transparency about the information that I was asking for. I wasn't looking for IBM specific information. I was looking for general information in order to better inform the board. By copying the board, I gave them the opportunity to disagree with me that - I didn't want the information - in fact, it was quite the opposite; that I had support that the information I was requesting from Mr Cowan would be useful. In the end, Mr Cowan came back and said, "If IBM wants that information" - and this was the point I was trying to avoid, it wasn't IBM, it was the board - but he said, "If IBM wants that information then IBM can go and get it themselves." I went back to him and said, "That's not useful. We need one source of truth, one source of information and it was better if it came from him." Nothing ever came of that. I never the information. 30 40

MR FLANAGAN: May I show you some documents that are emails from you in relation to these defects - - -? ---Certainly. 50

- - - that were provided by your solicitors today? ---Certainly.

We've only been given one copy at this stage.

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MR DOYLE: We have - - -

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MR FLANAGAN: Thank you.

Are they emails that you sent in relation to the KJ Ross report?---To the KJ Ross report?

Or are they emails generally in relation to severity testing?---Emails in response to the daily reports from UAT from Mr Cowan.

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Could you just hold on for a moment?---I didn't see the KJ Ross report. I can't have sent a response to it.

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THE COMMISSIONER: No, it's not the KJ Ross report, Mr Cowen was talking about the - I think the daily or weekly - - -?---Yes, this is in response to the daily report. 1

Which he sent out by email, I take it?---Sorry?

Which he sent out around by email?---Yes, he did, yes.

MR FLANAGAN: Can I leave these; I haven't had a chance to read these emails prior to commencing examination of Mr Doak so can I leave these emails to Mr Doak to deal with. 10

THE COMMISSIONER: Yes, of course. Do you want them tendered as it is?

MR FLANAGAN: Are you happy for them to be tendered? I tender them as a bundle. 20

THE COMMISSIONER: Yes. I suppose I shouldn't call them Spam emails, should I? A bundle of emails between Mr Doak and others, exhibit 404.

ADMITTED AND MARKED: "EXHIBIT 404"

MR FLANAGAN: May I then turn to something that we have touched upon already, Mr Doak, which is the HR finance integration. Now, IBM did actively seek to have this issue resolved. Is that correct?---Yes, we did. 30

And even after you had actively sought to have it resolved, it remained largely unresolved?---It took a long time to be resolved.

All right. In terms of this project, was this an issue of disagreement between the parties as early as January 2008? ---Yes.

Did it remain an issue as between the parties as late as the go live date?---There or thereabouts, yes, you're right. 40

Can I start and I will take you to it if you want but I did show it to you yesterday. Actually, I will show it to you again because there is one point of clarification I think you said that IBM were responsible for the bills of the integration rather than the design of it, but can I take you to volume 4 page 128. Actually, Mr Doak, we will save time. Don't worry about that. The document speaks to itself but can you take it from me that IBM were responsible for design architecture of the integration solution, yes, not the build?---I think so, yes. 50

And the build was something that was the responsibility of another entity, QHEST?---Correct.

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Thank you. I will take you, however, to volume 8 page 174. What I'm showing you there is the project execution plan for delivery of the QHIC project and IBM document?---Yes. 1

If you turn to page 181 of that document - you actually need to start at page 180 under 2.2 solution scope?---Yes.

And you will see over the page that it includes an integrated leave management solution integrated awards interpretation engine and entering rostering solution? ---Yes. 10

That document would seem to suggest that it was IBM's responsibility. Am I reading that incorrectly?---Is that listed as an IBM responsibility? Sorry, I don't see that.

Or is it simply silent as to whose responsibility it is?

THE COMMISSIONER: To do what, sorry? 20

MR FLANAGAN: To migrate the data required to operate the solution based on Workbrain application suite delivery and integrated rostering solution, integrated awards interpretation engine and integrated leave management solution?---Yes.

So it's simply silent on that?---I haven't - sorry, I haven't had a chance to read the whole thing but I certainly agree that that is what the solution needed to do. 30

All right. The issue then was the subject of change request 60 and 61, was it not?---Yes, it was.

It paid - change request 60 of course paid IBM for the delay that the state had caused in terms of the build of the integration?---That's correct.

And change request 61 adjusted the scope to deal with integration where it became the responsibility of IBM? ---That sounds right, yes. 40

All right. Now, when did you as a program manager having started on 1 July 2008, when did you arrive at the conclusion that Queensland Health or QHEST could not actually build to this - integrate to this integrated solution?---And as I recall, Paul Hickey brought that to my attention early on in the piece.

What steps did you take, apart from these change requests that we see here, what steps did you take to resolve that particular issue?---The team - the technical team that were working on this would be the ones who would resolve that situation. I couldn't provide a lot of input to that. 50

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Can I just demonstrate again the problems that were being experienced by all parties in relation to this issue?---Yes.

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Can I take you to an email of yours, volume 8 page - - -

THE COMMISSIONER: Before you leave that document, Mr Flanagan; Mr Doak, if you look at page 180 of the document you have got there - - -?---Yes.

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- - - the business solution program, the second dot point under 2.2, IBM are saying what it will do and says build functionality to the minimum level acceptable for Queensland Health to continue basic HR payroll operations?---Yes, that's right.

Right. Is that what was meant and understood by minimal functionality?---Yes.

Where it appears elsewhere in the document?---Yes, absolutely correct. Why this became an issue is because minimal functionality was delivered via another program called Payman and the role of Payman was to take that input from LATTICE and now from SAP HR and then provide the interfaces from a number of different systems, one of which was finance. The changes were - in terms of requirements was also to provide a greater level of information which therefore could not go through Payman, so Queensland Health dropped Payman out of it and the change requests were about providing the interface directly into the systems.

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I understand that, but you're talking about the integration between the two - what are they, systems or programs or whatever. This seems to speak more generally that what was to be done for the payroll solution scope or payroll solution was to build functionality to a minimum level acceptable to Queensland Health to continue basic HR payroll?---That's correct, yes.

Thank you.

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MR FLANAGAN: Then if you turn on that same document over to page 181 again, this time I will draw your attention to the right passage. The passage I was actually after is the first dot point on page 181 which is, "Integrate the interim HR payroll solution with key existing Queensland Health enterprise architecture, FAMMIS, DSS, others as specified in the QHIC project scope definition in reference to." Yes?---Yes.

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That was identified as something that IBM would do. Yes?---No, I don't think so. I think if we go back - you may know better than me but if we go back to those roles and responsibility table, I think there was a split - a split between the build and I think the design was IBM but

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the build was - some of the build for the integration of the legacy systems was with QHEST and FAMMIS was with IBM, I think, so that splits that out further, but from a business solution perspective which is what this document is, that is what the solution needed to do.

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Right. I was taking you then to your email in volume 8 page 132 if I may.

THE COMMISSIONER: 132?

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MR FLANAGAN: 132.

It's an email of yours, dated 17 February 2009?---Yes.

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And it's really only the first five lines of the first paragraph, Mr Doak?---Yes, this is another change to the HR/finance integration. Yes.

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Yes. Did you think the matter had resolved itself by 17 February 2009, because that would seem to be indicating some sort of resolution, would it not?---Yes, then there's new requirement for cost allocation popped up and the issue was opened again.

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Now, can you tell us about this new requirement for cost allocation because it seems to have been central to this dispute. Yes?---Yes, what would you like me to tell you?

First of all, when did you first become aware from Queensland Health that it was one of their requirements? ---On or about this time, so in this February time frame.

It seems then, the integration issue is dealt with all over again in change request 184. Yes?---That's correct. Sorry, while it's an integration it is a whole new issue, it's cost allocation, but why it impacts integration is it is about the transferring of new information, different information from SAP to HR to finance for the cost allocation information for the general ledger.

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The difference is that even though everything was clarified in terms of who would be responsible for the build, namely, IBM, after change request 61, the point of change request 184 is that even though you were going to be responsible for the build there was a change in scope in relation to that particular build for the integration?---That's right.

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Mainly due to the cost allocation issue?---184 covered many things, but, yes, that was one issue. That was a real problem because of the huge amount of work associated with this change.

Was there also de-scoping carried out in relation to integration project?---Not that I can recall.

40

It would seem the integration was, even though it had all be clarified by CR 61 and CR 184, it would seem to have caused problems after go live. Are you aware of those problems?---I recall that one of the issues we had with cost allocation was we didn't have enough time to do this properly, and we raised the risk that this was being fast tracked through the system and I recall, I think, that we asked Queensland Health to accept that there was a risk in doing this, which I subsequently think they did accept. So it was rushed through, it didn't go through the same rigor in terms of the system and systems integration testing, and did subsequently, unfortunately, prove the point and caused us some issues.

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It was ultimately fixed, was it not, with a manual
workaround?---I would take your word on that. 1

I'll show you the document. If I can take you to
volume 15, at page 332. What I'm going to is the post go
live project review?---Sorry, what page number was it?

If you start at page 332. Could I ask you to read the
section 3.9: HR/finance integration? Take your time
reading it, and I'm going to ask you what you disagree with 10
it?---332, HR/finance integration background?

Yes, and if you just read those five paragraphs and then
tell me what parts of it you disagree with?---When was this
written?

The document was produced on 7 May 2010?---7 May 2010.

So it's a go live report?---Obviously, after I handed over
to Kevin Kelly, so I've never seen this before. 20

All right. But in terms of the history and issues that are
identified in it, do you disagree with the detail?---I
would need to spend more time going through the detail,
there's a lot of detail here - - -

That you're not familiar with?---No, I'd struggle to
comment on this.

Thank you. If that can be put aside, please. 30

COMMISSIONER: Have you got the page open, Mr Doak?---Yes.

Look at paragraph 3, please, of page 333, under "What
could have been done better". It says, "IBM did not
introduce an end to end requirements tracability matrix
and process until the third round of UAT." Do you know if
that's correct?---I think that is probably correct,
Mr Commissioner. 40

All right. Thank you?---Again, this was something that we
had as an internal document that we could not get on the
table for - - -

We've been through this topic before, I don't want to go
back to it, but as a matter of fact you think that's
correct?---Yes, so it was the Apple before that.

I see. By whatever name, was a document properly described
as the requirements tracability matrix only produced at the 50
third round of UAT?---It was only used, it was only used by
the client at the third round of UAT.

All right. Thank you.

MR FLANAGAN: Can I then turn to Workbrain? In terms of familiarising yourself with IBM's response to the ITO, IBM had proposed a revised design architecture using Workbrain to accelerate the functionality of SAP. Yes?---That sounds right, yes.

1

And it had considered other alternatives, including an upgrading of LATTICE and had rejected those as unacceptable?---Okay.

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In terms of reference sites for Workbrain in the ITO response, IBM suggested a number of reference sites. Yes? ---I don't know.

You don't know?---No.

All right. In any event, your statement deals with a reference site being the Disney Corporation?---Disney, yes, that I do know.

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Can I take you to volume 7, page 327? While that document is coming, Mr Doak, do you recall whether the Disney Corporation were ultimately contacted by the steering committee?---I believe so, yes. That was client to client, so we weren't involved in that but it was my understanding that they did have that phone call.

If you just go to the beginning of this document, which is actually at page 324, you'll see there that you're noted as an advisor to the executive steering committee?---Mm'hm.

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And then if you turn to page 327, at item 7.4: client teleconference, Disney Corporation?---Yes.

The secretary advised that there had been significant challenges in identifying a mutually convenient time to schedule a teleconference?---Yes.

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Participants from the USA were to be persons from the Disney company and also IBM payroll lead, Mr Bayford. Do you see that?---Yes, yes, I do.

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But then if you look under the decision it says:

The executive steering committee members decided not to proceed with the client tele-conference with Disney Corporation. Members determined that it would not be beneficial to discuss the Disney solution as the award interpreter function of Workbrain is not utilised and this is a priority of the business solutions program whole of government award.

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Did you come to know that this particular reference site for the Disney Corporation - that they actually didn't use Workbrain as an awards interpreter, which was going to happen for the interim solution?---I thought they did. I thought they did use it as an awards interpreter.

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Were you present when this decision was made?---The decision to?

Of the steering committee not to ring Disney?---Again, I actually thought the call subsequent to this went ahead, but I could well be wrong. It was a major issue I thought the board in fact had placed, but I could be wrong. As I said, we weren't part of the actual call.

30

Do you know how many awards the Disney Corporation used? ---I wouldn't have a clue.

No?---No.

Does the number 3 ring any bells to you?---No.

Before this reference site was suggested, did you make inquiries as to how many awards Disney was dealing with in terms of Workbrain?---We contacted Infor as the Workbrain owners and said we wanted a like for like, a relevant reference for Queensland Health and this was the reference that they provided. Further detail, technical detail, I don't have it.

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It's a rather odd situation, is it not, for a client in the position of CorpTech and Queensland Health to be seeking a reference site from IBM as late as the date of this meeting, being 10 December 2008?---Absolutely.

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So the contract is signed on 5 December 2007. The reference sites had not proved fruitful enough to the evaluation panel; that the matter was left for contract. You knew that? Yes?---The?

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That is, there was a dissatisfaction with the reference sites by the evaluation panel and the matter was left for contractual negotiations which led to the scalability testing and warranties in the contract. Yes?---I wasn't aware of that background. I was aware of the scalability test which has a requirement of the contract.

1

All right?---Which we indeed passed, of course.

Quite. In terms of this solution, the Workbrain SAP solution, and using Workbrain as an awards interpreter - - -?---Yes.

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- - - there is a higher risk in terms of that particular solution if one cannot identify where that solution has been operating, either in Australia or overseas successfully. Yes?---The more people that use it, the lower the risk, absolutely.

All right?---I think there's less risk in using a dedicated tool for the awards interpretation and this was one of the issues as to whether you did it as a module in SAP or as a separate stand-alone purpose built engine such as Workbrain. I think that was part of the decision that CorpTech ultimately made to go with Workbrain, that and the fact that Queensland Health already had Workbrain licences so they were already a user of Workbrain, albeit not the award interpretation part.

20

Quite, but risk is a different thing when you have sites where Workbrain is actually being used as an awards interpreter. Yes?---Yes, yes.

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And even then the risk is even less if that awards interpretation aspect of Workbrain is operating in a situation where there are numerous awards, such as Queensland Health?---Sure, sure. I think Queensland Health is a little unusual in terms of the complexity of the awards.

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All right. When this solution was proposed, do you have or do you recall that Queensland Health - it was agreed that Queensland Health would engage Infor directly to perform a quality assurance audit of Workbrain functionality and performance characteristics of an as built system?---Sorry, when was this? When the contract was award, did you say?

No. I'll take you to a document - if you need to see it, volume 6, page 31?---Page 31?

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Start at 30 so we can identify what the document is. Are you familiar with this document?---I must have seen it.

Yes, but the part that I wish to take you to is at page 31 and you'll see additions from QH?---Oh, yes. 1

QH will engage Infor directly to perform a quality assurance audit of the Workbrain functionality and performance characteristics of the as built system?

---Yes.

So you're aware that Queensland Health, at least, had identified sufficient risk in relation to the proposed solution that they wanted to have Infor - which they were going to engage directly - to carry out a quality assurance audit?---I think that's very prudent and very typical in projects like this. I recall we also did an SAP one as well - an SAP audit. 10

You recall that Infor did in fact carry out that audit? ---Yes. Yes, I do; yes. 20

Whilst it's a prudent step, Mr Doak, it's also a step that a client wouldn't necessarily have to take if there was no identifiable risk in relation to the proposed solution?---I think the benefit of something like this is as much for us as it is for the client. We want Indoor's support that what is being designed and built meets their standards and we're not going to be surprised. 20

One of the first changes to the - sorry. I'll withdraw that. One of the proposed go live dates was 11 September 2008. Correct?---Correct. 30

Before the go live date, IBM had carried out an operation to work out what defects existed in relation to the Workbrain solution. Yes?---I take your word for that. Yes.

