



**QUEENSLAND HEALTH PAYROLL SYSTEM
COMMISSION OF INQUIRY**

Statement of Witness

<i>Name of Witness</i>	Terence Errol Burns
<i>Date of Birth</i>	Known to the Commission
<i>Address and contact details</i>	Known to the Commission
<i>Occupation</i>	IT Consultant, Retired
<i>Officer taking statement</i>	Jonathan Horton and Anastasia Nicholas
<i>Date taken</i>	08/03/2013

I, Terence Errol Burns, state as follows:

Background and experience

1. I was born in Zambia, Africa.
2. After University, I worked with a company Burroughs Machines.

IBM South Africa

3. After a short time overseas, I joined IBM South Africa as a trainee systems engineer. I moved into marketing (also with IBM South Africa) and then management.
4. I left IBM in May 1980, having spent about 13 years there.
5. I had, towards the end of my time with IBM, one of the top roles there. I was the State Manager for the Cape Province. It was one of the biggest states, and the largest geographically. There existed there a concentration of large clients in the insurance and wine industry. This was a senior role.
6. I held that role for 3 years at the end of my time there.
7. For the 3 years before that, I was the marketing manager.

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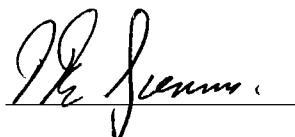
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8. During my time at IBM, the large scale projects in which I was involved included some of the biggest in the country. One was the largest retailer in the country. They decided to put in the largest mainframe deployment of any retail company ever in South Africa.
9. I also won for IBM South Africa the main bid for a large containerisation company (SAF Marine). This was a massive opportunity given the change of the way ports and shipping companies handled shipment of goods. I led the process of analysing and determining how to develop a solution for that and IBM South Africa won it based on my submissions. This was a very large piece of work.
10. In this role, I did some work for government, but only indirectly through one of the other branches. The other states within the IBM organisation are where the government accounts were controlled, such as the Department of Interior and the Military. I had some involvement with projects for those clients, but I did not did not have government clients in my Cape jurisdiction. I was, however, occasionally pulled in by other offices to assist in some of these very big projects.

Consultancy -Africa

11. When I left IBM in 1980, I set up a company in competition with IBM it was called Corporate Management Services. I went in with three of my senior managers I had under me at IBM. We went into the new company on the basis that we were equal peers.
12. I was involved in that company for about three years. We had an exceptionally good track record. The company grew extremely fast. We had a lot of resistance and complaints and vetting from IBM, which indicated we were taking a significant amount of its business away.

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13. I was involved in some government projects at this time, mainly supplying the complex data systems and data storage devices and the giant printers and operating system software.
14. I later sold out of Corporate Management Services. My partners took it public. It was listed on the South African share market. I returned to the Cape after it sold. I then set up my own company called the National Computer Company.
15. I ran that company for between 7 and 9 years.
16. That company's work was selling medium scale computers. In that role, I did work for a large electricity generator on the health and safety and time recording systems. We had got into the big time with the biggest customers in the country and delivered systems. It was a successful and profitable operation.
17. After the sale, I then retained a distributorship right for one particular product that I had a very strong belief could be a game changer. It was a biometric fingerprint scanning device. So, pocketing my proceeds from having sold out of the National Computer Company, I started working with a fingerprint scanner and a couple of very smart software freelancers and we developed the first biometric based automatic teller machine (ATM) in South Africa.
18. But we did not get the banks to pick it up. I spent two years on this. I did in the end sell it to the Department of Social Welfare to dispense welfare payments in remote areas which safety and corruption was a problem.

New Zealand

19. I then took the decision to emigrate from South Africa to New Zealand in February 1998.

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20. For a short time, my wife and I ran a publishing company for the good of children. We had the biggest circulation of any newspaper in New Zealand very quickly.
21. I discovered that this did not make us millionaires. I then moved back into the IT world and picked up a particular focus on program rescue. This involved saving large programs that were starting to go wrong. I developed a methodology based on a lot of commonsense business management strategies to fast-track the identification of faulty programs and to determine a fast course rectification approach.

