



**QUEENSLAND HEALTH PAYROLL SYSTEM
COMMISSION OF INQUIRY**

Statement of Witness

<i>Name of Witness</i>	Mark Nicholls
<i>Date of Birth</i>	██████████
<i>Address and contact details</i>	Known to the Commission
<i>Occupation</i>	Managing Director
<i>Officer taking statement</i>	M.S. D'HAGE
<i>Date taken</i>	07/03/2013

I, Mark Nicholls state;

Background

1. I am the Managing Director of Information Professionals. Information Professionals is a Management Consulting business which I started in 2005. The company has an IT focus and advises on operational improvements to businesses and those conducting large scale change. Typically that involves high levels of information technology, including ERP (Enterprise Resource Planning) implementations such as that being conducted by CorpTech.
2. I have a Bachelor of Applied Science in Mathematics. I have an MBA from University of Queensland. I have also completed executive education at Harvard Business School and am a Graduate Member of the Australian Institute of Company Directors. Immediately prior to 2005, when I started Information Professionals, I was independently engaged as a consultant by the Chief Financial Officer of Queensland Rail. I was the Program Director of what ultimately turned out to be a \$M70 program of work to implement SAP at Queensland Rail. At the time, I was contracting through my company, which was called Levtech Pty Ltd.
3. The Levtech company changed its name in 2005 when I launched the Information Professionals business.

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4. My IT career started with Telecom Australia back in the mid-1980s. I worked in the Telecommunications industry quite extensively until 1997.
5. In 1994 I joined a company called Pacific Star Technologies, part of the Pacific Star Group, which launched here as a result of the deregulation of the telecommunications industry. Pacific Star Technologies was my employer and through that company I provided services to Optus, to a sister company, Pacific Star Services and to a number of other telecommunications companies. Pacific Star Technologies ultimately got taken over by a company called Claremont Technology Group which was a NASDAQ listed US based company where I provided services to AT&T, Sprint and other international telecommunications companies.
6. In 1997 I came back to Australia and then was contracted by Queensland Rail, initially to replace all of their revenue systems. That included all of their billing, accounts receivable and credit management systems. Then Queensland Rail asked me to do a number of other projects, including their GST implementation, which impacted on over 50 systems. I was also focussed on a number of other recovery projects that existed when Queensland Rail requested that I lead their upcoming SAP implementation in 2000.
7. David Ekert is an employee of Information Professionals. I first recall meeting David Ekert in a Qantas Club when we were introduced by a mutual colleague. That probably took place around 2005 when I was looking at building my company and looking for suitable people to employ. We had a number of mutual colleagues and this remains true today. Around that time I approached David to come and work with me at Information Professionals. To my knowledge David had previously worked for Diversiti, which I understood to be a fully owned subsidiary of Accenture.

Work with CorpTech

8. In 2005 CorpTech had an upcoming procurement process to select suppliers for the provision of services into several areas of its Program. The first such procurement opportunity was for a Program Management Office (PMO) partner. The PMO opportunity saw Information Professionals partnered with Price Waterhouse Coopers (PWC). I do recall that PWC had, at that stage, conducted some reviews of the Shared Services Initiative for the Queensland Government, as had other consulting organisations.

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9. PWC failed to win that PMO opportunity.

10. At some stage I became aware that PWC wrote the original report around the formation of the Shared Services concept upon which CorpTech was now implementing. From what I understood, that report had identified multimillion dollar savings that were expected to come from that concept. I never saw the business case nor the report that resulted in the Program that was now underway. That business case always seemed to be held in an almost secretive sort of way.

11. While it was considered by most people that the business case must have contained sensitive information, its lack of visibility, in my view, created a massive challenge for the team in successfully delivering to its objectives. It has been my observation through experience that the implementation of these types of programs is always challenging for every organisation. Where strategy is poorly formed, then this creates even more challenges for the implementation. And when the strategy is not known, or at least the strategic objectives are hidden, then I would argue it is close to an impossible task.

12. During 2005, Information Professionals participated in two other consortiums for other procurements. The first was with Logica to provide SAP Implementation assistance to the Finance sub-program of CorpTech. The second was to provide Change Management and Communications assistance to the Business Transformation sub-program of CorpTech.