All right. Can I take you to volume 6, which is the same volume we're on, page 14? What we're looking at again are minutes of the executive steering committee held on 11 September 2008?---Yes. 40

Again, you're noted there as an adviser, program director, IBM?---Yes.

At page 3 of the document, page 14 of the bundle, under the heading Systems Testing:

Bill reported the following system testing results and for Workbrain moved to three drops, fix, weak, and we'll continue with this frequency, 1100 defects initially identified. 50

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Is that the actual number of defects that have been identified?--We need to be careful here. This is 1100 results, different than what was expected so that goes through a level of analysis before it becomes a true defect. So these are issues that are raised because certainly if there are 1100 defects at that stage, it would be a real issue.

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All right. Then 326 undisclosed defects remaining?
---Unclosed.

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Sorry, unclosed. Thank you. When you say "unclosed" that is defects that had not been dealt with by IBM at that time that you're reporting to the steering committee?---It seems to suggest that of the 1100 identified, only 326 are remaining not resolved in one shape or another.

You used the word "only" then. 326 defects are still 326 defects?---Again, unclosed defects remaining. There will be several means to close those not necessarily fixes from IBM.

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All right. Your report doesn't identify of those 326 how many are severity 1 and severity 2, do they?---It doesn't identify how many are for IBM to close or a process related or CorpTech related.

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Irrespective of who has to close them or who has to do it, you would agree that would seem to be, on its face at least, a very poor result?---That only 326 out of 1100 remain unclosed? I would say that was a - - -

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No, first of all that 1100 defects had been identified in the first place?---But again, be careful with definitions here. So we have got evolving requirements the whole time which are challenging test scripts, we have - in terms of identified, that means somebody has sat down, tried to run a test script and hasn't got the result they expected, so please do not assume that it calls it a defect that there is something wrong with the system. Not at this stage.

I'm not calling it a defect, you called it a defect?---Sure, sure. Defect is a terminology in quality control.

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Quite, and what you're doing on that date on 11 September 2008, you're identifying to the steering committee that the Workbrain solution have 1100 defects of which 326, whatever it is, remained unclosed. Yes?---I would say things that needed to resolved.

Yes, but would you agree that's a poor result, Mr Doak? ---No, I wouldn't, unless we look at the detail - of that there may be a handful of actual system defects. The devil is in the detail here, and this was my issue with the emails to - the detail is vital.

30

But you couldn't go live, you couldn't go live with 326 unclosed defects, could you?---Again, it depends what they were.

See, we don't even know from that report how many are severity 1 or severity 2 defects but assume - - -?---This is a board report, this is not a UAT report.

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Quite, quite, but it's close to a go live date, is it not, or a proposed go live date?---Yes.

Yes. The point is this: it's that IBM could never - putting aside any Queensland Health deficiencies, in relation to its own solution, IBM could never have gone live in or about September 2008?---Not with all the change requests that were out there, no; without the change requests, absolutely.

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DOAK, W.N. XN

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What I'm actually putting to you directly; forget change request, forget scoping deficiencies and scoping disagreements. Your solution that was proposed could not have gone live because IBM were struggling with that solution?---That is incorrect. If we had been allowed to build the system as defined by the scope document, we could have gone live but we were not allowed to go live with that system. Right up to when this report is written, there are changes in scope coming in, so we design, build and test and then there's changes. So we go back; design, build, test again and again and again. If you take that out of the picture, we could have gone live.

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Can I actually suggest to you that - I'm going one step further, I'm suggesting that there was real concern as to whether your Workbrain, IBM's Workbrain solution, was fit for the purpose?---Well, the client selected that so we went through a process so we go through the beauty contest - this is the solution that we are proposing, the client accepted that solution so they accepted that it was fit for purpose and then we designed and built to that solution, so this isn't a decision that we made, this was a proposal which the client accepted.

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THE COMMISSIONER: On your recommendation?---Yes. Now, there are a lot of factors in that, Mr Commissioner, so there was a strong preference that was indicated to us about that the client wanted to use Workbrain, Queensland Health already had paid for licenses for Workbrain so there was a natural fit.

30

Of course they wanted to use Workbrain because as you say, they had the licenses for it?---Yes.

But IBM's proposal to use Workbrain as the awards interpreter, we understand from evidence we have heard already offered a promise of a faster solution?---That's correct, yes.

And they were quite attracted to that?---Yes, yes, that's right.

40

That's why your proposal was accepted, or IBM's proposal was accepted?---Yes, that's right, absolutely.

MR FLANAGAN: Now, you know that SAP conducted a systems review in August September 2009?---Yes, I do.

All right. You read that report?---I did back then, I haven't reread it since.

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I will show it to you. Volume 10 page 232.

THE COMMISSIONER: Volume 10 page - Mr Flanagan, sorry I missed the page?---232.

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DOAK, W.N. XN

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MR FLANAGAN: Sorry, 232.

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The date of the report is 14 September 2009. Yes?---Yes.

Can I take you to page 239. In the very first paragraph, point 1:

After a week of reviewing the current status, the Queensland government, QHIC's project and a further two days of follow-up research and interviews, it is evident that the QHIC project is in a high risk environment and therefore must be classified as a high-risk project should the current go live date of November 20 2009 continue to be targeted?

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---Yes.

You read that at the time?---Yes.

Did you disagree with it at the time?---No.

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Sorry?---No.

You didn't disagree with it?---No.

Thank you. Then they go on to say that there was a lack of clarity and resolves around a working proof of concept and overall solution including the complex integration of SAP and Workbrain. Yes?---Yes.

30

Now, you agreed with that also?---Yes, and again, because the scope was moving all the time, they were absolutely correct.

And in terms of the integration though, it was the case, was it not, that under CR 61, IBM were required to do that? ---No, no. No, no. CR 61 was HR and finance integration, not SAP and Workbrain.

Good, thank you. Now, do you agree that it's very late for proof of a concept not to have been secured by this stage? ---Absolutely.

40

SAP also raised concerns about the ability of the solution to handle the number of transactions and Workbrain uses which was one of the issues that arose on go live, was it not?---No, no, it wasn't. We did the scalability testing and we passed that. Are you referring to the lock-out issue at go live?

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Yes?---No, that was a different issue altogether. The screen would freeze, they would have to go out and reboot and go back in again.

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Why do you say that that is a different issue? Why doesn't it arise from scalability?---Because it didn't have anything to do with the ability of the system to scale. It was a technical error, not a scaling error, that caused that problem. 1

THE COMMISSIONER: Can you explain the difference to me? ---We had - I think what Mr Flanagan is saying is - and correct me if I'm wrong that when a lot of users all went on the system at the same time, that the system effectively crashed. That wasn't the cause of this particular problem. There was a - some technical problem that when some users and from recollection it was on a particular site, it might have been Cairns, but when they went on, all of a sudden in the middle of the session, the screen would freeze and they would have to reboot, effectively they would have to go out and come back in again so this was a problem that became clear after the first pay run and then took us - I think two to three weeks to rectify, we needed Infor's help with that but that wasn't to do with scalability. We had passed with the full scalability testing, that was one of the deliverables and we performed and passed that in the contract. 10 20

MR FLANAGAN: Can I take you then to page 242 of this report.

THE COMMISSIONER: Before you leave that page, if you look at the dot point - about halfway down the page, it has been highlighted, I don't know by who, it says that there has been multiple user acceptance tests without a prior end to end integration test before connectivity between SAP and Workbrain. Is that right and what does it mean?---I think what they mean here is that user acceptance testing, some test scripts, which did not relate to integration between Workbrain and SAP had already commenced before this system integration test, SIT, had completed so there was some parallel work because of the time frames that was happened. 30

All right, thank you?---Again, I'm trying to - - - You're guessing?---Yes. 40

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MR FLANAGAN: Page 242, thank you. The passage I want to take you to is the heading above the last paragraph. Do you see there, "As a result of the above, a high level assessment of the integration solution between SAP and Workbrain finds it non-optimal, potentially hard/expensive to maintain and not well protected from potential failures." You read that at the time?---Yes.

You took advice on it?---I took advice on it. There were follow-up meetings with my team at a technical level with SAP to get the specifics around this particular statement and to understand it better. I have to admit, there was a level of cynicism because SAP always wanted to sell a rostering module and we had gone with Workbrain, so there was a level of cynicism but there were meetings that were held as a result of that comment to understand what issues they were raising here. I will point out, if I may, that the interface between SAP and Workbrain had been dictated to us by CorpTech, so typically we would have made that automated, that would have been a seamless connection between the two. CorpTech, for good reasons no doubt - they wanted to make this a two-step process. SAP produced a file, which from recollection at midnight or 2 am Workbrain would then load into Workbrain and then the reverse would happen later. This gave them a greater level of control in the ability to manually make alterations to that file before information was passed from one system to the other. A little unusual but CorpTech viewed that as just removing some of the risk.

COMMISSIONER: Where will we find evidence that it was a CorpTech requirement that be done?---That is documented, Mr Commissioner, we could certainly pull that document, I can't off the top of my head.

No, I understand that?---CorpTech would have no issue with that, I think it was a prudent decision.

MR FLANAGAN: The difficulty I'm having is that even though Workbrain and SAP and these sorts of solutions were identified by the government in 2005, for the purposes of responding to the ITO IBM didn't have to come up with a Workbrain/SAP solution for an interim payroll project for Queensland Health. You appreciate that Accenture, for example, simply didn't contemplate using Workbrain in their response, that is, the solution that you came up with, IBM came up with, for the SAP/Workbrain awards implementation innovative solution was IBM's solution in response to the ITO. Yes?---So the client had a choice between the Accenture one keeping rostering within SAP or the IBM having rostering in Workbrain, and they chose ours.

In terms of the interim solution for payroll, your ITO response itself considered a number of options which included upgrading LATTICE and keeping ESP?---And, again, the client selected the SAP/Workbrain option.

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Because that's the option you put forward in your response to the ITO?--I'm sorry, I thought you just said we came up with a number of options and this is - - -

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Which you discounted, which you said, "These are unacceptable options, and the option we're putting to you, government, is the Workbrain/SAP solution with awards interpretation"?--And I put to you which the client accepted that's what they wanted.

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Yes, they accepted it, but what's being said here is that solution is non-optimal, potentially hard/expensive to maintain and not well protected from potential failures? ---At a point in time, from SAP they took a view that the competitive product for rostering was not the best way to go.

After you've had this consultation with IBM representatives and SAP representatives, did you still agree with the statement made in SAP review?--No. In fact after that meeting it transpired that SAP didn't have the complete information and I believe that concern was addressed. CorpTech were apart of that process as well, so CorpTech had to be satisfied that this wasn't an issue before we moved on.

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I'll ask you a more general question then. When you read this review of SAP so late in the piece, being September 2009, where what was contemplated this time was a November 2009 go live date, wasn't it - - -?--Correct.

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Ultimately changed to the March 2010 go live date? ---Correct.

That's very late in the piece, isn't it, Mr Doak?--Yes, as were all the scope changes and this was a reflection of the moving goal posts.

We have what you say about scope changes, we've read your statement, we know that you wish to identify scope changes as a major issue, we've dealt with that. What I'm suggesting to you though is that this SAP review so late in the piece must have caused you concern as to the workability of the solution?--You can't address those things separately because it's a cause and effect. We're continuing at this point in time, we're still building so we're still going back, we're making changes, we're building the system. I agree, at this point in time that was a concern, and of course we didn't go live in November so that concern wasn't realised.

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You remained aware that the Workbrain system was having difficulty with scalability right through 2009?--No, I disagree. One of the deliverables was to prove scalability. Now, scalability is not just a function of the software; it's a function of the infrastructure as

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well, so you need powerful infrastructure as well as the system. This is business as usual to tune the system the way it's developed and tune the environment, the infrastructure, in order to achieve scalability. We were up and down on this through the process as more and more changes were made to Workbrain. Was it easy? No, and we continued to work on it until we passed it.

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COMMISSIONER: In this context, what do you mean by "infrastructure"?---The computer hardware that it sits on. Mr Commissioner, it's the network as well out to the various hubs. From a scalability perspective, you've got to test it from where people are using it to where the application is, so there's many factors, Citec, CorpTech, IBM as well as Workbrain.

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MR FLANAGAN: Can I take you to volume 11, page 105? You'll see that it's a document that's actually dated 14 October 2009, and it's a QHIC board briefing note and it's identifying issues. Under "Issues", it says:

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The Workbrain solution is highly complex and involves multiple application and infrastructure elements which in turn complicate problem diagnosis in the performance of root cause analysis should solution issues be identified.

---Yes.

But then it does some specific reporting on testing. Is that correct?---Yes.

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"Stress and volume testing was able to demonstrate a sustainable, concurrent user load of 3600 for a period of eight hours on 16 September 2009"?---Yes.

As I understand it, scalability had to be to 3000 concurrent users?---There's some discussion for a whole of government use, I believe it was 3000, for a Queensland Health use, I believe the number was 600.

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Since 11 pm on 16 September 2009, the CorpTech stress and volume team has not been able to run valid tests against the Workbrain solution and has been unable to demonstrate that the application can sustain a concurrent user load of greater than 800 users for a period of eight hours.

---Yes, so at this point in time - which is the purpose of the testing, obviously, so changes had been made between the two dates, changes had been made to Workbrain which impacted the ability to scale.

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Then it says:

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The Workbrain solution currently fails to perform under load and typically fails with around 800 to 1200 concurrent user connections?

---Yes.

That report, having identified those problems, suggested that further work needed to be done in relation to scalability of

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Workbrain?---Yes, I'll take you to the next bullet underneath that, "The root cause of this issue," I think that's an important one, "is believed to be due to some change or changes within the environment in which the Workbrain solution operates." Again, this is the computer or the network, "However, changes to core Workbrain application and related web sphere," so the middle ware that it sits on, "and web sphere application (indistinct) cannot at this point be discounted." So what we're saying is we've encountered some problems potentially with the network to the users or with the Citec computer system, but we think we should look at further tuning the Workbrain application to help address some of these network issues which have since come up since we passed the scalability test before.

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All right. But this is as at 14 October 2009?---Yes, that's right; that's right, and it passed how many? 3600 prior to that?

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Quite; a solution, albeit with variations from Queensland Health, but a solution that had been being built since March 2008. Correct?---Yes.

Yes?---Many times; many, many times and still being built at this point in time.

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Thank you. Can I then take you to the Infor audit which we've discussed already, Mr Doak, and for that purpose can I take you to volume 12, page 45?---Yes.

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I hope I said page 45?---Yes.

COMMISSIONER: You did.

MR FLANAGAN: Thank you.

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Infor in this document identified numerous factors which it said needed to be implemented before the go live. Yes? ---Yes.

You read the report at the time?---I certainly did.

If I could take you - - -

COMMISSIONER: Has it got a date?

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MR FLANAGAN: Pardon?

COMMISSIONER: Has it got a date?

MR FLANAGAN: Yes. I was going to take you to page 46. The final version is 10 November 2009. I'm sorry, 11 November 2009, final. Could I take you to page 53 of the document. In the summary of findings in the table go live, this is just a definition:

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When they word "go live" indicates if the recommendation should be implemented prior to go live?

---Yes.

If the word "go live" flashes up, one knows that one needs to correct this before going live?---Yes.

As at 11 November 2009, obviously the November go live date had been delayed and put back to March 2010?---Yes, correct.

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Thank you. If you then turn to page 54 these identify a number of matters that had to be done where it says "Yes" under the column go live?---Yes.

Yes?---These are recommendations to be done, yes.

For the second two last items:

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SGA target for the database was set too low to accommodate the load that was being generated with the Infor WFM application Workbrain, recommendation to change this parameter to G8GB to improve performance?

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---Gigabytes. Yes. 1

That's a Workbrain problem?---No. That's an infrastructure problem.

