



**QUEENSLAND HEALTH PAYROLL SYSTEM
COMMISSION OF INQUIRY**

Statement of Witness

<i>Name of Witness</i>	Keith Richard Goddard
<i>Date of Birth</i>	17 August 1958
<i>Address and contact details</i>	Known to the Commission
<i>Occupation</i>	Freelance Project Manager
<i>Officer taking statement</i>	Peter Flanagan and Elizabeth Kenny
<i>Date taken</i>	5/ 3 /2013

I, Keith Richard Goddard state:

Background

1. I am a freelance project manager and have worked in the Brisbane area for approximately 20 years. I am currently engaged with the Redlands City Council through an agency "Paxus".
2. I hold the award of a degree in Computer Studies from the Canberra College of Advanced Education (CCAЕ).
3. Between November 2005 and December 2007 I had my own company called Talargo Pty Ltd trading as Informatics (ABN 50 008 646 740). I contracted through that company to undertake consultancy work. It was in this capacity that I commenced working for Shared Service Solutions (Darin Bond) between November 2005 and August 2006, for New CorpTech Project (Kirrily Nichols / Leigh-Anne Goldsmith) between September 2006 and June 2007, and CorpTech (Jan Dalton) between July 2007 and December 2007. There was some blurring of the roles I performed across the contract time boundaries.

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4. At the time I was involved with CorpTech, Logica, SAP, IBM and Accenture were already involved in the delivery of some solutions across agencies. There were two primary streams of delivery being Finance and HR Payroll.

5. As I understand it, Accenture had the contract to resource the HR Payroll stream and IBM the Finance stream. The modus operandi appeared to be that Accenture and IBM provided resources and filled many lead roles, although did not appear to take any risk of delivery – other than possibly reputation by association. I had no problems discussing, workshopping, utilising resources from these suppliers with courteous approach / requests. I am uncertain of the allocation of resourcing rights to Logica. SAP was there to support their product and provide technical input. The other work streams of OSF (Other SAP Functionality) and XFA (Cross Functional Applications) I do not recall specific resource allocation to suppliers. I understand Arena supplied organisation change management / training resources.

6. The Shared Services Initiative (SSI) had the primary responsibility for rolling out the throughout the whole of Queensland Government. Initially, I was involved at the point of implementing common systems across agencies.

7. In the period July 2007 to December 2007 for CorpTech I worked on-site at Santos House on the following:
 - a. Arena Review - April 2007;
 - b. The Re-Planning II;
 - c. The Re-Planning III;
 - d. The RFT.

Supplier Relationship

8. I have never been employed by, and nor do I recall, working on projects involving IBM, Logica or Arena before or since the SSI.

9. While I have never been employed by Accenture or SAP, I have worked on project(s) involving them before the SSI, but not since.

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10. In relation to Accenture, in around 2001 I was involved in the Courts Moderation Project being run by Accenture for the Department of Justice and Attorney-General. I moderated a point of tension between the client and supplier and then I left. Mr Lochlan Bloomfield was the Accenture Project Manager at the time. Also, I ran a significant tendering process for the Office of State Revenue to which Accenture under Lochlan Bloomfield's leadership bid and was not successful. I expect but cannot recall that IBM would probably have been a tenderer and also was not successful.
11. I have been involved in an array of projects that have implemented SAP software by government agencies. At the Office of State Revenue between 2002 and 2005 I was project manager for a project that partnered with SAP to implement the SAP software.

Treasury Relationship

12. I have managed numerous projects for Queensland Treasury, amounting to about a 10 year business relationship.
13. On some of these projects I reported directly and indirectly to Mr Geoff Waite and/or Mr Darrin Bond.
14. I have from time to time enjoyed social occasions with Mr Waite, although not since December 2007.
15. I have met the Under-Treasurer (Mr Gerard Bradley) probably five times over the ten years of project activity in Treasury.