13. Change Management and Communications expertise is aimed at ensuring that the business impacts being created by the system implementation are identified, understood and managed. This includes things such as impacts upon processes, policy, legal and legislative, and people's behaviour. It reflects the integrated nature of all aspects of a business with the technology that supports that business.

14. I saw an opportunity for Information Professionals to bid successfully in relation to that work, so I took that opportunity to another company called Arena Organisational Consultants (Arena). The owner of that company was Gary Uhlmann. I had worked with Arena and with Gary in my previous work with Queensland Rail. Arena were contracted by Queensland Rail for various services.

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15. As part of bidding for the Change and Communications partner opportunity Gary and I agreed to bring in another company called Prismpartnership, that I believe was owned by Deb Camden.
16. The three companies embarked upon preparing a bid into CorpTech to provide Change and Communications services. Arena won that bid around July 2005.

Relationship between Arena and Information Professionals

17. I conceived of the concept for the Arena-led bid into CorpTech but Gary Uhlmann had an existing brand name in the Queensland Government. Information Professionals had only just started at the time, so I proposed my idea to Gary on the understanding that his company was better placed to prime the proposal, which he did.
18. Information Professionals was never involved in giving advice in relation to the software solution to CorpTech.
19. The relationship between Arena and Information Professionals over a period of time, became challenging and confused. The confusion arose over the work that flowed through the consortium and who would own or deliver that work. There was confusion over margins and rates. There was confusion over what Gary felt was appropriate to run through the Arena arrangement versus elsewhere. Ultimately Information Professionals had three different channels we could use to provide services into CorpTech. We provided services via the Arena relationship, we also provided services through our Logica relationship, where my contact was Mike Duke, and we also provided services directly to CorpTech. We therefore had no exclusivity agreement with Arena.
20. The relationship between Arena and Information Professionals was not formally documented. The only place it was formally documented was in the joint Contracts that we signed with CorpTech. The nature of the Contract with CorpTech required sub-contracting relationships to be clearly identified and required signatories from sub-contractors. That was the only place where the Information Professionals role as a sub-contractor to Arena was ever documented in writing. As such, any further definition of the relationship between Arena and Information Professionals, never existed despite my attempts to have both parties agree upon one.

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21. Gary Uhlmann had been a Deputy Director-General in the public service, so he had strong relationships within the public sector.
22. Under our arrangement, Information Professionals provided a rate for services to Arena and Arena then added an extra margin on top of that in their invoice to CorpTech.
23. There was no tension between the two organisations at the start. But over time, tensions did increase as the uncertainty of the relationship presented itself.
24. The tension between Arena and Information Professionals was not so much around the fees. Our margins were generally sound and so that did not bother us. As long as we were maintaining our margins and we were not getting bad feedback from the client about overall rates, we weren't too concerned.
25. In 2005 I do not recall that I was asked to conduct a review of the Shared Services Initiative. I am aware that Arena conducted a review but I had minimal involvement in that review. I may have been asked to express an opinion or sought to answer some questions but my role did not extend beyond that.
26. I am aware that there were constant reviews and changes in priorities occurring within CorpTech at the time and in fact this continued for much of its life.
27. From my best recollection, I believe that a review conducted by Arena in 2005 recommended that a Program Manager be appointed. Gary did ask on a number of occasions whether I would be willing to Program Manage such a Program and any conditions I would place around managing it. I believe he was seeking my insights into the nature of the challenges of performing a role such as that. I do not believe that Gary was actively presenting me as an option, but he may have been. I believe his recommendation was for the role to be established, not necessarily for me to perform it. I believe this recommendation (of a Program Manager) was made on more than one occasion. However, that recommendation was largely ignored.
28. As at 2005, CorpTech was already struggling with the Shared Services implementation. In my experience, there were basic elements that were missing when I first attended on site in September 2005. They appeared to lack some foresight in the nature of the challenges they were facing, as the scale of the program was ramping up and as the large

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systems integrators and suppliers were becoming a larger part of the Program. It was clear from my first attendance on site that they did not have adequate processes in place to manage and control the scale of the work, and as a result they were implementing in a very adhoc and unpredictable way.