That's an infrastructure problem?---Yes.

Right?---Increase the amount of memory that's available.

And then next: 10

The Workbrain's database cursor sharing parameter was set to exact. This parameter was causing a high amount of latches within the database.

---I'm not sure what that means, but it sounds pretty simple to turn it off from exact.

All right. Then if you just go through pages 55 and 56, you'll see there's a number of yeses in relation to go live?---Yes. 20

If you look at the very last point there, it says:

The following query has increased wait times within the Workbrain database. This in turn is causing increased IO -

what's that?---Input, output. 30

Yes -

and a potential performance degradation for the Workbrain application.

Yes?---Yes.

A Workbrain problem?---Yes.

Thank you?---So then the script which needs to be changed in Workbrain is listed there again, very business as usual, very minor. 40

Very minor. Did you say all the defects identified are - I won't call them defects - but all the problems identified there are minor?---Yes.

Thank you. You mightn't be able to answer this, but I'll ask you anyway. Was this the sort of build and implementation that IBM was content with; that is, after the event when you look back at this build and implementation of the SAP Workbrain solution with Workbrain using an awards interpretation, were you content with it? ---A couple of points to that. Firstly, I was incredibly proud of what we achieved in terms of building this 50

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computer system and in an environment which was more hostile than anything I've ever experienced in my life. So the people who were there at the end, 29 months into this, I have nothing but admiration for. They were working typically 18 hours a day, six days a week and, of course, ever since the media around this, they've never got the credit for that, but I do admire what they achieved. Every large project is difficult and never goes by the book. This one though was beset with problems of scope which continued to impact all of the other issues, the design, the build and the testing. No-one was happy with how that process went and you learn a lot of lessons. I think this would be a great case study for universities dealing with government organisations. So, no, we weren't happy with it, but incredibly proud that Accenture had tried it, CorpTech had tried it, Queensland Health had tried it, but we delivered it.

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Do you know if IBM have ever used the SAP Workbrain awards implementation solution anywhere else since?---Since? I don't know. Honestly, I'm in a different role. I don't know. Would you like me to find out?

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COMMISSIONER: Yes please.

MR FLANAGAN: Yes. Mr Commissioner certainly would? ---Certainly.

Thank you. There was a risk assessment done by Mr Burns, wasn't there? Do you recall reading that?---He did lots of risk assessments at different points. He was - - -

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Can I very briefly take you to it? It's volume 15 at page 17. The confirmed final version of this document, you can take it from me, was 3 March 2010. So it's just prior to go live and Mr Burns on behalf of QHEST is doing this QHIC final solution risk, co-authored by Mr Shah?---Yes.

Can I take you to page 7? He identifies in the first dot point:

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There's high numbers of significant defects still being discovered after completion of all the project formal testing processes except penetration testing?

---I'm sorry, what - - -

COMMISSIONER: At page 17?---Page 17?

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MR FLANAGAN: 17. I said seven. Sorry?---17.

Sorry. Yes. The first dot point?---High numbers of significant defects?

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Yes. And then at page 19 for valid score card QHIC solution assessment, solution quality he gives two out of five. Yes?---Yes.

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Right. You read this at the time?---Yes, I did.

Did you discuss it with Mr Burns?---I don't think so. What was his recommendation that Queensland Health (indistinct) so that we proceed. That was the recommendation.

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Ultimately. Actually, I'll come to the recommendation? ---Is there a recommendation that Queensland - just above on that page 19:

Into the production cutover process in order to proceed to go live provided that all critical milestones are successfully executed according to the planned schedule.

Sorry, what page are you reading from?---Your page, page 19, the recommendation.

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Yes?---So Mr Burns took a view that providing these issues were addressed from a risk assurance perspective we should proceed.

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It's a proviso though, is it not?---Yes.

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That all critical milestones - and it's actually underlined, "all the critical milestones within this process are successfully executed according to the planned schedule and that the risk mitigation plan for the key residual risk is action successful"?---Right, and then ultimately he signed off that they were addressed and then from a risk assurance perspective, they should go live.

10

All right. We will just keep going on. Solution quantity he gives a 2 out of 5. Yes?---Mm'hm.

Can I then ask you to turn to page 22, where he deals with the testing and he says, "Therefore a moderate risk remains that further defects will be discovered post go live"

THE COMMISSIONER: Where are you reading from?

MR FLANAGAN: That's under the heading Test, first dot point and it finishes on paragraph - - -

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THE COMMISSIONER: Yes, thank you?---That says, absurd of course, "There will always be defects found in any large system."

MR FLANAGAN: Then at page 23, he deals with the question of scalability. He says whilst the solution works - this is at the very beginning of the page, "Whilst the solution works with the current deployment model where rostering is done by the hubs, there remains a risk, solution foundation may not be scalable to meet full roll-out of ESSS, MSS and Workbrain et cetera." Yes?---Yes, because that solution needs to (indistinct)

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All right. Would you agree that difficulties were encountered with Workbrain when the system went live? ---There was a performance that is a speed issue with Workbrain as well as the lock-out issue that we talked about before which we addressed in the next couple of weeks, so most of that was addressed by the next pay run.

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All right, thank you?---But the impact on people being paid was minimal.

I said I would finish at 12 and I won't take you to the final document that I wanted to take you to but it's simply a document that is an email from Mr Dymock who was your project manager at the time?---Yes.

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After it goes live and he deals with that particular problem with Workbrain, doesn't he, that is its slowness?---Yes, that's right. I advised to call it a critical situation manager, so we have got an independent team in from IBM to address that issue.

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And indeed, what you did after it went live, you identified sufficient difficulties with Workbrain that you brought in Infor - sorry, you had brought in Infor afterwards?---No, we brought in Infor to help address this issue around the lock-out. **1**

Yes. That is after go live, is it not?---Yes, that's right.

And initially you had a person remotely working on this. Yes?---Yes. **10**

And then to resolve it, you brought in Infor people from Canada?---We did, two of them.

Two of them?---Yes.

And how long were they working on the solution after go live?---I believe it was two to three weeks. **20**

All right, two to three weeks. You also brought in an IBM - what do you call it?---(indistinct).

Yes. How long was that person here for?---I think we kept him here for maybe a bit longer than that, three to four - maybe even as much as six weeks.

Yes?---Just to oversee everything.

Yes. Can you just correct then finally an impression that one might get from reading your statement. From reading your statement, it would seem that you're trying to blame the problems with go live almost entirely on Queensland Health for making a decision to shut out late rosters so that people didn't get paid?---Sure. **30**

In fairness, if one had to write a report to work out what went wrong at go live, there were difficulties with the slowness of Workbrain that required rectification by experts from Canada thereafter. Yes?---Business as usual. The impact of that was minimal, minimal. We were talking about thousands of people that didn't get paid. That had nothing to do with this business as usual, fine tuning, tweaking, performance enhancement work that we were doing on the computer system. It had everything to do with the fact that people never had to put in a roster before all of a sudden had to put a roster in and overloaded the Shared Services provider, not the fact that we were tweaking the computer system. Whenever you go live, you always have a time where you need to tweak the performance of the system so no issue with that at all. The three pay runs that we had to do went very well as evidenced by others. **40**

That's the evidence of Mr Doak. **50**

THE COMMISSIONER: Thank you. Mr Doyle?

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DOAK, W.N. XN

MR DOYLE: Thank you.

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Mr Doak, a couple of small things to start with. Yesterday when our learned friend started this examination of you, the topic of a review that you conducted in March or May 2008 or thereabouts, two reviews that were conducted - - -? ---Yes, yes.

- - - just so there's no misunderstanding, was that a matter which you were interviewed by the counsel assisting the commission about - - -?---Yes, Mr Horton, I had a telephone interview with him and I raised that with him at the time.

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All right. So you were asked about that question and you provided the same information that you have provided yesterday to the commission?---Yes, yes.

Thank you. Another miscellaneous point, in the course of I think it was a question that the Commissioner asked you about or the topic came up of reusability of the work done for LATTICE in the whole of government solution if that had been something that IBM was planning to do, could I ask you to look please to volume 4 to statement of work 8 at page 19? ---Page - - -

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19. At the very bottom of that page, the detail doesn't matter but does it disclose an estimate then given of the amount of reusability if you like of what was being done in the LATTICE project which could be used in the whole of government had that proceeded?---That's right, that's right, so the core components that could be reused by everybody in government.

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All right. At best whoever drafted this, that was an estimate given at that time.

THE COMMISSIONER: Where do I see this, Mr Doyle?

MR DOYLE: The very last - under the heading WRICEF at the bottom.

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THE COMMISSIONER: What page?

MR DOYLE: The very last paragraph.

THE COMMISSIONER: This is volume 8, page 19.

MR DOYLE: No, volume 4, sorry, statement of work 8.

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THE COMMISSIONER: Yes, I've got that.

MR DOYLE: Thank you.

There was also an issue which has perhaps been clarified this morning, but an issue about the responsibilities shared between IBM and QHEST in relation to the topic of HR financial integration?---Yes.

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And I know the documents speak for themselves but can you tell me please if this is your understanding, that the QHIC scope document, that is the document that you have been taken to many times, identifies what was to be done with respect to the integration of the solution that you were providing with the finance components?---Yes.

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And it identifies that a part of that is to be done by IBM and part by someone else, Queensland Health?---That's right.

And in the allocation of accountabilities to doing things, it identifies some things to be done by IBM, some things to be done by both of you; that is IBM and QHEST?---Jointly.

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And other things to be done by QHEST?---Yes.

Was that subsequently changed by change requests 60 and 61? ---Yes, it was.

Where as a result of things we needn't go into, I think, for the moment, IBM took on additional scope of work? ---Correct. The change request asked IBM to take over the responsibilities which had been originally agreed with QHEST to take those over and ourselves.

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All right. That affected the accountabilities if you like, plus what you were going to do?---Yes, absolutely. There was a significant amount of work.

And indeed to complete the summary, were there continuing debate about exactly what it is that you had to do which led ultimately to change request 184?---That's right, as we moved away from minimal requirements to dropping Payman and building this large interface.

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Thank you. Now, I want to move to the broad topic of the identification of scope. Firstly to see - and again, I think part of this has been clarified today, to identify the documents one would go to to identify scope and again if I may, I will really ask you if you agree with this proposition that statement of work - and I know that a lot of this occurred before you started, tell me if it is outside something that you know?---Sure.

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But statement of work 7 required the production of something called the scope document?---Yes.

And you know that to be the QHIC scope document?---Scope definition document, yes.

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Thank you. I won't take you to it unless you need to see it again?---No. 1

It contemplates, doesn't it, a series of lower levels, if you can call it that, up to I think five?---Up to level 5, that is correct.

Of detailed description of what is to be done?---Yes.

Is that the right way to put it, that if you looked at the various - perhaps if you go to level 5, the most detail, you would see identified the description of the particular function that had to be fulfilled, perhaps the screenshot of a form or a copy of a form and some other things like that?---That's correct, yes. 10

Functional activities?---Functional activities.

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And is it the case that those things, that is the more detailed documents, were the subject of, ultimately, submission of documents by IBM to CorpTech and approval by CorpTech?---That's correct.

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And I'll tell you there is an example of that already in the material but we'll try to cure that. So that if one were to - sorry, and might it be that some of the detailed documents in fact identify what's not to be provided by the system as well as what is to be provided?---That's right because this is by function or business requirements, that is parts of that the system does and there's parts of it that doesn't, but it describes the complete function.

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Okay. Well, we'll come back to something about that in a moment. If one were to step back and look at the whole of the Queensland Health payroll finance system before the replacement system had rolled out, it was being served by LATTICE by a whole series of other software systems and in part some manual protocols?---That's right.

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When it comes to identifying what it is that IBM is to do, do the documents - generally speaking, do the documents that your company produces and CorpTech accepts identify the functions that your system will perform - - -?---That's correct.

- - - rather than seek to identify all the functions that something else will perform?---Correct. The functions are our scope.

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Okay. Thank you. Now, is it your belief or recollection that all of those lower order detailed documents have been the subject of acceptance by CorpTech?---Definitely.

Now, in - I think you said it to the commissioner that ultimately when disputes arose about whether something was in scope or not in scope, or perhaps it arose because there was an assertion something was a defect when a competing suggestion was it was outside scope, it might take a couple of days to resolve each one of those?---Two to three days, yes

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All right. And was that a common occurrence?---Very common.

Does that - very briefly, please, because time is short. Can you explain why that's so?---The challenge of proving where it's defined within scope is a long one because the person responsible who is also the person who would be fixing it has to stop fixing defects and he has to go back to the documentation starting with the scope definition document and then trace the function through that and through all the subsequent documents that it refers to. So it's a time consuming process and it was that which we were

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looking to avoid to do through the requirements
traceability matrix before the - - -

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COMMISSIONER: Is the - sorry, finish?---Yes, sorry, I'm
finished.

I was going to ask you, you may have answered it, would the
process have been shorter if there had been a comprehensive
requirements traceability matrix in existence from an
earlier stage?---Yes.

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MR DOYLE: Thank you. I was going to ask you that. What
role would a - whatever you call it, requirements or - - -?
---The Apple.

That'll do. The traceability matrix, what role would it
have served in assisting the more speedy, if it were
possible, identification of whether something is in or out
of scope?---If you look at it you'll see it tracks the
function from a business requirement all the way through,
so instead of wading through folders a lot of documentation
it's a very quick guide. It was our cheat sheet, our guide
to where it's referred to, and if it's not referred, if
it's not in there you can't see it then it's out of scope.
Again, if that is argued you can then go back to the
documentation, and I'd suggest in most cases that would be
accepted, if it's not in the requirements traceability
matrix then it's out of scope.

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Does doing that; that is, having a requirements
traceability matrix, also inform someone whose designing a
test script as to what the test script is to be directed
to?---Yes.

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Tell me please, again, briefly how that's so?---All right.
The advantage of the requirements traceability matrix is
that it provide a comprehensive list of all the functions
that need to be tested. So then we provide that to UAT,
UAT then builds the test scripts in conjunction with the
shared services provider, builds a test script to test that
function. So what we have is we identify what test scripts
impact which function. The advantage of that is when
there's a change in scope and we have to build something
else, we can then refer back to that and know what test
scripts we have to rerun.

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The requirements traceability matrix is itself a
spreadsheet - - -?---Yes.

- - - which sets out, if you like, the functions that are
meant to be performed, the answers that the system is meant
to deal with?---Yes.

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If someone were to try and design the test, one would need
to know what it is those functions are in order to design
the test - - -?---Of course.

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- - - to identify them?---Of course.

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Would it be impossible to conduct, accurately, user acceptance tests without having read the scope documents to identify the functions?---Of course.

Would it be possible to do so without having read the functions document to design a test accurately for user acceptance testing?---It would be possible to design a test script to test a function without referring back to that? Maybe you could. It would be difficult, it would require a lot of specialist knowledge, and this was where we all struggled. There was a very, very small team with that huge depth of knowledge when it came to award interpretation for testing, that was Janette Jones and her team; possible but incredibly difficult.

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Let me ask it differently?---It wouldn't be practical.

Is it easier to design a test script which correctly tests user acceptance of the system if you have studied the scope documents or studied a cheat sheet like the requirements traceability matrix?---Yes, far, far easier.

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Therefore, more likely to have error to intrude if you haven't done those things?---Yes.

Can I show you the requirements traceability matrix? I don't want to take you through it but just tell me if this is the document, or at least a version of the document that you're referring to?---Certainly.

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Undoubtedly, Mr Doak, it's a document that might change from time to time as the scope changes from time to time? ---Yes, it's a living document.

So I can't warrant to you what version that is, but is that a kind of requirements traceability matrix - - -?---Yes, it is.

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- - - which relates to this project?---Yes.

COMMISSIONER: Is this complete or a part?