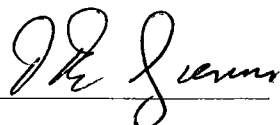
Air New Zealand

22. I was put on to the program for Air New Zealand for their trans-Tasman business operations, which were losing money. So that took me a year and it was during that that I refined a lot of the techniques and the processes that I have developed, how you analyse when a project is failing.
23. I was involved with that project between about August 1999 and June 2000.
24. The part of that program in which I was involved was one program within an array of programs. They sought to rectify the airline's business problems with their trans-Tasman routes.
25. This project was run internally by Air New Zealand. I was recruited as project manager. I did this through a company called Cavendish International.
26. IBM was not involved in any way in this project.

United Kingdom

27. I went to the UK in mid 2000. I had dual citizenship which permitted me to move there.
28. The first project in which I was involved was for a large energy company known as "Energis".

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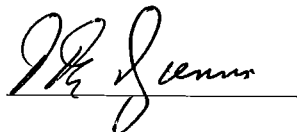


29. From about October 2000, I worked with Railtrack, again as a contractor, using a contracting company known as "Trenthill".
30. I was the program delivery director.
31. It too was a rectification project. I finished there in June 2001.
32. I then worked with Royal Bank of Scotland (RBS) between about August 2001. My role there was as head of IT change management. IBM was not involved in the project, but they were around the bank as suppliers of the mainframes that the bank used. IBM had nothing to do with the work that I was dealing with.
33. After completion of the RBS project in about December 2002, I returned to New Zealand.

New Zealand

34. On my return, I worked with Fonterra, a large dairy company.
35. I contracted for this role through Cavendish International.
36. During that contract I met David Bostock who was managing the IBM resources that were supplied to Fonterra.
37. The Fonterra project had three phases:
 - a. development of new systems for their manufacturing processes;
 - b. a pilot run to do the international consolidation of all their SAP systems (which was very similar to that which the Queensland government was trying to do). Fonterra was using SAP in their operations in many different countries;
 - c. other Fonterra offices in the world using information gleaned from the pilot, which had been somewhat refined. It was this phase which involved most of the implementation.

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38. I was appointed to do the international deployment to every other country in the world.


The problem was that they had not finished the pilot. It was running very late. The systems were not finalised. Fonterra was running out of time and running out of money. It was a typical crisis project going off the rails, short of time, short of money and decisions had to be made about scope, whether to cut scope or keep scope and push out time or put up cost.

39. I was involved with the final phase of the project from the beginning. IBM had not been contracted at the time I started. There was a process for selecting a contractor, but I was not involved with it. The program management office, the project director came in one day and had SAP, IBM and Accenture and just about everyone who did business in New Zealand. Eventually, they came down and told me (and I had nothing to do with the selection), "Accenture is going to be doing the call centre operations that you'll be relying on in your project". Cap Gemini were doing a lot of the project management work, which is a local New Zealand company.

40. They also told me that IBM would be deploying teams around the world in different countries as fast-track take on teams in places like Columbia, Russia and Italy. IBM would send out a team of two or three people to those countries to do what is called "localisation".

41. I did not really deal with IBM much at all on this project. I was just the recipient of what had been decided up in the hierarchy. There was a powerful head of the whole operation and IBM are good at calling on the top people and they sold their case, as I understood it, to those top people and the result of their approach was communicated down to me and my team.

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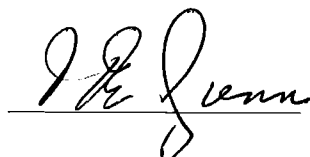
42. I only met David Bostock once or twice on this project and I struggled to get to see him because he only flew in rarely. He had a team of people there and even they did not report to me. On the occasions I met Mr Bostock, we talked about the operations they planned to put in place in the different countries. I was impressed with him.
43. The other IBM people who I dealt with on this project were a lady who just happened to be sitting about two desks from where I sat (whose name I cannot remember). I also dealt with a man who was first with Cap Gemini and who later spent some time at IBM. His name was Les Greef.
44. I did another project for Fonterra: the financial consolidation project.
45. After that job, I worked with Gullivers Travels. It too was a New Zealand-based job.
46. It was a rectification job. They were the largest travel conglomerate in New Zealand. I completed that job in about August or September 2006.

CorpTech

First contact

47. I arrived in Brisbane in January 2007.
48. I had no work lined up when I came. My youngest daughter, however, was living here then. I made contact with recruitment companies here, one of which was Information Professionals, and Mr Mark Nicholls.
49. I must have gone to four or five of these type of companies. Then out of the blue, two or three weeks later, Mr Nicholls phoned me and said, "Something has come up that might suit you. It's a short, sharp review of a problem area in Queensland Treasury where there's a very large Shared Services initiative program of work that's going wrong. The Under-Treasurer has asked to put a team in to do an assessment of why it's going wrong and what could be done about it".