29. Between 2005 and 2007 Information Professionals continued to provide advice and consulting services to CorpTech as best as we could. We assisted them with their Program Management Office, their scheduling and dependency management. We also assisted them with change management. We also provided training management assistance and general project management and review services.
30. Our main trusted relationship in the department was with Jan Dalton. To a much lesser degree, I also dealt with Darrin Bond and Phillip Hood. I also dealt with numerous other Managers, Team Leaders and Supervisors from time to time. Geoff Waite was heading up CorpTech at the time.
31. A PMO (Program or Project Management Office) can perform a number of roles, including establishing and managing the work schedule; define and manage the procedures to be used; gather, collate, analyse, validate and report on information about progress, so that accurate reporting about status can be generated.

2007 Review

32. In 2007, I observed that there was continuing frustration and pressure within CorpTech regarding the delivery of the Shared Services Implementation. Around that time, Geoff Waite and colleagues of Geoff approached me and approached Arena seeking a review.
33. Around the same time, I came across a consultant named Terry Burns in the market place. I believe that my Human Resource Manager provided his details. It was part of her role to identify suitably skilled potential team members for Information Professionals. I was having discussions with him about his experience, his background, his suitability for different clients and I introduced him to Jan Dalton around March 2007. Shortly after that, Geoff Waite, approached Information Professionals and Arena looking for a review in late March or early April 2007.

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34. At the time, I was heavily committed on other clients, as were some of my team members, plus I had a pre-planned overseas holiday coming up for two weeks in May. I proposed to Geoff Waite that we could utilise Terry Burns. However, because he was unknown to me, I indicated to Geoff that we would need to supervise and work closely with Terry, but that would be a way of delivering these services within CorpTech's time frames.
35. When I first met Terry Burns, I do recall that he had not been here for very long and was not working in Brisbane at the time. He had recently relocated to Australia. I recall he had residency in Australia but he had been working overseas for some time. I recall that he had previously been in New Zealand and before that in South Africa.
36. I recall that Terry Burns had just finished a project for Fonterra in New Zealand. That project was an SAP implementation project with IBM.
37. It is fair to say that I began shopping Terry around town at this point to some degree, in a very discreet way.
38. At the time I recall thinking that Terry Burns was suitably credentialed for the CorpTech work. He spoke the right language. He seemed to understand the types of issues that CorpTech would be facing. However, he was an unknown quantity. I had never worked with him and so it would be crucial to supervise him closely in a Program of this scale, in an environment this complex, and for a role which had the potential to have high levels of influence. That is where it started going wrong.
39. It was proposed by Gary Uhlmann of Arena that an initial five day high level review took place in April 2007. This review would be a stepping stone to a broader review, and assist CorpTech to gain the support and momentum for that broader review.
40. I would describe that review in April 2007 as an opinion piece. There was no additional information gathered from what I saw. It was an organisation of thoughts and views to form a series of recommendations about the way forward for CorpTech, but at a level of detail that was largely obvious, even if not explicitly agreed.
41. I did make a number of contributions of views and opinions to this review but it was written by Arena.

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42. I do recall we did not have any other suitable high calibre people available to do the work at the time and with the notice required, hence we offered Terry, provided that he was suitably supervised by us.
43. Given the urgency of getting started, Terry Burns was initially engaged by Information Professionals for this April 2007 Review through the existing Arena relationship and utilising one of the pre-agreed rates and approvals that CorpTech were able to use. This was an expeditious way of getting all parties engaged quickly, including Terry Burns, and was to be replaced by an alternative commercial arrangement, should CorpTech proceed with the broader review.
44. This initial engagement of Terry Burns was for a total of seven days over two weeks in April 2007. We contracted him at [REDACTED] per day and invoiced Arena at a rate of [REDACTED] per day. This was not a sustainable margin for us, but we were happy to work this way in the short-term to help get the service started with the client.
45. Once the Arena report was presented, a number of discussions ensued on next steps. These discussions and presentations included Geoff Waite, Jan Dalton, Barbara Perrot, Darrin Bond, Gary Uhlmann, Terry Burns, myself and others at various times over the course of a few days to a week.
46. I was to attend another of these meetings where I expected to get a go ahead to progress the Broader Review. In the lead up to this meeting, I recall calling Gary Uhlmann and discussing with him any preferences he had for how Terry was engaged by CorpTech as Gary was unable to attend the upcoming meeting. Gary was open to the engagement preferences from the client and did not place a claim for this being an Arena consultation, although I expected Arena and Gary to be involved in some capacity.
47. At that meeting Geoff Waite confirmed informally that he wished to go ahead, with paperwork to follow. Gary wasn't able to attend that meeting. I recall saying to Geoff "how do you want to proceed, do you want to go through Arena or do you want to go direct", and Geoff indicated that he was happy to contract directly with Information Professionals.
48. From that conversation, Geoff Waite set up a contract. It wasn't a standard GITC contract. It was more of a general professional services agreement, which did not have any unfavourable consequences at the time. It did later because the nature of the contract