Shared Services Initiative (SSI) (November 2005 to August 2006)

16. In November 2005, I commenced work with SSI as a Project Management Advisor in Santos House in Edward Street.

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17. My first role was to review the JAG (Justice and Attorney-General) Finance Implementation project (the finance stream 'pilot') which was reportedly near to implementation. My review identified that the project had significant issues. I then coordinated a planning team to replan the delivery. The project went on under existing management, with my part time over-sight (weekly tracking meeting) to deliver on time in June 2006.
18. My second role was to review the HR Payroll pilot project. This involved a planning activity of the HR Payroll 'planning brains trust', coordinated by me. This exercise similarly identified significant variations from the plan, greater than 12 months delay was forecast. Management expressed some difficulty with this.
19. In parallel with the above, I had undertaken research of the volumes of PMO documentation and from this assembled a clearer picture of the program. I prepared a single page (A3) model of the 50 projects planned for the program. This model brought some clarity to the program.
20. Based on this model, I undertook broad analysis of the time frames and costs for the program, and derived a markedly different view of the time and cost for the program than was being referenced. During this time, I sought out a copy of the business case to understand what the base formulas and calculations were for the program. However, I was advised there was no business case. In disbelief, I persevered and eventually learnt (months later) that it was restricted / not for viewing.
21. I believe that the cost of the program was justifiable in that, if Shared Services was not doing the projects, they would need to have been done by each agency at similar cost in any event.
22. My concern was that once the first project delivered the core solution, there was far less ability to stop / reverse / correct the program. Executive needed to be aware of this new information to be best armed to make any corrective action – or not.

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23. On 5 April 2006 I, in conjunction with Megan Janke (SAP Program Manager), and Hilton Holloway (SMS PMO Lead), assembled a report for the SS Executive advising there was significant variation from the plan based on the analysis of the forward projection. (I have a copy of the document and related analysis).
24. A decision was made to proceed.

New CorpTech (September 2006 to March 2007)

25. I relocated to the CorpTech Building to assist New CorpTech receive the new shared service solutions. I assisted in defining and implementing new organisation structures and processes based on the industry standard ITIL services (Information Technology Infrastructure Library). This involved close liaison with Phil Hood.

The Arena Review

Re-planning Part I 9 – 20 April 2007

26. In the first week of April 2007, I was on holiday on the Gold Coast, and I received a call, I think from Mr Gary Uhlmann of Arena (I was not familiar with Arena and did not know Mr Uhlmann at that point, although I had heard of him). Mr Uhlmann advised me that he had been asked by the Under-Treasurer to run a review and that I was to participate. The review was to start the following Monday.
27. On about Monday 9 April 2007, I consulted Jan Dalton who confirmed my attendance (I vaguely recall that Mr Waite was on holiday, and Ms Dalton was acting in his position). A 'five day rapid review' then took place.
28. The initial meeting was attended by Mr Uhlmann, Mr Terry Burns, Mr David Ekert and me. I recall that Mr Mark Nicholls was there initially, but he left shortly afterwards. I think I came to understand later that Mark was there to introduce Mr Burns as he was Mr Burns' agent. Mr Nicholls then left and did not return.

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29. Mr Nicholls was the principal of Information Professionals. I am aware that at some later time difficulties arose in the relationship between Mr Burns and Information Professionals. My knowledge of this is based upon what Mr Burns told me.
30. I knew Mr Ekert from Shared Services, although that knowledge was limited because he worked in areas in which I had had limited involvement.
31. Mr Burns was new to the Program and I understood new to Brisbane / Queensland. I came to learn that he was commuting from the Sunshine Coast. He later gained week day accommodation in Brisbane to reduce travel time. At our first meeting, I thought it was an interesting decision to involve a total outsider. On the positive side, that would bring untainted and fresh views. On the negative side, he would have much foundation knowledge to absorb. Over the first six weeks, he established himself as 'thought leader' and injected an amount of humour to the forum. I enjoyed the dynamics in this period.
32. The review was given five days. This stretched to ten days by the time the report was prepared and presented and related discussions held.
33. I have a copy of version v5.0 of the resultant Report which I understand to be final or near final.
34. The process saw us undertake interviews, assemble and review key known documentation, and draw a conclusion.
35. I have notes from the review covering planning and risks. Attached to this statement and marked "A" is a copy of those notes.
36. The Report was presented to the Under-Treasurer and possibly others. I do not believe and cannot recall being part of this. I believe Gary and Terry presented the report and were involved in subsequent executive discussions. I do not know if David Ekert participated in any of this.