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18 April 2007 - Snapshot Review

50. Involved in that work were people I had never met before: Mr David Ekert (who was put in from the CorpTech side), a chap called Keith Goddard (also from CorpTech) and Mr Gary Uhlmann who was from Arena Consulting.
51. This was a "snapshot review". We did five days of intensive analysis, with two people on each piece of work. Then we sat on a weekend trying to pull it together. Mr Uhlmann, as the principal lead, presented it to Mr Gerard Bradley, the Under-Treasurer. I did not attend that presentation.
52. That final presentation was called "CorpTech Snapshot Review Presented by Arena Organisational Consultants, 18 April 2007".
53. I was paid for that job at Information Professionals rates.
54. I put in the review presentation that the project lacked a person who held the single point of delivery accountability. I said, "You haven't got one. It's missing. You've got a committee of people all doing a number of things, HR, finance, procurement, all away doing their thing, each of them reporting up to a gentleman called Geoff Waite, who fundamentally came from a Treasury finance background and seemed to be a really powerful guy out of Treasury; a very capable man, but reporting to him was done in basically financial form".
55. You had a whole lot of people doing things but nobody was accountable for the downward look to say, "Are you doing this the best way?".
56. I was mainly interested in how the governance worked, were they getting strong PMO support because you cannot run a project properly unless your PMO is really doing an excellent job. The reference in the 18 April presentation to this is the need for the appointment of an "OPD" – Operational Program Director. This was the missing link.

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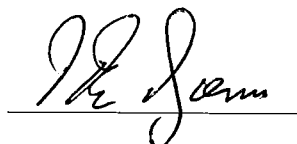


57. We also pointed out in the Review that the PMO (Project Management Office) is not effective.
58. The Review also recommended that Queensland Health not be advanced. That was because at the time, the people we spoke to said it is too complicated and suggested we do the other agencies first because Queensland Health had the highest number of complex awards and it would be difficult.


May 2007 Review

59. After the presentation of the 18 April review, Mr Uhlmann spoke to me and said he had spoken to Mr Bradley and that, "They're asking if you would be interested in taking on this role of being the person who came in and performed a review". So they didn't want me to come in and take it over and run it. They wanted me to review it, given that there was a seven-day review, look at what needed fixing and lead a process to recommend a better way of doing it.
60. Up to this point, I had never had any dealings directly with Mr Bradley, other than being introduced to him initially.
61. I said to Mr Uhlmann, "I'd be delighted to. I'm looking for work in Australia and if that's what you want, I'm happy to come on board". So at that time, I contracted through Arena. Arena had the brief from the Under-Treasurer to find somebody to do this review process. My initial contract had been Information Professionals, who paid me for the week's work and then it swung to Arena who said, "We are going to be the ones that you'll engage through us".
62. Arena took a margin, but not a large one by industry standards.

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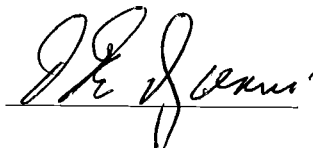


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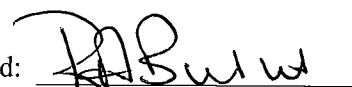


68. I might have kept action required notes on scraps of paper of those meetings. Nobody else seemed to make too many notes, from my recollection. Once I was underway with the work, there was a pretty thorough documentation kept and I asked them to set up a process so that there was a document library, all the process documents that I introduced from my own methodologies were stored on the CorpTech server. I know some of the meetings, particularly when I met with a vendor, there would be three or four people present and Dianne McMillan was tasked with typing up minutes. They would be kept on the CorpTech server.
69. At some stage, Mr Uhlmann, in an extremely professional manner, came to me and said, "I'm not adding any value to the work you're doing. You're now just working with CorpTech and while it would be nice for me to take my 15 per cent, I don't feel I've got any right to it". He said "Why don't you just contract direct?". He actually arranged it. So he went to someone in procurement and said, "Look, this person can just transition and CorpTech can take him over direct. I've no objection". It was very unusual because normally head-hunters hang on to their recruits because they have a permanent commission set up.
70. I was by no means excluding Mr Uhlmann.
71. I developed a Terms of Reference for the next phase of work. I do not have a copy. They went to Mr Waite, Mr Bradley and Ms Perrott. Mr Bradley definitely wanted to pull Ms Perrott into it.
72. We ended up with a kind of triumvirate with Mr Waite, Ms Perrott and me working out terms of reference, agreeing, and then me setting up a daily briefing and weekly briefing back to Mr Waite and Ms Perrott, so they knew exactly what I was doing once I had the terms of reference signed off by them.