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meant there was no anti-poaching arrangement in place preventing CorpTech from contracting directly with Information Professionals team members.

49. The formation of that contract did take some time, as after that meeting, once contract formation was underway, Gary did object to us contracting directly with CorpTech and made representations to me, and I understand that he made representations to CorpTech that the engagement should be through Arena and that I should willing to reduce already quoted rates and margins to accommodate Arena. In the end contract formation took place directly between Information Professionals and CorpTech.
50. We varied and extended our existing agreement with Terry Burns to accommodate the five week engagement and lifted Terry's rate from [REDACTED] per day to [REDACTED] per day. During this negotiation process, Terry showed both ignorance and arrogance regarding the importance of his commercial interests over anyone else's. He advised that any further engagements of him would likely attract a rate of [REDACTED] per day and that we could charge him out at [REDACTED] per day. Taking into account statutory costs alone, Information Professionals would be losing money each day in a commercial arrangement of that type.
51. We were charging CorpTech [REDACTED] per day for Terry. This [REDACTED] margin is within industry standards as a consulting margin but also afforded some room, for the potential for CorpTech to seek a lower rate for a longer engagement and for some uplift for Terry should he perform adequately. However Terry's single minded commercial demands and interests at the expense of other interests began to concern me early in the five week engagement.
52. As a result, I did advise Geoff Waite via a phone call part way through the five week engagement with a request to be cautious about projecting any ongoing roles including an extension of the review because I beleived the personal ambition of Terry was getting in the way of a good result for the review and for CorpTech and for Geoff. I also advised Geoff that CorpTech portraying too much ongoing commitment to working with Terry could create the conditions whereby it would be challenging to reach a sound commercial agreement with him for any future role.
53. Terry, as part of that five-week engagement, was working with a number of people in CorpTech. He was required to interview, workshop and make inquiries over a five week period. I do not recall that there was a formal four person team to conduct the review.

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Terry did request some assistance early in the review, and an example of that was CorpTech agreeing to utilise Diana Baxter of Information Professionals for a short period in providing additional PMO input.

54. Much of Terry's interest at the time was focussed around ongoing engagement, and rates for that engagement. I did feel that this was unusual and inappropriate. Anyone who I have dealt with who operates in a professional way, for a five week engagement, once there is agreement on rates and terms there is no need for more discussion until it is time to talk about the next step, an extension or a new role. Once the engagement is underway, the only thing a quality performer is interested in is on producing outcomes. In my experience, where you have got a team member talking about the next job, and the next rate, particular for a short five week engagement, then that is a real concern, and in my experience is not a reflection of someone I would want on my team or on that of my clients.
55. Terry Burns was, from the outset, somewhat secretive about the work he was doing and was very reluctant to share information. It was very challenging for him to take any level of advice, as he wished to take sole control and ownership for how he conducted the engagement. I would also describe him as a very hands off operator, avoiding the attendance to the detail and minutia that can at times be crucial.
56. Terry's performance came to a head when I was on a pre-scheduled holiday in Hawaii from the 19th May to around the 30th May 2007 (this was one of the reasons that would have made it difficult for me to have conducted this engagement myself). The holiday coincided with a time when the final report for CorpTech was due (31st May) and it was only a five week engagement up until that time. It was a very rapid turn around for this work.
57. I had committed to maintain contact and keep on top of my business commitments while on holiday, which I did do. I recall calling Terry from Hawaii and asking him to provide an update and to keep me appraised of the report as it was being drafted so I could provide input and ensure that my and Information Professionals responsibilities could be fulfilled. He told me that he did not have sufficient authority to provide that report to me. He said he had been instructed by Gerard Bradley, the Under Treasurer at the time, that he was not to share any information without the Under Treasurer's explicit permission. I found this suggestion bizarre considering that Terry Burns was working for me and that it