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37. One of the recommendations was to appoint an Operational Program Director (Mr Burns ultimately took that role) and undertake a more detailed review (the 'six week review' also known as Re-planning Phase II). The idea being that the 5 day review skimmed the surface and the six week review would allow a more substantive review to dig out the substantial risks. A subsequent phase (Re-planning Phase III – the Rebuild Phase) would then look to act on the risks and explore the new way forward for the Program.
38. It is important to understand the context that this was not about Queensland Health Payroll. This was about the Shared Services Program being massively off plan. I recall the following factors influencing this thinking:
- a. A program of 450 persons (suppliers, contractors, agency staff);
 - b. The program had a schedule of approx 45 projects to be undertaken – half of them SAP Finance implementations and half of them SAP HR Payroll implementations (some project combined Finance / HR Payroll);
 - c. Each project an implementation of SAP software (SAP implementations are non-trivial projects – particularly HR Payroll implementations);
 - d. There were in the order of 10 to 15 projects in flight at any point in time – each in differing part of the project lifecycle;
 - e. The burn rate for the program would have been in the vicinity of \$1.5M per week (est. 450 x \$700/day pp);
 - f. A significant proportion of the budget had been used;
 - g. The communication was that the executive had declared 'no more money';
 - h. the reforecast for delivery was elongating by years;
 - i. in my rough measure around 20% delivered (est: HR Payroll = 2 units of delivery difficulty; Finance = 1 unit of delivery difficulty; 22 Finance and 22 HR Payroll a total of 66 units of delivery; 12 Finance and 1 HR Payroll delivered = 14 units delivered)
 - j. The implemented shared service systems were foreseeing a challenge with the 'retrofitting' of changes to the core / standard offering. Requiring ongoing involvement in testing. An unfortunate side effect of a shared solution;

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- k. the program had now been extended for such a period of time that the version of the SAP software being used by shared services threatened to exceed its support window requiring an upgrade mid program (estimated optimistically at a one year distraction (further delay) to the program);
 - l. The 45 legacy systems being replaced by the shared services solution were also exceeding or threatening to exceed their support window increasing support costs in the interim;
 - m. Some legacy systems were considered obsolete (eg DETA TSS) and measured as high risk threat to maintaining payroll in the situation of a failure;
 - n. The Lattice software was considered 'near obsolete' and therefore high risk, with Lattice being used by Queensland Health and three other agencies;
 - o. the program had a kicker with the two largest agencies DETA and Health timed in the original schedule to have their HR Payroll systems implemented late in the program – leaving the biggest risk to last;
39. A range of reviews had identified concerns, the issues and risks had been surfaced in varying forms and styles. Many corrective strategies had been considered and applied. No corrective response to that point had been sufficient to address the situation. The program ploughed on – in my view heading for the inevitable cliff / wall. No one seemed to have the preparedness to put the brake on. In the period of inadequate action the problem was manifesting incrementally.
40. In my view this amounted to an urgency. An urgency for a credible assessment of the risk and a sufficient corrective response.
41. Queensland Health Payroll was not the issue – it was but one of the remaining 40 implementation projects waiting on the bench or in early start-up. As you follow the journey, the Lattice software risk for Queensland Health rises to the surface and it becomes the focus of the residual funds to address the highest risk.

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42. This five day review was different to the prior reviews only in that it resulted in a reaction. In my view, without Terry, it would most likely have gone the way of the reviews that preceded it.
43. The urgency I mentioned above motivated me for the next six weeks of the Replanning II Phase.
44. After that I progressively declined in confidence in the process / strategy / activation.

Re-planning Part II: 23 April – 31 May 2007

45. There were two streams of activity occurring in parallel.
46. Stream 1 - Terry Burns ran a series of so called 'risk' workshops with different areas of Shared Services, CorpTech and SSP's. Ms Dianne McMillan assisted in capturing the documentation. I attended the odd workshop to see the process in action (observer only). There seemed to be a positive reception that someone was at last listening and forming a view at grass roots level that things were not going well. Ms McMillan coordinated the documentation review and acceptance by the group following the workshop to ensure the information was accurate and had credibility.
47. Stream 2 – My charter was threefold:
- a. *First*, (stream 2.1) there was an issue whether we ought to undertake Dual Development Environment (DDE) – one of the potential 'accelerators'. I ran workshops of technical specialists to debate this. Interestingly, the senior SAP consultant (Megan Janke) advised 'no' and the Accenture senior manager (I can't recall his name) advised 'yes'. I believe the conclusion was 'no' for shared services.
 - b. *Secondly*, (Stream 2.2) there was a need to refresh the program schedule to reflect the work through to the end of 2007. The purpose of this was to confirm what the

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SS Projects / Teams (450 people) should focus on doing while we worked out what we were going to do with the program. We did not want the momentum and forward direction disturbed from the parallel six week assessment. This planning ensured the period through to end of the calendar year was optimally focused.