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82. I recommended that a PDD be appointed. There was complete buy-in with this recommendation.
83. Neither Mr Nicholls nor Mr Uhlmann helped me prepare any part of the May 2007 Report.
84. Before the report was finished, Mr Nicholls asked me for a copy of it. I refused because it was a confidential report and I was obliged to supply it to my client who was CorpTech - Queensland Treasury.
85. I told Ms Perrott that Mr Nicholls had requested a copy of the report. I said to her that I did not think it was appropriate and that there was some material in it which was quite confidential until CorpTech determines whether to action it.
86. My refusal to provide Mr Nicholls with a copy of my report did not please him.
87. At one stage, I recommended to Queensland Treasury that it move to a prime contractor model. This recommendation was the teams, by which I mean all the people who did the analysis, eg Mr Darrin Bond and Mr Phillip Hood. There were 12, 13 or 14 teams.
88. After a lot of the reviews and after a lot of the discussions in the groups, I bought in with the group's view and thought, "Yes, a prime contractor model is probably the best way to go". This was only after I sat down with Mr Bradley and I asked him "Can you tell me why you're doing this? What is the motivation for this?".
89. In the end, his answer was that there has been input from some previous consulting or government body that said Shared Services is the way government should really be going. It was the flavour of that period. We should be going that way and we think we'll save \$100 million".
90. The May report says that urgent action is needed. This is a view I held at the time.
91. I also recommended:

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- a. that a solution design authority be established (at page 35);
 - b. the establishment of a highly empowered PMO;
 - c. that CorpTech get a program delivery director in with full accountability for the whole end-to-end program. This recommendation unsettled Mr Waite. He had had the role of managing this whole Shared Services initiative. I later took this role initially. They said to me, "Will you do it until we find someone?" They called me something different: a project review director. They said, "We want you to carry on reviewing and fixing this thing and leading the re-establishment of a different strategy". So I stayed on, under short-term contracts.
92. The May 2007 report centred around a schedule called Schedule 9. Schedule 9 was the kind of central gospel when I went into CorpTech. It was the list and dates of the agencies to be implemented into the Shared Services Solution and different components, finance, HR, etc.
93. I was given the schedule early in the process. We spent a huge amount of time with teams deconstructing, analysing schedule 9, which really meant looking at the agencies and saying, "Is this the right order? Is this sequence right? Could we look at them differently?".

Lattice Vendor support

94. I was made aware of the lack of support for the existing LATTICE system.
95. I was told by Mr Hood that there was an initiative underway to deal with LATTICE, which was completely managed by him. He had set up a special work group to persuade LATTICE to continue their support.

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96. I strongly believe that that was a very prudent thing to do. Mr Hood, in the end, appointed his own people to provide that support in-house. I cannot say whether that team did have the skills required to maintain LATTICE support, but I think it likely they did from what I knew.

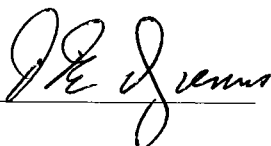
Discussions with potential vendors

97. I had very little involvement with any vendors. It was all internal. I was looking at the problems from the CorpTech point of view and around the schedule.
98. The vendors were all floating around. They were all there and the vendors had varying degrees of involvement in what was happening in schedule 9.

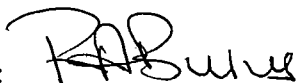
Discussions with IBM

99. I have been asked what discussions I had with IBM in April or May 2007.
100. My point of contact with IBM was Mr Lochlan Bloomfield. He used to turn up with a couple of other men at different times: technical people and managers. I do not remember their names.
101. I met with IBM about once a fortnight. Also present at some of these meetings were Dianne McMillan (from CorpTech), because I had shared an office with her.
102. These meetings occurred in CorpTech's offices.
103. I also had meetings with IBM representatives which were not at CorpTech's offices. On occasion, I had meetings with IBM representatives over coffee across the road from CorpTech.
104. I did not have any involvement with Mr Bostock at this stage.
105. I never had any discussions with IBM which could be construed as me coaching them in preparation for a tender process.
106. My dealings with IBM were absolutely professional.