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was Geoff Waite's and CorpTech who engaged us with the intention that I be involved and that the report be presented as an Information Professionals' report.

58. When I had the conversation from Hawaii with Terry, I was very surprised that he was communicating directly with the Under Treasurer and getting instructions directly from Mr Bradley. It appeared that he was operating as a free agent. He was increasingly dictating terms supposedly under the direction of Gerard Bradley, advising and directing others as he deemed fit. It seemed an incredibly unusual arrangement, and particularly for someone who had been in the country for just a few months and not known to anyone prior to that.
59. I did follow up with Terry Burns, with Geoff Waite and with Barbara Perrott. Geoff in particular confirmed that his views were consistent with mine and he expected me to be involved. He was unaware, as was Barbara of this restriction of my involvement that Terry Burns was promoting. At the time there was a three person steering committee that was formed to oversee the report's findings. This Steering Committee was made up of Geoff Waite, Barbara Perrott and David Ford.
60. Geoff committed to take up the confidentiality issues raised by Terry with the Steering Committee. I followed up with a letter confirming the working arrangements for confidential material that Terry should be working to. This letter was provided to Geoff, to Barbara, to Terry and David Ekert. The latter to ensure that David was informed to the same degree about conduct standards when working with CorpTech consistent with all others. However this letter was consistent with both the operating guidelines and the conduct of David in all his roles at CorpTech.
61. I did not get a reply to that letter. Upon returning from holiday, things were very quiet. I did follow up with Geoff Waite, but Geoff was becoming more on the outer at that stage and was increasingly lacking influence. I also followed up with Barbara Perrott who showed minimal interest in my concerns.
62. Via email, Terry Burns kept referring to some confidentiality agreements that existed that prevented him from sharing any information with me. He failed to produce such confidentiality agreements despite my request. The only confidentiality agreements that I was aware of were the agreements that I obtained Terry signature for prior to the commencement of his engagement. These were CorpTech confidentiality agreements

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that both he and I signed as a matter of course as a result of the CorpTech engagement of Information Professionals for the very engagement that Terry was now working on.

63. After the five week review, Terry's engagement with Information Professionals finished. I never saw a copy of the report that was supposedly provided to Gerard Bradley.
64. A week after our engagement, we heard that Terry Burns was still operating on site at CorpTech. My team followed up with him on the presumption that he was operating under the Information Professionals banner, although we were not aware of in what capacity or to who's authority. We simply did not want to automatically presume that he had broken his contractual obligations with us, although we had our suspicions.
65. I also followed up with Geoff Waight, enquiring about whether CorpTech had engaged Terry Burns without us, the ethical issues this raised, and their facilitation of Terry Burns breaking his contract terms with us. Geoff advised that he understood our concern yet was powerless to address them at that time. He advised me to follow up Deputy Under-Treasurer, David Ford.
66. I called, and emailed and had a brief lift conversation with David Ford. David claimed that this was completely unintentional, and played down his role in establishing that new agreement with Terry Burns. While I understand that this new Terry Burns agreement was signed off by David Ford, I do not know who in CorpTech/Queensland Treasury requested it.
67. Terry subsequently was re-engaged by Queensland Treasury and/or CorpTech. I understood he was re-engaged directly by Gerard Bradley and Queensland Treasury, but subsequently I discovered that he may have been contracted through Arena, at least initially and then directly with CorpTech or Queensland Treasury.
68. I never ended up seeing the draft report I requested a copy of in Hawaii. If a draft report was generated I do not know who signed off on it. It was certainly not under the hand of Information Professionals.
69. Soon after the release of Terry Burns' review Geoff Wait left CorpTech.