MR DOYLE: I believe that's complete?---That looks like a complete one to me, and it was very much an eye test.

COMMISSIONER: Very much a - - -?---Eye test.

MR DOYLE: Small print.

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COMMISSIONER: Indeed. Is that been tendered?

MR DOYLE: Yes, I'll tender that, I'm sorry.

COMMISSIONER: Exhibit 105 is the requirements traceability matrix.

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ADMITTED AND MARKED: "EXHIBIT 105"

MR DOYLE: Thank you. Now, even looking at that there might be areas for dispute about whether something is or is not in scope?---This was why neither CorpTech or Queensland Health wanted to rely on this document, because it limited their ability to argue that items should have been in scope.

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All right. Well, you agree with me that even looking at that there might be some scope - there might be some room for some debate about scope?---Well, I think this is as good as you could possibly get in terms of defining what's in scope, given it's at a summary level.

Of course. And if you wanted the more detailed one, one has to go - - -?---You had to go back.

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- - - back to the approved documents that you spoke of before?---Yes, this was our cheat sheet.

I understand. Now, put that aside, please. I'll take you to it if we need to, but in the course of our learned friend's examination of your this morning you were taken to a project execution plan. Do you recall that?---Yes.

Which was dated 12 March 2009. You can understand the date, but in the course of it there was a passage which the commissioner asked you about, which was, and I'll summarise it, "This interim solution will be based upon some things," and it says, "To deliver the minimum scope required to allow Queensland Health to mitigating its current operational risks"?---Yes.

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And then there were some dot points and the one I want to ask you about is this one: 1

Build functionality to the minimum level acceptable for Queensland Health for continued basic HR payroll operations?

---That's right.

Is that right? The process which was provided for under the contract was for the definition documents, the documents which defined the scope and which gave details of the lower levels to be examined and approved by CorpTech?---Correct. 10

Are you able to tell us please whether that process as a sort of antecedent step to CorpTech approving it involved Queensland Health being involved in reviewing those documents?---Naturally it would, but our dealings were with - we were working with Queensland Health, but from a contractual perspective, it was up to CorpTech to sign it off. CorpTech, you would expect, would not sign that off without the agreement or endorsement from Queensland Health. 20

Very good. As far as IBM was condition that was a matter for CorpTech to deal with?---Correct. CorpTech was our contractual client.

All right. Thank you. I want to move then to the proposition which is really put that scope wasn't finalised once and for all really at the outset; that there was - - -?---It was finalised as far as we were concerned. 30

That's exactly what I want to deal with?---Okay.

Was it finalised as far as we are concerned, but you were met with subsequent changes?---Right, absolutely. We provided the scope document. We submitted the scope document and, as you may recall it, we never got any feedback on that, so after five days it was being accepted, in the interests of the time frame we got on with it. So I think it was subsequently signed in August by myself and James Brown, but we couldn't afford to sit around for eight months arguing it. The scope was a reflection of the business requirements that we'd get it and if it wasn't, it was up to him to tell us it wasn't. 40

I want to ask you then really - it might seem to be something - the next proposition I want you to deal with is this that if you were encountering resistance or dilatory behaviour in terms of the provision to you of information in a timely way for you to deal with - - -?---Yes. 50

- - - that as project manager you should have done something about it?---Yes.

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You understand that? Tell me, please, what you could have done and what you did do, if anything, to do that?---Right. There were a number of avenues. One is the normal governance that's in place, so this is the steering committee and the board meetings. We would raise it consistently there where we had issues and delays and getting information or getting sign offs or qualified sign offs which didn't allow us to advance. So we would raise it. It would be in the minutes. We would consistently raise it in those forums and the other - the escalation forum which I had was the weekly meeting with Mr Grierson where I would raise the issues with him and he would undertake to chase it up with Queensland Health. They were the two (indistinct) that we had.

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Very good. The next sort of broad topic, and I suppose they're later, that I want you to deal with is the causes of delay. I don't want to go through many things that have been dealt with before, but one of the things that you've said and you've touched upon it at the end was that you have to build things many times that as a consequence of scope changes or requirements changes emerging later on, it wasn't - I'd like you to explain why it is that causes the builder of the system to be delayed in the progress of the system?---Sure, sure. The challenge with the scope changes is understanding what it may impact in the rest of the system and sometimes that's not particularly obvious and therefore every time, every time, you get a change you've got to go back, not only redesign it and rebuild it, but then you've got to re-run all of the tests again and I mean from a system test, from a system integration test, from a stress and volume, parallel processing, you have to go through the whole process again as if you were doing it the first time, given that it has tentacles everywhere. As we say with Workbrain, Workbrain is scaled to 3600. Some further changes came along to Workbrain and then it would only scale to 800, I think. So then we'd have to go back and make changes. So the impact - the moving scope throughout the project is very, very difficult to manage.

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All right. We'll go through the detail if we need to. One of the things which emerged early on as a potential scope change was the HR finance integration question?---Yes.

That's dealt with, as we've seen, in a series of change requests?---Yes.

But were there other scope changes which were being requested which were impacting upon the progress of the completion of the work?---Certainly. There are always a level of change requests in any project because it's a live system, so there's - industrial awards change. There's always factors which cause changes, so that's business as usual and no-one gets too worried about that, but on top of that there were some really significant changes which we had to go back and address and the only mechanism that we

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had to try and restrict the changes was to time and money. So this is going to cause a delay and this is going to cost me money. If you accept those and you're the client and we're obliged to do it.

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In that context you were asked about a go live date of September 2008?---Right.

I think it was put to you that it was a go live of 11 September, but - - -?---September. Yes.

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I think you actually agreed it was the 11th. I'll remind you, statement of work 8 contemplated as an indicative go live, I think, late September 08 and it was really suggested to you that at the same time Workbrain wasn't ready?---Yes.

You've said something to the effect that it wasn't on the critical path and - - -?---Correct.

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- - - had it been, you would have dealt with something more quickly. Now the something that you mentioned included something called "a one drop per week" or - - -?---That's it.

- - - as distinct from three drops per week?---Yes.

What is that?---That is putting in changes back into the system for testing and so the process that we're running on Workbrain here only allowed changes to the system once a week. So if a change, a defect, an issue is found and it's corrected we had to effectively wait a week before it's tested. So that was impacting the turnaround time so, hence, the need to move to three drops a week so we didn't have to wait a week between any changes.

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I want to ask you two things. Were the changes which had been requested or had been approved up to September 2008 changes which affected the progress of the LATTICE replacement system generally, the timing of it?---Yes.

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I'll remind you if you need to be reminded, you had sent a delay notice on 8 August 2008 - - - ?---That's right.

- - - contemplating that the go live would be sometime in March 09?---Yes.

Was that because of the various changes - - - ?---Yes, yes.

Including the various change requests that you had received?---That was because of all the change requests that had come in and the need to start again in terms of design, build and test.

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All right. I think you've told the commissioner at that stage Workbrain was not on the critical path?---No, no.

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I think we all understand what that means?---Mr Flanagan's point, if it had have been then we would have had to go to the three drop a week - - -

Very good. Thank you. Can I ask you about this question of cost allocation and I'll remind you - if you need to see the document just tell me and I'll show it to you - that in change request 184, which is signed off on 30 June 2009, it's recited that the parties agree that is out of scope? ---Yes.

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Had there been debate about that which preceded change request 184?---Yes. There certainly had.

Can you tell us when that debate started?---Not without referring to documents; very early on in the piece though.

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What would be involved had the topic of cost allocation been part of your scope? How would that impact upon your project?---It would have required either more resources in order to maintain the go live date or a movement in the go live date. It was a significant piece of work.

There's the uncertainty about whether it's to be provided for or not, something which also impacts upon the progress of the work?---What happens is, unfortunately, the experts in terms of resolving these issues are the same people who are building and testing the system, designing, building and testing the system. So every time these issues come up they are diverted from their day job, from getting on with the system to addressing these issues whether in a scope, out of scope, designing them and any issues that arise from it.

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COMMISSIONER: Mr Doak, by "cost allocation", I take it you mean the employer, in this case Queensland Health, being able to determine from its own computer records what costs of what employees are attributable to what area of its enterprise by district or hospital or whatever?

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---Typically, Mr Commissioner, that's correct and that's what we were building, but this was a unique requirement. Again, from memory, it was tied to concurrent employment so within the Queensland Health system there's the ability to get two pay cheques when they have two roles. A nurse may work in intensive care for half a day and then may work in a general ward, and she gets paid differently when she's in each of those departments. The way this cost allocation worked was trying to track the costs to where the nurse was working, so rather than having one cost per person there was the potential to have a number. A very unique system, so instead of taking the highest cost and then using that, which is typical, it wanted to break it down to where the employee was actually working.

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By "cost allocation", do you include such things as the employer knowing how much tax has to be admitted to the tax office and how much has to be put aside for superannuation? ---Correct, and that is the down stream impact of this particular change which is why it gets complicated.

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These things, putting to one side the special problem of concurrent employment, the other aspects of cost allocation we just identified would be a requirement in any payroll system?---It's standard, and that's the minimal requirements that we talked about. Very standard, that's best practices, that's core SAP, no issue with that whatsoever.

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Thank you.

MR DOYLE: Very good. Can I move onto a different topic, which is the topic of user acceptance testing, although I want to ask you a few things about that. There is a different kind of testing, which is something called "systems testing"?---Yes.

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There might be a longer description for it, which is something conducted by IBM of the system?---IBM and CorpTech.

And that was in fact conducted?---Yes.

You can recall what the outcome of that testing was? ---Right, so there are two tests that we perform before we hand it to user acceptance testing. There are many others but they are the two ones you - the system test and systems integration test, so that's testing the function and then testing the function with all the other parts it interrelates with. Again, IBM led it, that's with

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CorpTech, because the environment, the computer's infrastructure are part of that test as well. We ran that testing and passed that testing, so one of the deliverables before we get paid is the systems and systems integration test proof or output from that to demonstrate that it's passed, and we produce a document and to the best of my knowledge that was approved and signed off.

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I think it's been tendered, but that's your understanding, it was approved by CorpTech doing whatever they had to do to decide to approve it?---Yes, it was.

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Then we come to user acceptance testing, and the first thing I want to ask you is: help us, please, if there's any difficulty in conducting user acceptance testing if scope is changing?---The user acceptance testing has the same problem that we have in terms of design and build, and that is every time scope changes the test script becomes invalid. So what they tested before and the test script they used to test it is no longer relevant, and so the test script has to be revised to reflect the changes that are made and re-run. The problem you have is there's a very small group of experts who really understand it well enough to make those changes to test scripts.

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All right?---It's very challenging.

It's the ideal to conduct all testing in a frozen environment, where any changes stopped?---Yes.

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Did that ever occur, to your knowledge, in this project? ---The freeze was only immediately prior to moving into go live activities.

In a non-frozen environment, please, apart from having to rewrite the tests, is there some difficulty with user acceptance testing to identify that something is either out of scope, it's in scope, that is, might it show as a defect or an issue something which is truly characterised as something not to be provided or a scope issue?---Yes, sure, and that's where the requirements traceability matrix is a huge advantage to do that. As I said, that's a living document so every time a change is made, the RTM, the requirements traceability matrix is updated to reflect that.

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What about this proposition, I'll ask you to assume, as perhaps you know, that there were significant numbers, let's put it that way, of defects being identified in user acceptance testing is updated to reflect that.

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What about this proposition, I'll ask you to assume, as perhaps you know, that there were significant numbers, let's put it that way, of defects being identified in user acceptance testing. The proposition I want you to comment upon is whether that suggests there has been poor systems,

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unit or systems integration testing?---That's got nothing to do with it. The user test function, system tests test the application, so that's no issue there. The problems that arise from the user testing are because of the fact that the functions are changing through the change request and the change of scope, that's the fundamental issue.

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I want to be clear about this. Does the fact of defects or the number of them which are identified at user acceptance testing tell you anything about the quality of the systems unit, the systems integration testing?---Not of system testing, no, or the systems integration testing.

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I'd like you to be shown exhibit 104, which is the bundle of emails that were tendered before. You haven't got it open?---This one? Okay, sorry. These are my emails to Brett Cowan?

Yes, well, and to others.

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COMMISSIONER: And others?---Yes, the spam.

MR DOYLE: That's the proposition, I don't want to dwell on it. I want you to comment on the suggestion you were trying to discredit him or that this was spam in which you were randomly, I suppose, providing emails to people in order to discredit him.

COMMISSIONER: He didn't suggest that Mr Doak was trying to discredit him personally - - -

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MR DOYLE: As a result - - -

COMMISSIONER: - - - his test results.

MR DOYLE: I'll proceed on that basis, that the motivation of this was random - I think that's what spam means in a sense - so a random smattering in order to discredit the test results?---Why would I do that? It was in our interest to have this thing tested rigorously as well. The audience it goes to is the audience that the UAT report goes to, and there's only two messages as I look through this in terms of these emails. One is to provide a greater level of detail to the same audience as to the defects, and my 7 November email does that, some context for those, and the other is to ask for further information. Further information for the governance board, further information for everybody on this copy list so we can better understand the nature of these so called "defects". I don't know how that is discrediting the results.

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All right. That wasn't your motivation, as you evidence would be?---Yes, I think the emails speak for themselves.

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Is this the emails that you think Mr Cowan was talking about in his evidence yesterday?---That is all there is.

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What I wanted to ask you particularly about, if you go to, hopefully, the third sheet in that bundle, it's an email from you to Mr Cowan of 27 May?---27 May.

Is it the third sheet? Anyway, can you go to that one, please?---It's in the back, is it? 22 May?

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27th?---Okay. 27th, got it.

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And you'll see in the second paragraph you say, "It's not sufficient to suggest if IBM wants it, IBM can produce it." I think that's a matter that you commented upon earlier?
---Yes.

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We can read what you have said. How does that come about?
---I've asked Brett to provide the board with a further level of information and I've copied the board on that, so to be absolutely clear this is not something that IBM wants, this is something that could better inform the board, hence they're copied on it. His response to that was, again, targeted back at me which says, "If you want it, you produce it manually. You can take the numbers and do what you want with it."

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Right?---So the only point I was making here going back to him is that defeats the purpose. We want an independent party, a UAT manager to provide this information to the board. We don't want there to be any suggestion that this is information that IBM has manipulated or in fact we haven't got the time to manually start producing different UAT reports because Mr Cowan is upset by the request to provide more information.

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All right. Thank you. Can I move from that to another topic, which is Workbrain? You can put those aside. Firstly, I want to ask you this proposition: you were asked about your knowledge of the use of the solution, as it was described, of SAP with Workbrain, with Workbrain doing rostering and awards. You understand? Were you aware of whether Workbrain being used for rostering and award interpretation had been applied anywhere else in relation to some other system, not SAP but Oracle, for example?---Not personally. I knew Workbrain had been used in that role in other clients, I think Woolworths in Australia was one that comes to mind. This isn't the first time that Workbrain has been used for awards interpretation. That's one of its main functions.

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That's what I wanted to ask you. In terms of its use as award interpretation, whether you can recall detail, your belief is that it has been used for that purpose on other occasions?---Of course. It's a certified IBM product and for certified IBM business partners. It goes through a very rigorous process to get to that point.

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In terms of its capacity to - that is to communicate information with SAP - is there any particular difficulty of which you're aware as distinct from communicating information to Oracle or some other system?---Typically, it would be seamless. That's how we would normally provide it, but as I mentioned, CorpTech had a requirement where they wanted it to be a two-step process, which is fine as well, but, no, there's absolutely no problem with that, in the same way that if you use SAP rostering it's a different

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module as well. It's got to interface in the same way that it would interface to Workbrain. You don't save anything by using SAP rostering versus Workbrain rostering. 1

Very good. You were asked in the context of discussing Workbrain about two documents. I won't take you to it. One is dated 11 September 2008. Perhaps I had better check. I think it's 2008. Volume 6, please.