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107. I do not remember telling anyone from IBM at about this time that I was long-term IBMer (which I was).
108. I probably met with Mr Bloomfield away from CorpTech in April/May 2007 on occasion. They took place both in a coffee shop across the road from CorpTech. Mr Goddard was present on occasion. On other occasions, Mr Shaurin Shah was present. Mr Geoff Waite may have been present at another. Ms Perrott may have been present.
109. We certainly had meetings that Mr Bloomfield and once or twice he might have brought a manager and Ms Perrott. We would get out of the office and have a coffee across the road.
110. At the meetings at the coffee shop with Mr Bloomfield, I clarified the objectives of the rebuild program and said we are looking for a better way to do the SSI and that we are looking for ways to save money and to deliver this thing on time.
111. Mr Bloomfield said to me words to the effect that his company could assist CorpTech.
112. This is the full effect of the discussions which took place between us at the coffee shop meetings.
113. I also had social discussions with Mr Bloomfield at the coffee shop. Ms Perrott used to have breakfast there, so they were spontaneous meetings. I discussed with him the RFI in these terms: him saying "Come and have a chat, have a coffee. You know, we've done some great work in China. Is that relevant?" I would have said "What sort of work? Was it SAP? Did it relate to Shared Services? If it's interesting, yes, talk to us about it." That's the sort of tenor of conversation we had.
114. I never communicated to Mr Bloomfield things which might be looked upon more favourably by me or CorpTech or by the State generally in any RFI or tender response or pitch.

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Other vendors

115. I also had contact with several other vendors as well as SAP and Accenture.
116. From SAP, I met with Mr Rob Pedler virtually every day at some stage. He had an assistant called Megan who was based at CorpTech
117. I had regular meetings with Accenture in April 2007 about technical issues.
118. Those meetings were usually held at CorpTech and, at a certain point, at Accenture; s building on Coronation Drive.
119. There were probably no notes taken of the meetings I had at CorpTech with SAP, Accenture and IBM and other vendors.

RFI

120. CorpTech issued a RFI in about June 2007. "Program Replan" was the name used for the whole process.
121. We began to meet with a lot of the vendors and try and solicit ideas.
122. My involvement in this was attending a meeting with vendors. I would have had several people with me and I think we sat through a lot of these presentations and a lot of them were just pure marketing. The process we were following was to make sure that we did not focus only on vendors who were already involved with the SSI program, or only the big vendors.
123. The idea was to solicit ideas from anyone who we thought had capability.
124. I do not recall how many vendors responded to the RFI.
125. I was not involved in evaluation of the responses. That is not my area of strength at all. They were handed them out to people.
126. My strategy was to ensure that we have the correct process. The evaluation of those would have gone to technical people.

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127. Mr Keith Goddard had a lot to do with that evaluation process. Mr Dave Ekert looked at some. A lot went to Mr Darrin Bond. He may have had some technical people. The evaluation also involved a leadership group.
128. After this, there was a distillation of the information provided.
129. I told Mr Bradley, the leadership team and the CEO Board that "This (the current SSI approach) is not working. If you look in report 1, we are heading for a financial disaster so we need to do something differently".
130. As a result of that, the group began discussing the idea of moving to a prime contractor. This was first proposed in about August or September 2007. I put together a report dated September 2007 after these discussions had been held.

Invitation to Offer (ITO)

131. An ITO was issued by CorpTech on 12 September. It was premised on a prime contractor model.
132. I had by this time discussed this model with Mr Bradley. I told him that it was the correct way to go in my opinion and that my proposed strategy was that CorpTech needed to move away from this feeding-trough approach where everyone was working on time and materials and that we needed now to go to a model where CorpTech appointed one organisation who will now take full responsibility for delivering the entire solution.
133. This allowed CorpTech to set up a very tight framework agreement. Keith Goddard's idea was to create a stream of Statements of Work and then a stream of Statements of Scope. We had agreed scope and business requirements from the agencies and you could pin it down into a defined scope from which we would ask a vendor to give a fixed price quote.