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70. It did seem unusual that someone of Terry Burns conduct, who had just begun working and had only been in the country for a few months appeared to be the primary source of advice to the Under-Treasurer on such a crucial and high risk program of work.
71. My presumption was that Gary Uhlmann was connecting Terry Burns into the Under-Treasurer, Gerard Bradley. Information Professionals were completely excluded from those conversations and increasingly it seemed that Geoff Waite was as well.
72. Annexure A is an unsigned copy of the contract between Information Professionals and Cavendish, Terry Burns' company. Terry Burns writing a report and not showing me the draft report certainly went beyond the scope of what he was engaged to do under that contract. Terry Burns had an obligation to represent Information Professionals and in deciding to exclude us and not manage client expectations in relation to our role, he was completely misrepresenting us. He went well beyond what he was engaged by us to do. At the time I considered terminating our contract with him and removing him. However, it was very late in the contract, I was overseas, and it was only a five week term in any event. The five week term was close to up.
73. When it came time to invoice for the work, we knew that Terry had broken his contractual terms with us. We withheld payment on his final invoice awaiting confirmation of his arrangements until such time as we could dispute that payment.
74. I pointed out Terry's legal obligations under the Contract with Information Professionals at a meeting with him on or about the 20th June 2007. It was at that meeting, some three weeks after Terry had breached his agreement with us, that he confirmed that he had signed a new agreement with Queensland Treasury, and dismissed his legal obligations to us. As a result we withheld Terry's final payment and while we considered legal action, we decided not to pursue this course of action in the end. Terry initially objected to the unpaid invoice, but never approached us again about it.
75. When Information Professionals discovered that there was no anti-poaching clause in the CorpTech agreement, we objected to Queensland Treasury's conduct on ethical grounds and advised that we were still considering our legal avenues in relation to Terry Burns conduct.

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76. In September I wrote to David Ford with some advice about the due diligence I believed he should conduct in relation to Terry Burns. Annexure **B** is a copy of that letter. Annexure **C** is the response I received to that letter. I believe I took every step to put him on notice about Terry's behaviour, and our professional concerns about this.

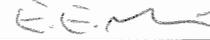
2007 Terry Burns Review

77. I am aware of a report produced by Terry Burns in 2007 which is a Shared Services Initiative Replanning Report. Annexure **D** shows that Information Professionals was invoicing for work that Terry Burns was doing in the month of May 2007. However, Annexure **E** is a copy of a report drafted by Terry Burns in May 2007. I am not certain, but I believe Terry wrote this report for CorpTech during the period he was being paid to work for Information Professionals.
78. After Terry Burns ceased to be engaged by Information Professionals, I believe that on 1 June 2007 he was engaged via Arena into Queensland Treasury, which is where CorpTech reported.
79. I am aware that the report produced under Terry Burns' name recommended that a Prime Contractor model be adopted. In my opinion, the Prime Contractor model may have worked, but in essence any well thought out and well executed contractor sourcing model could have worked. This was not the root cause of the challenges faced by CorpTech. The root cause lay in CorpTech's ability to manage an implementation of this type, whether that is to manage themselves or manage a contractor. And in my experience, given the management challenges they were facing, the engagement of a prime contractor had the potential to expose the government to even greater risk.
80. My view is that Terry Burns was insufficiently qualified to conduct that review independently and in the follow on work he conducted. This showed in his conduct in performing the review and in subsequent activity he was involved in, such as the procurement process for the Prime Contractor. This is why we recommended to CorpTech that we provided careful supervision, and oversight in our initial engagement with him. CorpTech changed the nature of our engagement and prevented us from fulfilling these responsibilities. Nevertheless, in this initial engagement, Terry Burns in our view failed to demonstrate his ability to work professionally, collaboratively and ethically.