COMMISSIONER: Do you want the witness to have it? 10

MR DOYLE: I'll just check if I've got the right one. Just excuse me. Yes, I'm sorry.

I'll remind you there was an executive steering committee meeting on 11 September 2008 - - -?---Yes.

- - - where you were reported as saying Workbrain - and you recall that's where it had 1100 defects and 300 - - -? ---Yes, yes. Mr Flanagan - - - 20

That proposition. I'll show you the document if you need to?---No, no.

But what I wanted you to comment on is this. It was put to you that so close to a go live date that that was a poor result. Do you recall that?---Yes.

I think you rejected that. Can you explain why?---Yes. Because it's an unqualified number. In fact, at that level it doesn't tell us a lot other than the team has got plenty of work to do to get it finalised. If we're going to quote defects then we need to qualify them and this, again, was my point to Mr Cowan in terms of the report he produces. We need to understand how many related to business process, how many are related to a different result than what was expected and there are a lot of reasons for that and how many means the system has a bug and I think the inference was that these were bugs and that that was absolutely not the case; couldn't be the case. 30 40

Can I also deal with the premise that it was close to the go live date. If this is 11 September 2008, on 8 August you had sent the delay notice - - -?---Yes.

- - - suggesting a date in March - - -?---Correct.

- - - 2009 was realistic for various reasons?---Yes.

As at 11 September then was the resolution of these bugs on the critical path, assuming a March 09 go live?---The identification of what were bugs and then resolving them. Yes. 50

Okay. Could it have been done? Assuming there had been a frozen environment otherwise? Do you understand? Assuming everything else stopped in terms of change, could it have been done by March or - - -?---I don't know how many of those are genuine bugs. I'd have to go to the detail.

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Thank you. The second document was the audit conducted by SAP. You recall?---Yes, I do.

That's 14 September 09 which lists a series of difficulties?---Yes.

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You agreed that at that stage - you agreed with the recommendation there was a high risk if the 30 November go live was to proceed?---We could have told them that. We didn't need SAP to tell us.

All right. I understand. But ultimately it did go live. You're nodding. Yes?---Yes.

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It went live on 14 March?---Yes.

Were you, by the time it went live, satisfied that the problems which had been identified earlier had been resolved or had been identified as not problems sufficient for it to go live?---If they had not, they would not have passed through the gates, so there was a lot of rigour around the go live process and it passed through each of those gates. So to answer your question, absolutely the issues were resolved and that was evidenced in the fact that when we ran the first payroll we had no significant system issues and you would expect to have at least a few, but we didn't.

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I want to come back to the post go live in a moment? ---Sure.

Still dealing with Workbrain, one last thing I want to ask you about. You were taken to the Infor audit, remember, that had the list of things that had a yes under the go live column which suggested - - -?---Before and after, yes.

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- - - it had to be dealt with before go live?---Yes.

You had also had - I'll tell you - against every one of those a column that was headed Effort and the description low. Can you help us please understand if that indicates anything to - - -?---No. These were minor. I mean, the audit was useful to get another set of eyes looking over it, just a double-check, but that was very minor. From our perspective that was a very successful outcome.

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Please tell us about the post go live. The thing went live on - let's assume it's 14 March - and there was a pay run you know completed, I think, on 24 March - 23 March. Were

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you aware of that at the time?---Absolutely. I think we were all aware of it. As I said before, it went remarkably well given all the challenges we'd had and the moving scope, the fact that the most significant issue out of that was this lockout which affected 100-odd people and then there was some tweaking. Workbrain wasn't running as fast as it could but - - -

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Who told you or how did you observe that the outcome of the first pay run went well?---Right. There were daily reports, from memory, from Naomi Du Plessis, I think. There were the reports from her. She worked for Tony Price. There was also feedback from Janette Jones, from Philip Hood, James Stewart and Michael Kalimnios. There was across the board - there was a lot of relief and satisfaction with the process with the first pay run.

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All right. Can we just concentrate on this lockout issue that you've identified - - - ?---Sure.

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- - - which you've described to us as being that some people were - the screen would freeze and they'd have to reboot?---Yes.

Is it in response to that that you engaged Infor to come and give some advice to you?---Yes. It was unexpected and we hadn't experienced this in any of the system or user testing, so given I didn't want tie up the resources, they were still working on defect management plan, it was prudent to bring Infor in and get the experts.

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Can I just ask you some names. Do you know someone called Greg Grier?---Yes. 1

Who is he?---Greg Grier is cricsit manager.

You might have to - is that short for something?---Sorry. Critical situation.

Right?---So we a team of very experienced managers that we can call on in any project as part of the IBM project discipline that we can call on at any point in time if we want them to focus on a particular issue. 10

And did you call him in to deal with this issue?---Yes. Yes.

Do you know someone called Mark Rafter?---Yes.

Who is he?---From memory, he is also in the same team - - - 20

He is an Oracle engineer?---Sorry?

Oracle engineer?---Yes, yes. The concern was that - thank you for that. The concern was that the issue was with the interface between Workbrain and Oracle and it was in fact an Oracle issue but not a Workbrain issue, so we were just covering all of the bases.

Okay. He was called in to look into that as well?---Yes. 30

And Infor?---And in fact the tuning of Oracle was one of the outcomes.

I was going to ask you that but thank you?---Okay.

So one of the things that was done was to do something with the Oracle system?---Yes. Yes.

And Infor was the Workbrain specialist people?---Correct. 40

And they came and helped in something?---Correct, yes.

How quickly were these people engaged to do things; that is, how quickly did you respond and ask them to come and help?---24 hours for George Grier. It took a little bit longer to get the Infor people in so they worked remotely until we actually got them in the country. We had had these issues from memory resolved or pretty much resolved within two to three weeks. 50

That's what I want to ask you. Is it your belief that this problem, a Workbrain lock-out, whatever that was, was something which was improved shortly after the first pay run within two or three weeks?---Yes.

Did you get any feedback from the Queensland Health people about that?---Yes, I think it was Naomi who acknowledged that, that the address had been addressed. 1

Well, addressed but improved?---Yes.

All right, thank you. Were there any other issues that arose that you can recall with respect to the performance of the system?---No, I don't - there may well have been minor ones but for us, the test was Janette Jones and whether Janette - the system was performing as Janette needed was the requirement so I was in contact with Janette nearly hourly through each of these three pay runs because obviously contractually we had to deliver those so that was something that was of concern. 10

To your knowledge, was the computer system that you had provided causing people to be underpaid or overpaid?---The computer system as Janette will tell you proved to be more accurate than anything she ever had. I think Janette said it was the best pay run - payroll that Queensland Health had ever done in terms of accuracy. The system - there was never any issue with the calculation of pays to the best of my knowledge. 20

Thank you. There was one last topic that I want to deal with and I will put it this way: there was, you were asked some questions about the specification of what was and what wasn't said to be a defect?---Right. 30

And ultimately some change to the criteria. I want to ask you about the change which took place in order - immediately before go live and was it the case that there was a change to the effect that defects had to be dealt with in particular ways which included the treatment of them or some of them under a defects management plan? ---Correct; correct.

You're aware of there being a defects management plan? ---Absolutely. 40

Were you involved - that is you, was IBM involved in the identification of the defects, the consideration of how serious they were or how minor they were and their capacity to be fixed or dealt with by workaround?---Yes, it was a joint effort between all the parties.

All right. Was that something - such a defect plan was a management plan was put in place in order to deal with things which were called defects as identified prior to the go live?---Yes, it was. There was only a certain amount of time available to us if we were to go live on 14 March so we had worked with Janette Jones mainly and the rest of the team - what is it that can be deferred to be flexed after go live versus what we can get in beforehand, so it was just a very pragmatic way of going about it. 50

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Is that kind of thing unusual?---No, no. There would always be a defect management plan of some kind and there will always be - remember this didn't take IBM off the hook, it just moved the time in which they were going to be resolved and in between there was a go live.

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That's what I want to ask you. In terms of defect management plans, is it unusual or usual to have such a thing in respect of the issues which are identified as possible defects or defects prior to go live?---It's perfectly normal acceptable project management practice to do that.

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Thank you?---Even Microsoft Word has a defect management plan.

Yes. I think their agents call (indistinct) now, you were asked at the end whether you were happy with IBM's performance?---Yes.

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I want to ask you a related but slightly different question: what are the things which, looking back, you think could have been done better either by IBM or CorpTech or Queensland Health to make this a less fraught project? ---The governance structure continued to be a real problem so - by which I mean CorpTech, the contractual client were providing the sign offs when the customer was really Queensland Health and this was a constant source of delays and a constant source of friction between CorpTech and Queensland Health which impacted the project so there was a - we were very conscious of this consistent action of Queensland Health to get CorpTech out of the loop and to contract directly and there was this constant activity which was very unsettling with CorpTech trying to justify their existence as the contract owner, Queensland Health trying to have a more direct engagement, involvement with IBM in terms of this and that really caused a lot of friction and impacted the project. That's one thing that I would do differently.

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In your experience in public sector work at least is that kind of governance issue something that is common or is it unique to - - -?---No, that is uncommon and normally something facetious - this was the tail wagging the dog. Normally you have a direct relationship with the client and all I do public sector projects so I deal with the Health organization, and they would have a commercial organization that would support them and they would be responsible for ensuring that whole of government standards are met, that IBM is delivering on its commitments, its contractual commitments, but they are supporting the client and our relationship is with the client, that is typically how - - -

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In that expression, you're using the word "client" to refer to the end user, Queensland Health?---Yes.

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Sorry, I know it's - - -?---No, you're right. Yes, we would be dealing with the end user. 1

You said you only deal with public sector work. Can you give us very briefly some outline of your experience in managing from the IT company's point of view these kinds of projects? ---Well, I have been doing it for 23 years at different levels with different organisations. I work with public sector organisations, a lot of health care organisations in around 14 different countries and in my current role, I cover Africa, middle and central and eastern Europe, Asia Pacific and South America, all public sector organisations and only on complex projects, so only on major projects that involve different parties that there is a level of complexity. This one, typically I would not be in a role of program director, a one-to-one relationship, that's normally - I would have, and at the moment I would have somewhere around 40-odd projects bigger than this size that I am responsible for. 10

So normally you're the next level up?---Correct. 20

You were called in to do something - - -?---Yes.

- - - in the middle of 08?---Yes, to manage stakeholders.

Is that a polite way of saying to try to control the scope change that had been taking place and to manage the difficulty which arises from there being both CorpTech and Queensland Health involved?---Yes. Yes. As I said earlier, we have one of the finest project managers I know, Paul Hickey, who was running it but it needed Paul to be able to focus on running the project and take away from Paul the need to deal with the politics around that and I brought in a new commercial manager, very unusual to have a dedicated commercial manager on a project, there was one earlier, Stewart Reid, I replaced him with Paul who was a very strong commercial manager, so we had a dedicated commercial manager and myself as a partner, dedicated to the project as well which is the only time that that has happened. 30 40

THE COMMISSIONER: You mentioned governance; in fact, Mr Doyle's question perhaps was more general. Looking back, what else could have been done better by either IBM or CorpTech or Queensland Health?---I'm not a fan of split responsibilities and in this case while we were building the computer system, Queensland Health had the business readiness and the change management and the training responsibility, and so there were two silos here and ultimately that's what tripped up the project. I'm not a fan of that and I think it works better if you have one party across it all. Now, I know IBM contracted to do that so I have no issue with that but it does work better if you have one body there. Governments are very difficult to 50

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deal with because they have very strong IT organisations of their own and Queensland government is no exception with CorpTech, very strong IT company and Queensland Health and QHEST are a very strong IT company so you had three parties who had their own views on how things should be done and how that should be run and that created a lot of friction. Then on top of that, you had the SPO and John Beeston who thought he was the super project manager who was also trying to put his control over this as well, so that from a governance perspective really created a disconnect. Ultimately not in terms of the computer system that was developed. As I say, I stand behind it and am very proud of what we achieved but in terms of the end-to-end payroll, of course we all know what the outcome of that was.

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Thank you, I have nothing further.

THE COMMISSIONER: Thank you. Now, Mr Kent, you have got some questions, have you?

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MR KENT: Yes, I have, Commissioner.

THE COMMISSIONER: All right. Mr Doak, I'm afraid you will have to come back at 2.30?---Okay, thank you.

As must we all.

THE COMMISSION ADJOURNED AT 1.05 PM UNTIL 2.30 PM

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THE COMMISSION RESUMED AT 2.30 PM

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COMMISSIONER: Yes?

MR CREGAN: If we may, commissioner, there's just one matter we'd like to take up with Mr Doak before Mr Kent begins.

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COMMISSIONER: Yes. Yes, very well.

MR CREGAN: Mr Doak, you were taken before to the question of cost allocation and how that was supposed to interact and I just want to expand on that just briefly with you. What was ultimately being asked by June 2009 was very a detailed cost allocation?---Yes.

Would it go down as far as breaking up a particular nurse's shift down to funding streams?---That's right. Yes.

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So would an example be 30 per cent of a nurse's shift from one funding stream, 70 per cent from another, that kind of thing?---That's correct. Yes, yes, and the challenge with that is all the allowances that go with it also have to be broken down in the same way.

And mealtimes and - - -

COMMISSIONER: What do you mean by "funding stream"?
---Depending on the area within the hospital, there were allocated - and they had their own allocated budgets and where staff worked in different areas, they wanted to break it down to the different - allocated to the different budgets. That in itself is not difficult but then when you also have to break down all the subsequent benefits, the meal allowances, everything else, it could be 10 per cent one department, one funding source, 20 per cent from another, 70 per cent from another and you break that down and provide that for the staff. That is a far cry from the standard out of the box minimal requirement which the cost goes with the person in its entirety.

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All right, thank you.

MR CREGAN: So it would be fair to say that's not standard or Workbrain functionality. It's not standard function?
---It's not standard. It's not minimal. It's an unusual request.

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All right. Thank you, Mr Commissioner.

COMMISSIONER: Yes, Mr Kent?

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MR KENT: Thank you, commissioner.

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Mr Doak, can I ask you firstly about perhaps a broad theme in the interactions between IBM and the government collectively, that is CorpTech and Queensland Health, and I think you've described it in your evidence your perception or IBM's perception was that a lot of the work or extra work that IBM had to do was because of what you style as change in requirements from Queensland Health?---Yes, that's correct.

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Correct? You're aware, aren't you, I hope, that that very fact, namely, whether or not there were changing requirements, was a matter of debate between the parties? ---Yes, yes.

Can I then take you to some documents about that please. The first one is in volume 6, page 4. It's Ms Perrott's letter to you, Mr Doak, of 2 September 2008?---Sorry, I'm just getting there. Yes.

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This is, what, a couple of months into your tender perhaps? ---Yes, that's right.

There had been a notice of delay given. Correct?---Yes, in August. Yes.

Because there had been an original go live, one or two perhaps by that stage?---Yes. I think it was November 2008 when I took over.

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All right. Then this was the response to your notice of delay. Correct?---Yes.

The notice of delay had set out some problems and this is the CorpTech response on behalf of the Queensland government?---Yes.

Can I take you down to - there's some typing in different scripts in the middle of the first page. This is said to be one of the causes referred to by IBM, differing expectations of the roles and responsibilities and so forth. Right?---Yes.

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There's a response to that which basically doesn't accept that as a contributing factor to a delay?---Yes.

Is that a fair summary?---Yes.

Over the page please. Can I take you on page 2 to the third paragraph. I understand from your point of view this will be a contentious topic, but what I want to highlight is that there was contention between the parties about this?---Absolutely, yes.

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It appears, so says the author: 1

IBM's statement and the delay notice that IBM has not put in place proper contract management and engagement procedures and has not proactively managed the project as a prime contractor as required by the contract.