- c. *Thirdly*, (Stream 2.3) there was a need to develop a limited set of forward scenarios, and gantt chart them to a reasonable level to determine relative timings and costings to compare and identify a preferred option forward. At the same time, this would quantify the time and cost variance from the current plan. The magnitude of the problem.

To undertake stream 2.3, a dedicated team of the most respected ‘planning brains trust’ was assembled, including Leanne Davidson (Pendragon), Genine Griffiths (Accenture), another person from Accenture.

This activity identified two new concerns for the program. *Firstly*, the delivery horizon now crossed the end date for support for the version of SAP being used. This means an upgrade would be required mid program, resulting in a further year delay. *Secondly*, the support date for the legacy SAP systems being replaced by the SS solution were at risk of significantly exceeding their support date.

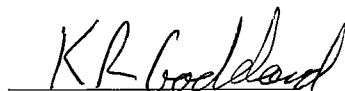
I have a draft of a Progress Report for the executive (16 May 2007) advising of progress of this activity that notes the significant time variance arising from stream 2.3 activity – termed as “confident of post 2010 delivery”.

Re-Planning III (18 June 2007 – 14 September 2007)

48. The following is how the work unfolded in parallel streams for the preparation of this report. I have pert charts describing this in project management style:

- a. Stream 1: Resource Right sizing – letting people go – reduce costs – only proceed with priority projects.

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- b. Stream 2: Staff Retention – engage those with high IP value to ensure continuity of knowledge.
- c. Stream 3 ‘PMO / SPO Establishment – establish the new Program Management Office structure.
- d. Stream 4 ‘SDA Establishment’. I was to project manage the establishment of the Solution Design Authority (a role later taken over by Mr Burns);
- e. Stream 5: External Review. This arose from my suggestion in the Arena 5 day review. I was concerned that we were effectively ‘nobodies’ and we should have an organisation of stature / credibility to ratify (or not) what was planned / occurring. KPMG was given this role. The process for doing this was short.
- f. Stream 6: Vendor Model
 - (i) The intent was to search out / find a cheaper delivery to fit within budget / get closer to budget. Externally sourcing needed to be explored for this. I couldn’t see how externalising it would reduce costs – I thought they would inflate it – taking on risk.
 - (ii) A full RFI/O tender and contracting scenario was estimated to take 9 months.
 - (iii) There was a perceived urgency requiring exploration of procurement options.
 - (iv) In discussion with Procurement, two ideas emerged (other than RFO/T) – Research the market and act on an offer.
 - (v) “Research the market” as I recall, was an acceptable strategy to approach representative organisation from the market, and seek their advice as to the best way to approach the market. This was the reasoning behind the first approach to the ESP’s. Open the doors to knowledge – how can you help. The highest managers in SS contact details were provided to enable the suppliers to avail themselves of information to enable them to provide advice.

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- (vi) "Acting on an offer" as I recall was if you had an offer from a supplier, then you could consider acting on this offer if you amount an argument that they were best positioned / solely positioned to offer the service, such that you negotiate and proceed to contract – keeping within probity and procurement standards / guidelines. This strategy offered a fast way to contract.
- (vii) The thinking being, the ESP's are already engaged, if they come up with something within the confines of their current contract there was potential to accelerate. Complication was if they overlapped with other ESP 'territory'.
- (viii) I suspect it was this advice that helped morph the process to an RFP.
- (ix) I recall these strategies being discussed. I don't recall the passage of play in this period that morphed from this basis to a formal RFP. I don't have any documentation from this era. I did take leave (4-11 July) in the early part of this period. I was fairly familiar with government procurement constraints and thought this period was relatively futile. I think Terry was from more private enterprise background and his instincts were that you should be able to leverage a competitive environment. A faster way than RFO.
- (x) From some high level gantts I believe (approx):
 - On 3 – 6 August there were two briefings of the RFP Evaluation Team in advance of evaluation
 - On 7 – 10 August: the RFP Evaluation was conducted.
 - On 14 August the evaluation was completed.