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81. This resulted in us raising our concerns with Geoff Waite, Barbara Perrott and the Deputy Under-Treasurer, David Ford. And once I saw the increasing levels of responsibility being offered to Terry Burns, I wrote to David Ford in September 2007 strongly advising him to carefully assess Terry Burns' suitability in his current and future roles.
82. Prior to writing to David Ford in September, I did seek advice from two senior business colleagues who may have been able to provide me with some insights into the situation. I sought their advice on the options I should pursue to protect the interests of our client (Queensland Government) and whether we should attempt to establish a trusted relationship to Gerard Bradley through them or others. These two colleagues were the current (at the time) Chairman of QSuper and former Chief Executive, Queensland Rail, Bob Scheuber, and former Managing Partner, PwC, Daryl Sommerville. In the end I determined that the best course of action was to write the letter I wrote to David Ford and move on.
83. At the time David Ekert was still working in CorpTech as a trusted resource. He moved around a number of roles over a period of time and was used as somewhat of a trouble shooter.
84. I am aware that in September 2007 CorpTech tendered for the appointment of Prime Contractor. I was not in any way involved in that process. I was aware of it at the time, but I did not play a role in it.
85. Given CorpTech's record in managing the implementation to-date, I had serious concerns about the implementation of a Prime Contractor, and serious concerns about the implementation of Queensland Health Payroll, being such a large, complex, and by nature, high risk project. What I had seen of Terry Burns up to that point and the lack of other expertise around him, I was very concerned about how the process of appointing a Prime Contractor and the subsequent implementation was going to be managed. However, by then Information Professionals were largely disengaged and my concerns were only as a concerned citizen of the state and member of the local IT and business community, albeit a well informed one. At that time, the only resource we had providing any contribution into CorpTech was David Ekert.
86. David remained involved with CorpTech until early 2009.

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87. I believe I had some initial discussions around July/August 2007 with Mike Duke of Logica and Lochlan Bloomfield from IBM about Information Professionals providing assistance to them if they won the bid, but those discussions were only that we may talk at a later time. Both those organisations were focused primarily on winning that bid as a first priority, and keeping pace with the timing expectations as it was a very hurried process. During that time, I did have staff, such as my Business Development Manager, Greg Prostramo, and my Director, New Business, Cathryn Doney, who made representations to one or both of these organisations at that time.
88. Once IBM won, we engaged in further discussions with Lochlan Bloomfield to assist IBM, and they showed interest although their interest never progressed to anything of substance and we moved onto other projects. We felt that IBM would need assistance and they seemed to have some agreement with our views. I do not know why they ultimately chose not to engage our assistance.
89. I did not have any involvement in drafting responses to the ITO and I did not see the responses that came in. I believe Terry Burns would have been trying to ensure that I was quarantined from that whole process or from his performance as much as possible. I was only ever going to be a problem for him, as I had made clear my views about his performance and where appropriate, I shared those views with others around CorpTech, including my concerns about his professional and ethical standards.
90. I have some recollection that David Ekert was going to play a role in the evaluation process, but he ultimately did not.
91. There was a suggestion at the time that David Ekert was conflicted from the Evaluation Panel because of his involvement with Arena. This suggestion could only have come about as a result of Information Professionals sub-contracting through Arena in the provision of David's services. This conflict did not make any sense to me. If David Ekert was conflicted on that basis, Terry Burns would have had the same or greater conflict of interest in that regard. I do not know if Terry Burns declared that conflict.
92. Terry Burns was non-government and a contractor to CorpTech. It's not common for a contractor to be placed in that role, but it can happen. I have played that role myself on occasions while not being an employee. In order to do that successfully, there is a need to have appropriate managers or executives with appropriate delegated authority working

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very closely with you. The arrangements need to be structured very carefully to make sure all relevant State Government policies and procedures are complied with. While I cannot say that this did not happen, I saw very little evidence of it.

- 93. I am aware that Terry Burns, during our discussions, was looking at roles and opportunities within CorpTech, and he was very keen to find opportunities to place sub-contractors through his company, Cavendish. He was trying to build business around Cavendish. On more than one occasion I was advised that he had approached David Ekert to engage him through Cavendish.

M. NICHOLLS

Declaration

This written statement by me dated 8TH MAR 13 and contained in the pages numbered 1 to 17 is true and correct to the best of my knowledge and belief.

[Signature] Signature
Signed at SOUTH BRISBANE this 8TH day of MARCH 20 13

Witnessed:

[Signature] Signature
Name EMMA MCGRAATH Rank _____ Reg. No. _____

Witness signature: [Signature] Officer signature: [Signature]