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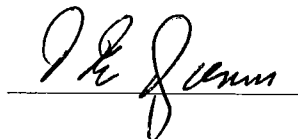


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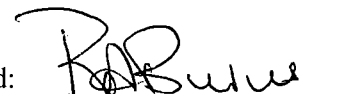


134. Statements of Scope were more general and not completely locked down with the agency. We would then be able to ask a vendor to give a price band indication on those. The contract that Mallesons eventually developed had a figure of 15 per cent leeway.
135. In other words, a vendor could end up coming in 15 per cent above the number he put in his bid and that would still be allowable because the scope wasn't final at the time of contract, but the statement of work was a fixed price and that was what I was driving for and I said, "You want a fixed price. You want to break this great moving monolithic mass of work to be done into concise, measurable, price defined blocks of work called a statement of work".
136. It was necessary to have a very good contract because CorpTech had been bad at managing the program or the initiative to that date.
137. I do not recall signing a conflict of interest declaration before the ITO went out. I had no conflicts at that time. I do not regard my prior history with IBM as a conflict. It was on my CV. 50 or 100 people in the CorpTech team had previously worked for IBM or Accenture or Logica or SAP. All of us who get to that position have had experience, typically, with a vendor.
138. My history with IBM was certainly nothing to do with conflict of interest.
139. The ITO did not get a response from SAP as far as I can recall because they had indicated prior to the ITO or when they received it that they did not want to take on a prime contractor role.
140. I was involved in drafting the ITO document only to a limited degree. I think I had a role in drafting the preamble along with Mr Goddard.
141. The only contact I had with vendors after their ITO responses were delivered was in formal official presentations and meetings. Quite often, Ms Blakeney would call a

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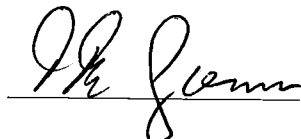
meeting and say, "I've had this query," and then we would all be asked to say, "What is the way to respond to this?" Most of this was not anything that I would have had direct input on because those issues were largely technical.

Evaluation of ITO responses

My role

142. I am described in the October 2007 Evaluation Report as "Project Lead Advisor".
143. But my role was limited to the process.
144. I had no role in arranging any probity advisor. I understood some government lawyer had that role. This was one of the government procedures I knew nothing about.
145. The key person I always dealt with was Maree Blakeney.
146. I had met with Mr David Stone in a meeting on 14 August 2007. I do not recall saying at that meeting that I had conducted some RFO discussions with two vendors.
147. None of Mr Goddard, Mr Shah nor I were on the Evaluation Panel. Mr Goddard and Shah had by this time done quite a lot of work and assisted with the ITO. Mr Goddard did, I think, the bulk of the work on the ITO and he did most of the preparing of it. Mr Shah did some also. I think there were others who did some of the technical components.
148. When the evaluation commenced, we were told by contract management that the ITO bids had been received. They were all in some locked place, sealed away, and by this time we'd sat down and said, "Okay. Well, how are we going to do the evaluation?" We drew up some team structures. There were a number of people appointed as team leads.
149. My role was saying "We've got so many days that we should be able to get through this work. We will set up a system where each team leader will at the end of each day or

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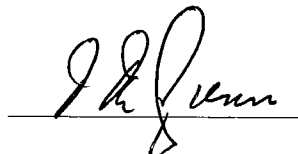
when you've finished reviewing a portion of the data will report back so that we know that we're running to a schedule". Then team leaders would have a review. I cannot remember if it was done several times during a day or at the end of a day or at a specific time to say, "What is the evaluation showing up?".

150. Those teams worked on spreadsheets that had score sheet tabulations which were drawn up mainly by Mr Goddard as far as I can recall. He also drew up the criteria on weighting.
151. I had no role in drafting the criteria or the weighting.
152. My role in the evaluation was simply to facilitate and advise on the process and have no influence on any of the deliberations. That role was given to me by Ms Perrott. The scope of my role is in a document called Terms of Reference. I made my role clear to the members of the evaluation panel at the beginning by telling them "It's your opinions we're trying to get to. You're the jury".

Pricing assessment

153. On finance, Joanne Bugden, had quite a lot of involvement. She was responsible for the pricing assessment. Rose DiCarlo also played a strong role. She was very much Mr Bradley's adviser and he was very keen to have her as part of the financial assessment.
154. Ms Bugden might have been away on leave at some time and Ms Colleen Orange might have done a lot of the spreadsheeting at that time.
155. Appendix D to the Evaluation report was, to the best of my knowledge, prepared by Ms Orange, Ms DiCarlo or Ms Bugden.
156. I had almost no involvement in the pricing assessment. They would bring the assessments to me as part of the review sometime after the tenders were received and we were kind of in the closed room reviewing environment. Obviously I was interested in

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looking at all of it and saying, "How is it coming out?" you know, "Who's highest? Who's lowest? What is the cost breaking out?" That was of interest to me because we were trying to get a decision. I would have had a vital interest in saying which are the ones that are going to allow us to achieve our cost objectives

157. The pricing briefings I attended were only in the team context. The relevant team lead would present to the other team leads. I was included and invited, even though I did not have a role in the evaluation. Invited also were Mr Goddard and Mr Shah.