So that's the kind of response that you were getting to the delay notice?---Yes. Yes, this was very consistent. 10
John Beeston was - - -

Then the letter goes on. There's discussion at that stage about the ongoing debate about HR finance design?---Yes.

It's an ongoing bone of contention?---Yes.

Correct?---Certainly.

Then the third one is: 20

IBM test tools and process issues prevented the achievement of a very aggressive test schedule?

---Correct.

One of the responses is:

The overall QHIC program schedule is owned by IBM and its aggressiveness or otherwise is a matter for IBM - 30

so says Ms Perrott. Correct?---Yes.

In the next paragraph it's said:

Workbrain testing is falling behind due to a high defect rate.

And that's not the first or last time you've heard, at least, that accusation?---That's right. 40

Right?---That's right. We contend, of course, that's because of changing requirements.

I accept what you say that these things are contentious, but this is - - - ?---Yes.

- - - the field of battle, as it were?---True. 50

Is that fair?---True.

The fourth one is, referring to additional testing requirements and in the last paragraph on that page CorpTech say this:

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CorpTech and QH refute IBM's assertion this is additional technical testing -

and they refer back to a validation report. So, again, that's part of the landscape?---Certainly.

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Can I take you please to the third page and the author Ms Perrott says in the third-last paragraph:

CorpTech is not aware of any act or omission of the customer and agency or third party under the control or direction of the customer in failing to carry out any tasks or requirements assigned to it or them in the customer contract as required or which the customer has agreed to perform.

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The next paragraph:

IBM is reminded that time is of the essence in relation to milestones and delivery dates.

So there CorpTech is refuting, I suggest, the idea that its acts or omissions of the customer or, indeed, Queensland Health in falling behind or failing to carry out tasks? ---Yes.

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That's what they're saying?---Yes.

All right. May I take you please to a document in volume 7 of the tender bundle. It's at page 164. You've probably seen this before, Mr Doak?---164?

164?---That's the middle of the change request.

Sorry, 356?---Yes.

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Again, from this time Mr Hood to you dated 24 December 08 and dealing this time with a notice about the condition precedent which by that time was included in the contract via one of the change requests. Correct?---Yes.

And in the third paragraph of that letter on the first page, the letter is said to be formal notice that the customer doesn't accept IBM has met the condition precedent from CR179 and consequently neither that nor its predecessors are incorporated into the contract and that is inviting then a meeting to discuss these things and at that stage there is a meeting apparently being proposed for 7 January 09. Correct?---Yes.

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So to put it neutrally, the parties were in significant conflict about all of this at this stage, correct?---That's certainly correct, yes.

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I've tried to put it neutral?---Yes, I appreciate that.

Correct me if I'm wrong: it might be that there was not a meeting of 7 January. Is that correct?---I don't think all the parties were back onboard by 7 January; I think it was in the final week.

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May I take you then to volume 8, please? This is at page 56. This is another one from Ms Perrott to you, and this is starting to lead up to what becomes the meeting at the end of January. Okay?---Yes.

It does seem by this stage to have been a meeting between you, Mr Brown and Mr Beeston on the 14 January?---Yes, that's correct.

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Presumably, it seems to be discussing these issues generally, I suppose?---Yes.

Can I take you to paragraph 4 on the first page:

CorpTech considers that successful integration is the responsibility of IBM, and IBM can't use the HR/finance integration issue as a reason for delay or increased costs.

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So this is another, I suppose, issue that's being ventilated by CorpTech at that stage, correct?---Yes.

The second page, the second paragraph:

Because the working interim LATTICE solution had not been delivered by December 08, at that stage CorpTech was taking the position that IBM was in breach.

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Right?---Yes.

That's the position they were taking?---Yes, that's right.

If you look at page 91 of the same volume, this would seem to be your response?---Correct.

And you deal with the issues as raised by CorpTech?---Yes.

May I take you to the second page, please, and you deal under the heading there at CorpTech point number 4, "IBM agrees that successful integration, subject to the terms and conditions of the agreement, is the responsibility of IBM." However, IBM maintains that the changes required

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by Queensland Health are new and additional, and so forth, and so that's the IBM response at that stage?---Correct, and the point there being - which today Queensland Health have not yet confirmed, so it's still open. 1

And this is a continuation of what I've been taking you to from at least September the previous year?---Yes.

There was this agreement between IBM and Queensland Health as to whether these were IBM's problems or whether Queensland Health and their behaviour or misbehaviour was contributing to that?---Yes, correct. 10

Remained a dispute almost forever. Correct?---Yes.

Further down that same page, you write back, "Considering the condition precedents," under point number 5, the second last paragraph?---Yes.

"Considering that the condition precedents were close to being achieved, IBM considers that the purpose of the exercise which is to establish the suitability of the solution was met"?---Yes. 20

All right. That's the position you were putting on behalf of IBM at the time?---Correct.

On the next page, very briefly, the second paragraph you refuted CorpTech's assertions that IBM was currently in breach?---Yes. 30

A question of a breach or not was a live issue between the parties and one in which Ms Perrott, on behalf of CorpTech, had taken a CorpTech stance?---Yes.

Correct?---Correct.

Page 96 of the same volume, please.

COMMISSIONER: Is there at question at the end of this? 40

MR KENT: What I'm attempting to demonstrate by this is that, and I suppose I can do it by referring to the exhibits, Commissioner, but as I think the witness has already conceded not only was it a point of tension between the parties as to whether Health was in any dereliction of its duty, but it continually expressed that point of view to IBM is the point I wish to make.

COMMISSIONER: Do you accept that?---I certainly do accept that point. 50

MR KENT: All right. That may cut short my reference to a few of these.

COMMISSIONER: More than a few, I hope.

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MR KENT: I'll shorten things in this way: is this another consistent theme that came up not only in discussions but in correspondence between you, on the one hand, and the government, particularly CorpTech on the other hand throughout the first half of 2009, not only the point I've just made but also about scope and whether things were inside or outside of scope and whether scope had been defined?---Yes, I'd agree with that.

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That's another recurring theme?---Yes, it is.

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And it's another recurring theme on which the two parties disagreed?---Yes.

And disagreed pretty strongly?---The change requests were ultimately accepted or rejected, but you were quite right, it was a painful process that dragged on but each subject culminated and either accepted or rejection of a change request.

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Again, would you accept this shorthand description of the land scope, if I can put it that way: this rode back and forth for months and eventually ended up in change request 184?---Yes.

Which was intended to resolve these kinds of issues, particularly the scope, correct?---Correct. Up to that point in time, yes.

I'll go back and ask you another question. Indeed, 60 and 61 were partly directed at trying to resolve arguments about scope?---Yes, specifically the integration. Yes.

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And had another go at 184 in the middle of 2009? That was certainly a large part of the idea of 184, wasn't it? ---Yes.

In your experience, it didn't?---No, that addressed the issues to that point but then it didn't address the underlying issue, which was the disagreement around scope. So that continued after 184 was signed.

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I'll give you one further example, if I may, it's in the same volume, volume 8, at page 142. I'll just find that for you?---Sure.

What I'm directing you to there is an email sent to you from Margaret Berenyi who, by that time, was the executive director at CorpTech, correct?---Yes.

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The middle of the page, thanking you for an email, she says this:

During our discussions, we agreed that the scope of what is required is now understood by IBM and Queensland Health as a result as a body of additional work yet to be completed by IBM.

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However well intentioned that statement at the time, it turned out not to be correct?---That's correct, yes.

Arguments continued?---Yes.

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All right, thank you. So I understand your evidence to be his morning that relative to the scope arguments, I suppose if I can put it that way, Mr Flanagan took you thoroughly through a lot of material about scope. Relevant to that seemed to me - correct me I'm wrong, your evidence that the requirements traceability matrix did or should have brought on the question of scope somehow. Is that right or not?---It summarized our position in that it summarized the scope definition document and related documents, so it didn't change anything, but it did provide, if you like, a shortcut to finding the items which were in scope and therefore ruling out those which were out of scope.

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Was it ever used by IBM, do you say, for that purpose to try and settle scope arguments?---Yes.

When did that happen?---Very - I would have to check the actual dates when it was first introduced.

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Look, I might be able to help you?---Yes, please.

Firstly, I will just find where the document is. I think you would agree with me, Mr Doak, that the requirements of traceability matrix never became what you described as a contractual document?---That's correct.

And I would ask that you see volume 9 on the tender bundle, please. Can I take you please to page 322?---Yes.

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Is this a document entitled Meeting Outcomes and - - -

THE COMMISSIONER: We can all see what it is, Mr Kent.

MR KENT: You were at the QHIC board meeting. Is that right?---That's right, yes.

And it's a meeting of 29 July?---Yes.

Can you see in about the middle of the page, requirements traceability matrix and it describes a number of dot points what it is?---Yes.

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So it's for IBM to facilitate UAT in decision making. Correct?---That's right.

Not contractual. Correct?---Correct.

And not a representation of Queensland Health and CorpTech business requirements?---I think that was the caveat, yes. We believed that it was.

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You wanted it to be. Is that right?---Yes, well - we wanted this to be a shortcut to resolving the issues of scope. It was a tool that we thought we could all use rather than just IBM.

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Is this the case; that to your knowledge - you may not know all of this but just tell me - - -?---Sure. 1

Firstly there were directorate meetings as well as board meetings, obviously?---Yes.

You went to board meetings, didn't you?---Yes. I went to some directorate meetings, especially towards go live.

And in June July 2009, the IBM person going to board meetings was usually Mr Gower?---In June July 2009? 10

Yes?---Going to board meetings? It was usually - - -

Directorate meetings?---Yes, John Gower. Correct.

All right. Are you aware of this matrix being discussed as a document and what use it is to be put - - -?---Yes, I was. 20

- - - throughout that period?---Yes. 20

Which became another argument. Correct, Mr Doak?---Yes, it did.

Is this the case; that what IBM wanted at that stage was to have a concession that this matrix when produced would set out exhaustively scope so that anything that wasn't in it wouldn't be in the scope?---I wouldn't say a concession. What we would have liked is an acknowledgement that this was an efficient way of addressing those issues as opposed to strolling through the vast documentation around the scope definition document. 30

THE COMMISSIONER: Accepting that, but on the basis that the matrix was a comprehensive compilation of scope?---Yes. Yes, exactly.

MR KENT: But wasn't it the fact, Mr Doak, that with the best will in the world, it was never really going to be that in this sense that in as much detail as it went into, it couldn't drill down to the fine detail of what a defect might really be?---No, I don't accept that. This is a traceability matrix, so it provided the link between the business requirements to any defects and to any related test scripts end-to-end so again, typically we would have had a requirements baseline. I think that the board, not a representation of the full Queensland Health and CorpTech business requirements just points again to their design not to be locked out on scope, keep the scope open to keep the arguments going. 40 50

Not wanting to be locked down by the IBM matrix document - - -?---Well, give us something you will lock down on scope, but we were trying to freeze scope, they

were trying to keep it open ended and I think that represents that. There was no alternative proposal into how would you lock it down, so this was our advice. We weren't trying to be clever, we were simply trying to provide a mechanism so that we could lock down scope and get on with it.

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I'm not particularly accusing you of trying to be clever; what I am suggesting is that the response by the government, and Queensland Health in particular, was that this was an IBM document which IBM should create at their own expense as part of the job that they were doing?---Yes, I have no issue with that.

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THE COMMISSIONER: Wasn't the point that - I thought that this was the case; that the RTM we're talking about here had been prepared by IBM?---Yes.

But the government people didn't think that it was in fact a thorough representation of what was in scope. You said it was, they said it wasn't. Or they wouldn't accept that it was?---Yes, I don't think that the argument, Mr Commissioner, was that it didn't represent what we said was in the scope, I think that the issue was that they weren't themselves suitable convinced that it covered everything that they needed in scope.

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All right; or that it had been agreed previously?---Yes.

It was their argument or their concern that it didn't fully represent what had been agreed?---I think they accepted it represented what was in the scope definition and related documents but they did not accept that that in its entirety represented the scope.

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All right?---If that makes sense.

Yes, it does.

MR KENT: Look, you may or may not know this because you weren't at all the directorate meetings but just see if it makes sense to you?---Certainly.

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Are you aware of an idea particularly in June 2009 where Mr Gower wanted the government collectively to contribute some resources to attempting to define this matrix as well as it could and on the government's side there was resistance to that - - -?---Yes.

- - - saying (a) we haven't got the resources, and (b) it's your document. Correct?---Yes, you're absolutely right, Mr Kent. The point there was that we were trying to get some broader ownership and get the - where there is any issues of dispute to give Queensland Health and CorpTech to

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contribute to this so that it was a combined document that we could all accept represented the full scope. That approach was rejected. 1

All right. Can I ask you do you have your statement there?
---Yes, I do.

Can I ask you please to look first at page 7, paragraph 43, the heading - - - ?---Yes.

- - - the cost of the implemented project amendments and delay of go live and you refer to variations expanding the scope of the work and give three subparagraphs. At the top of page 8C: 10

Extending the length of IBM's engagements to undertake additional work because of delays attributable to CorpTech or Queensland Health in achieving project milestones?

---Yes. 20

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Surely, Mr Doak, IBM does accept some responsibility for delay, does it not?---In terms of the time frame, no. Where we were delayed or we had issues, we would address those through extra manpower, extra days, as I said, 18 hours a day for six days a week. Often that was seven days a week. This was the only mechanism we had to control delays; delays that were of our responsibility. As I point out, we had issues with Workbrain in terms of moving from one drop to three drops, but my point there was that was not on the critical path so it didn't impact the go live date.

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Just let me understand, we might not be in violent disagreement, I'm not sure, but you're not saying, are you, that where you'd contracted for a go live in July 08 there's about eight or 10 postponements and it goes live in March 2010 - - -?---Yes.

- - - that IBM doesn't accept any responsibility for any of that delay?---Correct.

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Are you saying that?---Yes, I'm saying that. I'm saying the delays were caused by information not being provided by Queensland Health particularly in a timely fashion or by changes to scope.

Tell me this: if a system, as you had been taken through by Mr Flanagan, at a point of its build has 1100 defects, is that the kind of thing that delays?---Now, I'm happy to go back to that point. The 1100 defects was - defects is a term which meant there were 1100 items which had to be addressed, of which there were only 326 outstanding, of which some of them would have been bugs, to use a perhaps descriptive term, a bug, which from that report it wasn't clear as to how many were actually bugs that needed to be fixed.

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I hear what you say. By the time of go live, March 2010, you had, I think from memory, in the solution as it went going live, 47 defects - - -?---That's correct.

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- - - properly-so called - - -?---Correct.

- - - that had manual workarounds. Right?---Correct, yes.

And by that time you'd been working on it since at least the beginning of 2008. Correct?---Yes.

A couple of years?---Yes.

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That's the product, the solution as it was delivered? ---Yes.

In all that time no responsibility for delay by IBM?---Keep in mind, Mr Kent, that each time change requests came in, we'd have to go back, redesign, rebuild, retest and so it was a reiterate process. So there were times when there were less defects than there was at that point in time, so there were times well before that where from a systems perspective, we were prepared and very keen to go live in terms of the system readiness; that 47 defects in the defect management plan in March 2010 represented the latest reiteration of the system as built then.

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Queensland Health, like any other business, and particularly in its payroll aspects was a dynamic thing. Correct?---True.

Life went on?---Yes.

It couldn't be frozen for this solution to be built? ---Correct.

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Correct?---Correct.

And in fact every fortnight a pay had to be gotten out? ---Correct.

And although there might have been some indulgences, I'm not sure, the industrial landscape is always a changing one?---Yes.

There's new EBA's and so forth?---Yes.

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And those all have business requirement impacts on Queensland Health?---Yes.