49. I recall that the RFP process provided advice from the ESP's that they wanted work to be packaged for their management and delivery – rather than the T&M resource model. They wanted a prime contractor over the top of this. The packaging was nothing new – Accenture for some time (outside the RFP process) had advocated packaging the work.

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50. I shared Mr Burns' view that a prime contractor model would be a better model than persevering with internal management although I could not reconcile how externally sourcing was going to reduce the time or cost of delivery of the full program, full scope within budget.
51. We did have discussions that if it could not be externally sourced, there was no apparent alternative that delivered the program – in full.
52. I have been asked about my recollection of the RFP process. I have no recollection of the ranking outcome or any documentation for this.
53. I have been asked what I know of Mr Burns having informal meetings with Mr Bloomfield of IBM at about this time.
54. There is a 'research' strategy that was acceptable to procurement under certain conditions, whereby it was acceptable to discuss with representative organisations with the view to understanding how best to approach the market. Part of the procurement argument was that the tendering process costs suppliers a lot of time and money and to gain their advice before going to market is acceptable.
55. The morphing of the process to a formal RFP blurs when it became formal such that liaising is no longer acceptable. In this context I do remember Mr Burns advising he had been approached to have coffee and was considering it. I cannot recall the exact timing – although I do know that I cautioned him of it. Advising I would not be part of it. If you hadn't lead me in the question to RFP I would have thought it was during RFO/T

Tendering RFO/RFT

24 August 2007 – 7 September 2007

56. It was decided to move forward with the prime contractor model.

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57. Ms Maree Blakeney was the procurement lead. The Treasury Legal Services Unit engaged Mr John Swinson (Mallesons) as the legal consultant.
58. I started drafting the RFO having obtained a template from Ms Blakeney.
59. I recall we agreed a structure for the requirements and divided it into owners to develop the criteria for the allocated areas. I assembled the criteria provided by the groups into the RFO/T document. I probably facilitated workshops as required to assist owners.
60. As I was struggling with the content and format, Mr Phillip Hood provided assistance by taking editorial ownership for a period. Mr Hood's input and refinement through this effort helped accelerate the readiness of the document. On return I played coordinator of the various parties to refine and finalise. Various reviews ensured it achieved a status of approved for release. The document was provided to Mr Swinson for input and review.
61. In parallel with the preparation of the RFO/T, an Evaluation Plan and Evaluation Scoresheet (Excel spreadsheet capturing scores for each criteria for each respondent with agreed weightings calculations). In addition, somewhere in this process, a Significant Purchase Plan was prepared. I have draft of the information. I believe I passed this draft to Ms Blakeney for assembly and forwarding to the correct authorities. This draft provides an interesting and succinct encapsulation of the chronology of procurement activities leading to that point.

10 – 28 September (ITO response period)

62. The ITO was released on 12 September 2007 with three weeks allowed for responses.
63. I have been asked if I called out during a meeting that David Ekert had a conflict of interest or speaking with Terry Burns about David Ekert before that meeting. I do not have a clear recollection, but enough of a recollection to believe it probably occurred. In respect of this, if Mr Ekert (or any non-employee of the Government) was scoring in the evaluation, I would definitely consider that a conflict of interest and would have called it

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out. Mr Ekert as I understand it was working for Arena. If Arena subsequently was engaged by the winning respondent, the losing supplier may call that out. Why would Mr Ekert's employer or the government want to risk that? Mr Ekert was a member of an evaluation team. His withdrawal would arguably bring about little variance to the teams scoring (1 of 5).

64. I had no problem generally with Mr Ekert. He was a respected person within SS and I found his knowledge and style easy to work with and him personally to socialise with.
65. If from the above, there is a related question of me not calling a conflict of interest on Mr Burns, it was because he was not scoring (Mr Ekert was). However, I had not given a lot of thought to the potential for him, Mr Shah and me and the other contractors assisting (not scoring) the evaluation process might be construed as a conflict of interest.
66. I recall handing out Conflict of Interest declaration forms. I do not recall if they were signed and returned. Ms Blakeney would have had responsibility for that.
67. There was a briefing for vendors after the first week.
68. The time for responses closed on about 28 September 2007.
69. In parallel with the response period, the evaluation team was identified, briefed and split into sub teams with specific subjects to focus on.
70. Probity I recall was done by Legal Services Unit of Treasury. I imagine that unit would have prepared a probity plan. I do not recall seeing it. It would have been discussed / communicated as part of the evaluation team briefing.
71. After the submissions were received back from the tenderers, an evaluation process took place.