Draft Scoring

158. The only draft scoring I would have seen before the completion of the evaluation was when a team or somebody said, "We're having trouble how we should rate the SAP program, whether this is the right way to look at it". I might have looked at it and tried to give some advice.

159. I might have seen some preliminary scorings as we all discussed and moved around.

160. I have no recollection of the scoring of some of the sub-teams changing and that occurring after a meeting with me about that topic and the scores changing from favouring Accenture to favouring IBM as a result.

IBM and Queensland Health

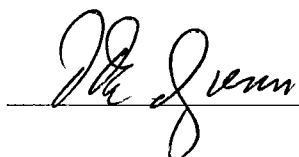
161. I had no involvement at all in any work IBM was doing in Queensland Health at the time of the evaluation or in IBM being contracted to do that work.

162. But I do recall IBM saying that they knew intimately the Queensland Health payroll issues.

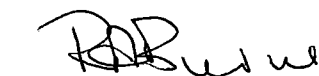
Government processes and probity

163. I don't not recall being made aware in general terms of the government procurement policies and rules for purchasing from the private sector. Government procurement

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officers never came and saw me specifically and said I should familiarise myself with some of the rules and practices Government adopts to ensure probity and good conduct in dealings with vendors before a tender takes place. None of Mr Bradley, Mr Ford (who reported to Mr Bradley) or Ms Perrott ever had such a conversation with me.

Mr John Swinson

164. I first met Mr John Swinson when I was introduced to him by Mr Goddard. I do not remember if that was before the ITO issued.

165. Later, and after IBM signed the contract in December 2007, Mr Swinson and I attempted to get an online training business going called Training Dynamics. It was not a success and after two years we ended that business.

166. I also went to Mallesons to see if they were keen to get legal work from clients of mine. As a result, I asked John Swinson and a lawyer working with him (Ms Bowe) to send me some biographical details and a photograph for the Cavendish website.

167. They sent me that information and authorised me to post it on the website.

168. I recently, on my own initiative, thought it prudent to take down their details from the web site.

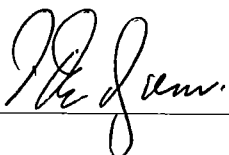
Benefit to me of IBM winning the tender

169. I gained no benefit from IBM winning the ITO.

Accenture the better tenderer

170. My belief was that the company with the best knowledge of what had been going on at CorpTech was Accenture. I had been aware of Accenture at Fonterra. I thought they demonstrated very good depth. I thought they knew what was going on in SAP in CorpTech.

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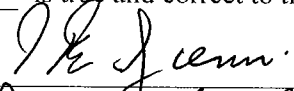
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- 171. I had the belief that Accenture were best placed to deliver a good result. We struggled to get Logica to bid on both main sections of the ITO to get a competitive environment and I remember having many sort of strategic discussions with the people around saying, "We've got to get as many as possible," and I certainly tried to get SAP. I said, "Why don't you come in and do this? Why don't you go in for prime contractor?" I wanted to get as many competitive bids as possible.
- 172. I thought it was actually very disappointing when we looked at the costings and Accenture was so much more expensive than IBM.
- 173. These views regarding SAP not bidding were ones I expressed orally only at the time. I would have communicated them to Mr Rob Pedler, head of SAP at that time and to Mr Shah and Ms Perrott.
- 174. I thought IBM were innovative. They came up with some new ideas. They came up with this, "Let's use WorkBrain for award computations," and we were quite taken aback with that and we got the WorkBrain people in directly and said, "Well, what do you think about that?" and there were a lot of questions asked, "Where have you ever done this?" This was an innovative approach from IBM.

Declaration

This written statement by me dated 8 March 2013 and contained in the pages numbered 1 to 24 is true and correct to the best of my knowledge and belief.


 Signed at Pennington Beach this 8th day of March 20 13

Witnessed:


 Name R. A. Buans Rank NA Reg. No. NA