External factors such as that are capable of causing delays?---Oh, definitely and they did that - and I'd call those legitimate change requests. As you say, it's a dynamic environment. There was also the CorpTech element as well, so there were support stacks which needed to be loaded each year. These are the latest maintenance fixers for SAP so that took us out and, of course, every time a go live moved, then the next window was typically months away. So, roughly, there were only two windows to go live in here and that is March and September. So every time there's a delay it's a significant delay.

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Yes, all right. Just tell me this, can I ask you to look please at page 11 of your statement, paragraph 68. You're referring to delay in that context and a relevant factor, according to your evidence, is the ongoing addition of functional requirements. There was this thing that you've already referred to, I think, called the Business Attributes Document?---Yes.

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It went through a number of iterations to use - - -?---That is true.

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Was the document continually updated at the request of IBM? 1
---Yes, that's correct.

Is this a case it was Queensland Health deliverable, that document?---Yes. From memory, yes.

But when new versions were updated, new versions of it made, there was change request or another way in which IBM was paid for new versions of it?---New versions of the BAD? 10
Of the BAD?---I'm not sure.

Did it get to the stage - this might jog your memory - where Queensland Health asked for its name to be changed to the change tracking document?---I've never heard of a change tracking document.

I'll just suggest to you then that in that way it became a deliverable of IBM rather than Queensland Health?---And so where is that? Where is that referred to, I'm sorry? 20

I'm just suggesting that to you?---I've never - - -

Would you agree or disagree?---I've never heard of it.

You haven't heard of that?---No.

All right?---Change tracking document?

Change tracking document?---No, I'm sorry I don't know. 30

Or CTD. Okay?---I'm certainly familiar with the business attributes document.

You're not familiar with it changing its name?---No; another Apple.

In paragraph 70 of your statement on page 12 you refer to - again in the context of delay - needing the active and timely cooperation of the government and the first example that you give of, as you describe it, different views about urgency of the rollout - - - ?---Yes. 40

- - - was in late September 2008, CorpTech withdrawing a, as you describe it, key testing team member?---Yes.

By that time the project had been going for at least nine months or so though, hadn't it?---Yes.

And certainly the optimistic original go live of July had been missed by that stage?---That's correct. Yes. 50

You're not saying that's a big factor, are you, Mr Doak?
---This point A?

Yes?---No. That had an impact later on and in fact I remember this one very, very well. We got a note from CorpTech which said he had another urgent project to go on. He was the only person who could do it and then he left us and went on leave for four weeks. He had some long-term leave owing to him so we were confused as to just what the real motivation behind that was.

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All right. Can I take you to subparagraph (e) at the bottom of that page. You say there:

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In the QHIC project issues document of March 09 an issue is identified based on defects and issues assigned to QHEST are not being resolved in a timely manner due to dependency of a small number of key business resources.

That means staff, I take it?---Yes, it does.

To resolve issues relating to QHIC being unable to meet the schedule?

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---Yes.

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You were complaining about there being a small number of staff, correct?---The complaint is the delay, the complaint is not the staff. The issue here is the ability to do the awards interpretation, and because of the complexity of there are only very few staff, and this is Janette Jones and a few members of her team who had the knowledge necessary to answer some of these questions, and they even argued over some of the interpretations of the award. It was a very small key core team that retained all that knowledge which became a real impact on the schedule.

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But when you say "resolve issues", in that sentence what do you mean by "resolve issues"?---What I mean is to identify what is in and out of scope from their perspective, from Queensland Health's perspective. These were their experts who could help with that, and we weren't right all the time so we needed that input from them, and to provide the correct answers in terms of what the outcomes should be for some of the business functions.

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Just so that we're clear, those resources that we're talking about, presumably Queensland Health's resources - - -?---The shared services provider, yes.

- - - were not people that had system access themselves to what you were building, they weren't fixing any of your problems?---No.

It's consulting is what you're talking about?---Correct, subject matter experts.

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These issues and defects that came up were assigned to the QHEST team. Correct?---Yes.

If I suggest to you that those issues were cleared by the QHEST team on a frequency of about three or four times a day, what do you say to that?---Perhaps, I'd have to look at what the issues were. I think the issued varied significantly in terms of what was required, and the number of them varied significantly during the project.

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All right. Can I take you to the next page, page 13, paragraph 72? You speak about there being a lot of time spent on user acceptance testing and running for virtually all of 2009. Can I ask you: are you aware, generally, you may or may not be, of Mr Cowan's evidence in the commission about his experience of the testing?---No, I'm not. I only saw the last 10 minutes or so.

If I suggest to you that what his testing found was an unusually large number of functional defects, you know what I mean by that?---Yes.

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Do you accept that, that's what there was, a large number of functional defects in what he was testing?---If by that you mean that the functions were coming out with the result different than expected, then I would agree with that.

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No, he's talking about things that are to do with the system that he was testing rather than its interface with the business. So not things he's suggesting, not things which have come up in user acceptance testing, things that should be found in either systems or systems integration testing?---Okay.

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That's what his evidence was suggesting?---Okay, I understand. We did the system testing, we didn't do function testing, so UAT's function testing, IBM and CorpTech did system testing so we're not testing the same thing. Where in function testing he gets a wrong result, he then needs to go back to the cause for that, which can be an issue with the script, an issue with the data, an issue with the skills of the user or often the result of a change request and the script hasn't been updated, and there were genuine defects to the function. But that's got nothing to do with system testing, that was run by IBM, CorpTech and at that pass was signed off, was audited by KJ Ross and signed off by KJ Ross prior to UAT.

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So what you're saying is that there were not defects in the system being installed by you - - -?---There were defects.

Hear me out. To a degree that should have prevented it entering user acceptance testing?---Correct.

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All right?---Otherwise KJ Ross and others would not have signed it off as exiting system testing.

Did you ever have any conversations along these lines with Mr Cowan yourself?---I don't think I ever had a conversation with Mr Cowan.

Is that right?---Apparently, I just spammed him.

40

Subparagraph A of 72, you criticise the quality of test scripts. I presume that's something that you're being told in reports rather than something you experienced yourself?---That's correct, yes.

And you don't seek to assign a proportion to that, you're not saying how much of a problem that was?---No, but these are examples.

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It could be an extremely small proportion, for example, less than 5 per cent of the problem?---It could be, except with all the constant changes, the test scripts had to constantly changed as well so for UAT, for Mr Cowan, that was quite a challenge.

He was in a kind of supervisory or a leading role, a lot of the people doing the actual testing were people that were familiar with and worked with the system. Correct?---I don't know the people. 1

You don't know that?---No.

All right?---No, I would expect so, though.

And people using the system all the time, you would expect would know how to perhaps compose and certainly execute a test script?---I do recall anecdotally that there was an issue between the different UAT's of the change of staff, and resulting in the need to train and up-skill a number of the staff through the elongated UAT process. So I may have seen that in one of Mr Cowan's reports that there was an issue with the change and training of staff. 10

You say in subparagraph (b) of 72 that, "There was a lack of discrimination between errors in the system and missing functions or features in which had not previously been communicated to IBM"?---Yes. 20

Are you aware of that point being debated from the government's side as well?---Absolutely, this obviously was one of the main points of contention.

Sure. Then CMD are deficiencies in tester's skill and competency and a lack of work ethic by at least some testers?---72(d) was very frustrating because, with the greatest of respect to public workers, a lot of them were working on reduced hours in a day when our team was working longer hours, so we didn't feel the same sense of urgency around this. 30

Is that what you mean, the lack of work ethic is - - -?
---Yes.

- - - they worked their normal hours?---Yes. 40

Is that a lack of work ethic?---Well, there was an urgency around here, Mr Grierson, Mr Kalimnios and others were telling me that we had a go live date to make. We were pushing six days a week, 18 hours a day, that's not a normal work day for us either but some of these testers were out by 3.30 in the afternoon, day's completed.

Those two subparagraphs there, (c) and (d), again, this seems a little bit anecdotal, you're not describing a - - -?---You're right. It is. 50

- - - proportion of the difficulties to those headings, are you?---No, and this is not first-hand experience either, this is being reported to me by my team.

Paragraph 80, please, on page 14. I won't spend long on this, Mr Doak, but you've already been taken to it by Mr Flanagan. You say that the IBM team performed to a high standard, and as I understand it you also say that the result, you consider, was of a high standard?---Correct. I do.

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Are you aware, generally, I've put some of it to you today, of what Mr Cowan says about finding defects on UAT which should have been detected earlier in your testing?---I would believe that he would say that.

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You say that it had been signed off?---Any by himself as well, so, you know, I find that somewhat surprising.

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It's true in relation to the changing of test criteria this was done partly so that testing could be exited and the system would be able to meet criteria to go live?---Yes. 1

Correct?---Yes.

Did you regard that as a controversial thing, that is changing test criteria - sorry, defect classification for that reason?---It was a business decision with all factors weighed out, so it was a pragmatic decision which the board as its entirety took. 10

Now, then you then deal with going live - I will take you briefly to paragraph 102 on page 18. Can I just suggest to you there that you talk about the coincident timing of the introduction of the new business process relating to the rosters?---Mm'hm.

I may be about the descend into detail that is not your problem - - -?---Okay. 20

- - - so tell me if I am, but can I suggest to you that rather than a new business process, the problem was rather that if a roster was missing under the old LATTICE system, LATTICE simply paid again on the old roster whereas SAP in Teutonic efficiency would reject such a scenario and there would be no pay?---Correct. If I may, my understanding is that the policy of Queensland Health was always that you needed a roster to be paid but that had previously not been enforced. With the introduction of the new system and again, this was part of the business requirements that we gathered to interrupt the new system, there had to be a roster; no roster, no pay I heard Mr Kalimnios say a number of times. Now, as I understand it, a deal is that the great majority of the employees to be paid were not previously submitting rosters and hence the overload in the process, but I'm also referring here to this new model with the hubs and the moving the staff out of the hospitals into the hubs and creating the effects network where 60 different types of rosters handwritten were expected to be faxed and then interpreted by the operators without any of the background and loaded into Workbrain, so talking about both those aspects. 30 40

In the solution as it was at the time when it went live, okay - - -?---Yes.

- - - were there still integration defects between SAP and Workbrain?---No. 50

You say there were not?---Correct. At a task, full integration testing.

To your knowledge, were there such defects that emerged post go live?---I can't say definitely. I seem to recall there were some integration issues. I recall there was a roster that got corrupted, I think, which gave some false results so there were definitely some issues which had to be resolved post go live. There's (indistinct) process which is normal for a new system.

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Part of the contract was for IBM to deliver - as far as you're aware were all of the defects required to be fixed under warranty by IBM?---Yes.

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They were?---Yes.

Now, finally, Mr Doak, as we went through earlier and Mr Flanagan took you through, there's a big debate between the two sides about the scoping. Is that right?---That's correct, yes.

What I'm just going to put to you is a couple of propositions about the effect of that debate on this whole disaster - I will put it that way. What I am suggesting to you is you may agree, scope was never really properly agreed between the two parties?---As far as we are concerned, we took the business requirements provided to us by QHEST and we created the scope definition document and related documents which were signed off by Queensland Health so any issues arising from disagreement in scope weren't coming from IBM. We were clear on what was in scope.

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You agree with me it was a contrary view?---I do indeed.

The scoping was the statement of works 7 and also 8A under the contract which was IBM's contractual obligation. Correct?---That's correct, yes.

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And it's fair to say that IBM was paid for that work?---Yes, we were.

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I think if one adds it up, you might agree with me that it's a bit over \$910,000, the prices of those two items?---I'm not sure. I wouldn't disagree with you.

I'm sure you would defer to the contractual documents. What I'm suggesting to you is this: that the problems with this project as it unfolded between 2008 and 2010 were largely because of inadequate scoping which hadn't been properly performed by IBM?---I would take a different view. We completed the scoping, we provided it back to Queensland Health. If Queensland Health had any issue with it, it was up to them to tell us and as you will recall in the documentation, we got no feedback whatsoever so it was

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deemed accepted. Obviously that didn't prove to be the case over time but certainly, we were very clear on what we had to deliver contractually, we delivered it and we moved on.

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Nothing further, Mr Commissioner.

THE COMMISSIONER: Thank you. Mr Traves?

MR TRAVES: Thank you.

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I just wanted to put to you, you identified as one of the problems with the governance the fact that there was a tripartite arrangement?---Yes. We felt that was a real issue.

Are you familiar with the concept of root cause analysis?
---Yes.

And if you had to identify a root cause analysis for what occurred, would you identify that as a the root cause?
---Yes.

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Would you agree with this proposition; that the structure of the contract between the state and the prime contractor managed by CorpTech greatly contributed to the confusion of roles, responsibilities and execution of the project?---I think I described it as the tail wagging the dog. Yes, I agree.

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Thank you. As the contract administrator, CorpTech had the sole relationship with the prime contractor, this made Queensland Health's roles and responsibility as a key stakeholder in the project unclear?---I agree.

For example, it was noted that change request documents only contained signed approvals from CorpTech and the prime contractor with no approval or endorsement by Queensland Health?---Correct.

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Stakeholder engagement was a key issue within the project. There was no process in place to ensure that Queensland Health had signed off on key deliverables and therefore a shared understanding of each party's requirements was not achieved?---That was our understanding.

Do you agree with the proposition?---Yes, I do.

Now, Mr Kalimnios for whom I act, I think you said words to the effect was agitating - I'm now extrapolating it, at a period of time for a relationship which permitted Queensland Health greater autonomy with IBM?---Yes.

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In fact is that what he did during the course of 2008 and can I suggest also in 2009?---Yes, I didn't see that from Mr Kalimnios so much. Terry Burns was the party who seemed to be playing this role in terms of creating presentations and justifications for Queensland Health contracting directly with IBM. Terry also approached me a number of times to get our support for that possession.

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I'm just curious, Mr Doak; you were a member of the project directorate?---No, I was a member of the board.

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Were you?---Yes. John Gower was the project directorate.

Project directorate. In two documents which one can find at volume 14 at page 240 and 421?---Sorry, what was the page number again?

240 and 421?---240 - - -

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And volume 14. There are briefs for noting from the project directorate dated respectively 10 February 2010 and 24 February 2010 and I'll ask you to bear in mind that this is in the context of the project directorate recommending that the board proceed - - -?---Yes.

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- - - as you're aware occurred, but do you see if you look at the - which page are you there?---Yes, I've got both of them.

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You've got both of them?---I think.

If you go to page 242, do you see the conclusion in paragraph 4 at the bottom:

The QHIC project directorate agreed that the go live approach has a high risk profile?

---Yes.

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What was your position in respect of that on the board?---I agreed.

And then to come back, I suppose, to satisfy my curiosity, Mr Doak, in view of the questions you've been asked, IBM knew at the time or thought at the time that it was high risk?---From a system perspective, we were ready to go live and that was proven. We had had minor issues after go live, the sort of issues you would expect in terms of the betting and process. From IBM's contractual obligations perspective, we were satisfied that we were ready. We'd been ready a number of times before and I think that was proven, you know, the issues of people getting paid didn't arise largely from any system issues.

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The directorate, of course, as you said included Mr Gower, IBM's representative?---Yes, it did. I think at this point it might have been Mark Dymock actually by this time.

All right. But a similar recommendation is made on 24 February - sorry, a similar observation I think is made in that subsequent document that I showed you at page 423? ---Yes.

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Do you see that?---Yes.

Again, obviously with the endorsement of a member of IBM? ---Yes. Correct. So I could only talk - and John and I could only talk for - or Mark - the IBM stream. We were ready to go.

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What were the risks then and whose responsibility were they?---At the business readiness stream, which was a QHEST responsibility the one that Tony was running. That was, as we're all aware, where the issues arose. From a

functionality perspective, Janette Jones was satisfied that the workarounds were in place and that it was staffed to handle those issues. So across the board we felt that as a board that we were ready to go live.

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So if you go back to 240, which is the start of that brief for noting, which of the risks identified there do you regard as outside the IBM area, if you like, of responsibility?---The risks associated with business readiness.

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You've identified that?---Yes.

Yes?---That's outside of our - - -

Yes. So that's number 2?---Risks associated with the defect and solution management plan. This is now back on the Shared Services Provider because they have to execute the workarounds that are in that defect management plan.

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Although on one view the workarounds are a consequence of a system not quite ready to go or at least not entirely - what was the word used a couple of days ago? What do you call a system that doesn't require workarounds, not autonomous? There's another word used.

COMMISSIONER: Automated.

MR TRAVES: Automated, fully automated?---I think it may have been said by others, but there is no way that the Queensland Health payroll will ever be fully automated.

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All right. I interrupted you. So number 3 and number 2, I think. What about number 1?---Number 1?

Risks associated with the pay process?---You do it for the first time, and it is the first time, so that is a risk and, you know, obviously this risk never eventuated, but this was something that impact IBM and we hope at this stage that through all of the stress and volume testing, the systems integration testing, systems testing and the user acceptance testing that this risk isn't going to be realised and it wasn't.

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Just to come back then to paragraph 4 on page 242, the description "high risk profile"?---I think the complexity of this project, there's no other way it would be anything else.

Was this always going to be a high risk profile at go live? ---Yes. It was always going to be high risk; a very, very tough project.

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Thanks.

COMMISSIONER: Mr Ambrose? 1

MR AMBROSE: No, we have no questions.

COMMISSIONER: Yes. Mr Sullivan?

MR SULLIVAN: Thank you, commissioner.

Mr Doak, could you have a look at volume 14 or 15, please?
---Volume 14? 10

Or 15 of the bundle of documents.

COMMISSIONER: Volume 14?

MR SULLIVAN: You've got that?---I've got volume 14, yes.

Thank you. Could you go to page 426, please?

COMMISSIONER: Four? 20

MR SULLIVAN: Four two six, commissioner.

It should be the QHIC board meeting agenda?---Yes.

For 24 February?---Yes.

Can I suggest to you that this is a group of documents
which come from Mr Hood's documents he had for this
meeting. You'll see at 425 on the top right-hand corner
the reference there to 69-PH1-3?---Right, and it's QHEST
letterhead so, yes, I'd accept that. 30

This was a meeting you attended?---Yes, it was.

And you recorded, at least in the agenda at page 426, as
being - - -?---Yes.

You see that the agenda on that page at 426 was struck out?
---Yes. 40

Above that in handwriting slightly legible "new agenda
tabled"?---New agenda to be tabled. Yes, I see that.

Can you have a look at page 425?---445?

Do you see that that appears to be the new agenda for the
meeting?---Yes.

So if we look at the two agendas we will see that in the
new agenda there's an item 4, risk profile, that wasn't in
the agenda item on the next page?---Right. Yes. It could
have well been under critical path and milestones, but,
yes, I see that point. 50

And item 4 at agenda page 425 has Naomi as being recorded?
---Yes. 1

That's a reference to Ms Du Plessis?---Yes.

She was the project manager, was she not, in relation to the QHIC project?---Correct. She reported to Tony Price.

Behind these two documents can you look at - start at page 427?---Yes. 10

You'll see that there's a three-page brief for noting - - -?---Yes.

- - - from the QHIC directorate to the QHIC board members?
---Yes.

Do you recall that that document was present at the meeting?---I do. 20

And, indeed, I think you were just taken to it before, that is essentially the document at page 240 of the same volume - - -?---Yes, it is.

- - - which had been dated 10 February 2010 to the QHIC - in effect the same document?---Yes.

With a different date?---Yes.

And a different heading?---Yes. 30

In relation to that document at item 2 there's risks associated with business readiness?---Yes.

And with the statement fully mitigated?---With the statement what, sorry?

Fully mitigated at page 428?---Yes.

You'll see that it included a number of items about what had been done - - -?---Yes. 40

- - - in relation to mitigating the business readiness?
---Certainly. We had - "we" being the IBM stream - no visibility of this, though.

No, I understand, but this was a document presented at the board meeting on 24 February?---I don't know if there was a document. This report was, yes. 50

Yes?---Yes, yes, sorry.

And is it right, as the marked up agenda at 425 represents, that Ms Du Plessis spoke to this document?---I honestly can't remember whether she spoke to it or not.

But you'll see immediately behind it - sorry. My apologies. If you look at page 424, you'll see down the bottom a reference to author and that's Ms Du Plessis' name?---Yes, yes.

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COMMISSIONER: Du Plessis, surely.

MR SULLIVAN: Sorry?

COMMISSIONER: It's Du Plessis, surely.

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MR SULLIVAN: Du Plessis. I should have known from the rugby, Commissioner. Again, it's the same document.

COMMISSIONER: I'm surprised at you, Mr Sullivan.

MR SULLIVAN: I apologise. My sons will never forgive me on the matter.

You'll see it's the same document again?---Yes, and I do recall that Naomi prepared that document from which he may well have spoken to it, I'm happy to accept that.

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It's your recollection that at the meeting on 24 February there was a document dealing with business readiness and it's for mitigation?---In addition to this?

No, this document?---This document which outlines all the risks, yes.

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And also you think somebody may have spoken to it?---Yes, I would accept that.

You refer to, in your statement, there being an item from the directorate minutes on 23 February being communications. Do you recall that?---Yes, I do.

You identified that you understood that to be a reference to the business readiness issues?---That's correct. Ensuring that the line managers et cetera were prepared for the introduction of the new system.

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In that respect, can I ask you to look at page 418? Do you see that there's a second briefing note there?---Yes.

Dealing with the issue or proposal for line manager and employee's support post go live?

COMMISSIONER: Where is this?

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MR SULLIVAN: Page 418, Commissioner - - -

COMMISSIONER: Yes?

MR SULLIVAN: - - - in the subject matter at the top.

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COMMISSIONER: Yes, thank you.

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MR SULLIVAN: Did that relate to the communications issue as well?---Yes.

Do you know whether this was present at the board meeting as well?---I don't think so, I certainly don't recall it.

Do you know whether that was spoken to by the same person, by the project manager?---No, I don't know.

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But nonetheless, there was clearly a document at the board meeting dealing with the issue of business readiness?---It certainly highlighted the actions here, yes.

Can you look at paragraph 201 of your statement, please? That's a reference to the 24 February 2010 meeting which we were looking at in terms of the agendas?---Yes, it is.

Your recollection that other than in an oral statement by Mr Price - - -?---Yes.

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- - - to support the suggestion the risk in relation to communications had been mitigated, there was no other evidence?---Correct, that was my recollection, yes.

In light of the documents we've looked at, that's likely, and I'm not saying this is a pejorative sense, but it's likely to be incorrect, it's likely there was a document at the meeting dealing with the issue of business readiness and the project manager spoke to it?---I understand your point. I don't think this document addresses the issue in terms of business readiness. Given the importance of that and the inspection around every detailed step of the computer system readiness, I do not accept that in terms of business readiness this goes anywhere near far enough to actually address business readiness.

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Your statement at that paragraph is, "Other than an oral statement by Mr Price there was no other evidence from anybody"?---As I said to you, I do not recall Naomi addressing this meeting.

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But you recall the document dealing with business readiness and you believe somebody spoke about it but you can't recall the specifics of what they spoke about?---I'm sorry, if by that you mean this document, and if you feel that this deals with business readiness then, yes. From my perspective, I don't feel that this deals with business readiness.

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You were shown the report from Mr Burns which was produced at a later date and he looked at the quality assurances issues?---Yes, that's right.

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Were you aware that he expressed his view about the business readiness in that document?---I'd have to go back to it to refresh my memory.

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Did you raise the matter with Mr Burns?---Yes.

So you were able to speak to Mr Burns?---I've raised it with him at the directorate and raised it with him at the board. No, sorry, with Mr Price I raised the issue.

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After you'd received the quality assurance report from Mr Burns, did you raise the issue with Mr Burns?---What issue would I raise with him?

Whatever concerns you had about this memo?---I raised them with the person responsible, which was Mr Price.

Mr Burns produced a quality assurance report. Correct? ---Sure.

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Did you go through that report?---He presented that report, yes.

Did you go through the report?---Go through it? He took us through the report, yes.

Did you raise with him the issue that you refer to in paragraph 201 with Mr Burns as he took you to that report? ---No, I raised it with Mr Price.

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So when you had the opportunity to raise it with Mr Burns, why didn't you raise it with Mr Burns?---Because the person responsible for that was not Mr Burns, he was only reporting on it. I went to the person responsible for it, which was Mr Price.

Mr Burns was the one who reviewed the risks associated with the issue you were talking about. Correct?---Mr Burns was an observer, he wasn't the person who was participating and fulfilling the actions.

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He was the technical person looking at assurance issues, wasn't he?---He was many different things, but at that point in time, yes, he was doing that role.

And you knew as the person who is looking at it in a technical sense, in the detail, and expressing an opinion about its level of adequacy that he was the person who could deal with the specifics, didn't you?---No, I don't accept that at all.

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No further questions, thank you, Commissioner.

COMMISSIONER: Yes. Mr Flanagan?

MR FLANAGAN: I think Mr Cregan has - - -

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MR CREGAN: Commissioner, if it's acceptable, just two more matters, I think it might avoid some trouble later on.

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COMMISSIONER: I'll give you a minute for each.

MR CREGAN: Excellent, it should be more than enough. You were asked a moment ago, Mr Doak, by Mr Kent that IBM accepts no blame about delays and things like that?---Yes.

I just want to say: you're not suggesting IBM were perfect, it's just that - - -?---Absolutely not, it was a tough project, and these projects never go by the book, that's the real life in something as big as 29 months. There were a lot of things that didn't go right, we did what we could to fix them without impacting the schedule. We had our own quality assurance reviews, we had consistent audits of our work, we had corrections made all the time, we were bringing people in all the time, so we did what we needed to do in order to maintain the schedule, that was my only point.

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And there was just one other thing I wanted to clarify with you. You were asked about the system and system integration testing report - - -?---Yes.

- - - and you said it was signed off. I think you said it might have been signed off by Mr Cowan, by that did you mean it was signed off by KJ Ross?---Yes.

Maybe not by Mr Cowan himself?---Sorry, my apologies. I thought it was by - - -

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COMMISSIONER: No, Mr Doak said KJ Ross.

MR CREGAN: I just wanted to clarify that. If that's the case, then - - -

MR KENT: I think he did accuse Cowan?---Sorry, I didn't mean to accuse Mr Cowan of anything.

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COMMISSIONER: I didn't think that, I thought Mr Doak said it was KJ Ross who signed it off.

MR CREGAN: If it's KJ Ross then I think we're - thank you, Commissioner.

COMMISSIONER: Mr Flanagan?

MR FLANAGAN: Yes, it's that very point I want to take up with because you did say in response to Mr Kent's question in relation to systems testing that KJ Ross had either approved or signed off on your systems testing. Is that correct?---I believe, with the document, I believe they audited it and approved.

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Can I suggested they audited, they did not approve?---I assumed - perhaps I assumed too much, that by auditing that and then moving onto UAT they had, by default, approved it. I may have assumed that, my apologies.

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CorpTech or the Queensland government had engaged KJ Ross to audit the systems testing process, including the planning for the systems testing process throughout. Yes? ---I wasn't aware of that.

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All right. Can I take you to volume 8, page 275? This is a KJ Ross and Associates report dated 17 March 2009. Page 275, Mr Commissioner?---Yes. 1

If you go to page 278 you'll see the audit reviews that have been conducted on those three dates, which is at point 1.2. Yes?---Yes. I see that.

And then you see in relation to system test issues:

System test exit criteria were not met, a high number of outstanding severity 1 and 2 defects, 80 plus, 90 test cases not yet executed, therefore more defects are likely to be found. Defect resolution rate has not progressed in recent weeks. IBM report resources have been unavailable for resolution due to recent ongoing build activities, build for. Based on current trends, it is highly unlikely that system testing will meet 100 per cent severity 1 and severity 2 defect removal within the available four-week window - 10

being a reference to the anticipated go live date. Yes? ---Right. I see this is dated March 2009.

Quite. But then if you go to volume 14, 380, this is a document I took you to before, and could you turn to page 385, what IBM, given their response in the third column, and this is - if you look at page 384, it's quality system testing summary of KJ Ross observations. It says: 30

Test completion report which was audited by KJ Ross -

Do you see that?---Yes, I do.

I just want to be clear about this. We have sought further documents so I can't for myself be certain that the KJ Ross report of March 2009 is the final report in relation to an audit of systems testing, but for present purposes it's the only report we have that deals with the audit of systems testing?---Okay. 40

Would you at least agree with me that having read the systems test issues identified in their audit report of March 2009, it could be hardly said that KJ Ross approved or signed off on the systems testing by IBM?---I certainly agree because that's March 2009.

Quite?---Was there one prior to go live? 50

We don't have - - -?---That was the one I was talking about that they audited.

We don't have that?---Not this one. Okay. Sorry.

But in terms of that document that we do have, that wouldn't constitute approval or sign off by KJ Ross in relation to systems testing, would it?---Correct. 1

Correct?---And I was referring to the system and systems integration testing report for go live - - -

For go live?---- - - that they audited, but you're right, it would have been an audit not a sign off. I don't know what other actions they took beyond that. 10

All right. But in any event, the comment by IBM - and this is a document that is actually just before go live, it's actually dated - the last update of this version is 19 February 2010, but it refers to the KJ Ross auditing, the systems testing?---Okay.

But that document itself which is later in time doesn't refer to them approving or signing off on the systems testing?---Certainly. Certainly, I accept that. 20

All right, thank you. Apart from that point, may Mr Doak be excused?

COMMISSIONER: Yes.

Mr Doak, can I express my gratitude to you for coming. You have come no doubt at a great deal of personal inconvenience from the Middle East?---Thank you. 30

I couldn't compel your attendance. I'm very grateful that you have come and I'm grateful to IBM for arranging it? ---Thank you very much, Mr Commissioner. Thank you.

WITNESS WITHDREW

COMMISSIONER: We'll adjourn until 10.00 on Monday.

MR FLANAGAN: 10.00 on Monday. 40

COMMISSIONER: You have asked for three days. I'll give you three days, in which we must finish the evidence of Mr Gower, Mr Hickey, Mr Prebble and Ms Berenyi.

MR FLANAGAN: That's correct.

COMMISSIONER: All right. So you're all on notice.

MR FLANAGAN: Mr Commissioner, can I say we will be striving to get it done in two days? 50

COMMISSIONER: I would be grateful if you could.

MR FLANAGAN: Can I raise one thing before you rise?

COMMISSIONER: Yes, yes.

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MR FLANAGAN: The parties have written to us in relation to what is contemplated by you, Mr Commissioner, in terms of the - - - 1

COMMISSIONER: Yes. You needn't stay for that.

MR DOAK: Okay. Thank you.

COMMISSIONER: Thank you. 10

MR FLANAGAN: In terms of what is contemplated by you by way of submissions at the end of the contract hearings. It's been suggested to counsel assisting that if there are adverse findings to be made against any of the witnesses or parties represented that counsel assisting would put their submissions in first and bring to their attention any adverse findings in relation to those persons.

COMMISSIONER: Yes. 20

MR FLANAGAN: We're happy to do that, but it's a question of timing both for counsel assisting and then a question of time to respond to our submissions, if any party wishes to put in a submission.

COMMISSIONER: I wonder if the best way to approach it is if counsel assisting should draw up, as it were, an issues list rather than submissions in full - - -

MR FLANAGAN: Yes. 30

COMMISSIONER: - - - and circulate that on the basis that the issues will contain any allegations that you might advance against any particular witness.

MR FLANAGAN: Thank you.

COMMISSIONER: All right. Thank you all. We'll adjourn until 10 o'clock on Monday. 40

THE COMMISSION ADJOURNED AT 3.55 PM UNTIL MONDAY, 6 MAY 2013