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October Evaluation

72. There were up to twenty people involved in the evaluation. The documentation was made available for reading. I believe we had most people doing their reading in the main room. I am reasonably certain a number took copies to office / home – again under some audited process. I recall that I opened the first group session following the reading period (several days). The first session recapped on the briefing sessions and the process to be followed. Then the scoring began in a team-based fashion.
73. Mr Burns and Mr Shah led most of the process from there. After the first session I went back to the office and did other work returning at scheduled break times to check-in. In the main it flowed to plan. As the group scoring morphed into full forum workshops / discussions (eg risks) I returned in a greater capacity and this maintained through the scoring consolidation. I recall running the risk workshop.
74. Issues and risks were identified by each team and passed to one of the teams possibly the Governance Team for consolidation and later consideration (full forum workshopping).
75. Neither Mr Burns, Mr Shan nor I were involved in any of the scoring. We were never contemplated in the evaluation plan to be a scoring member. We shared the workshop facilitation.
76. For the risk workshop, I recall that a significant risk was identified and could not be finalised at the workshop. This related to the concept of the WorkBrain software being used to calculate the awards – not just the rostering awards (or something technical like this).
77. The issue was not so much rostering, but utilising the rostering solution (WorkBrain) to do the award calculations ‘awards engine’. The configuration of the awards normally occurs in SAP. The experience within SS project teams was that configuring awards is ‘slow in SAP’. There is another school of thought within SS that it is the human

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analysis of the awards, not the process of configuring the awards once the analysis is complete.

78. The satisfactory resolution of this risk was important as it was considered a major 'differentiator' between the IBM and Accenture bid. It was considered to be 'innovative' (also referred to as an accelerator as it was claimed it could be done x% faster) by some and a technical integration risk by others.
79. I had concerns about how this was managed through to completion.
80. A subgroup of people (I am reasonably certain Mr Darrin Bond was one of them and possibly the only one, but perhaps also Mr Hood) were asked to then do reference checks to establish if this had been achieved elsewhere and what the risks were. I recall this required asking IBM for reference sites (or / and using those in the submission). Given the time required to do this, we agreed that we would progress on and come back to this point when the reference checks were complete.
81. Reference checks were done. I recall that there were national and international sites referenced. I recall that the sub-group's presentation described that none had actually used it in the fashion described in the 'innovative' manner and that none had actually completed the integration of SAP and WorkBrain – one or some were planning / or in the progress of integrating. In short, there was no substantiation of the innovation. My recollection from here is that it was put aside as a contract item, with the view to proving the awards engine as an early milestone / penalties. I do not know what occurred in contract negotiations for this. I was not comfortable at the time that this had reflected the mood of the full group at the risk forum. The team were tiring towards the end of the process.

Rescoring Event (My best recollection)

82. In general the mechanics of the evaluation went well.

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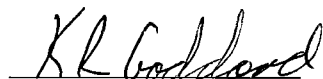


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83. However, there was one unusual event. One evaluation team had determined that they had used a different basis / assumption(s) to measure the 'offerings' by, than another team. My recollection is that this related to the whether you were measuring the ability of the vendor to deliver the funded component of the RFO (Phase 1) or the funded and unfunded scope of the RFO (phases 1 and 2). Phase 1 included Release 6.0 and Release 7.0. Release 6.0 incorporated four HR Payroll systems to be delivered. Two of these the biggest system deliveries of the 45 project pack. Release 7.0 contained primarily Finance system deliveries. This was less risky as finance system delivery had developed a relative maturity to the delivery process. Evidenced by in the order of 12 successful system deliveries to that point. Conversely, only 1 HR Payroll had been delivered and the client (Housing) was not happy with it. Housing was at the simpler end of the HR Payroll complexity. So phase 1 of the contract was pictured as massive HR Payroll risk and delivery. Accenture had the bulk of the HR Payroll IP for SS as they had been working for SS for several years at this point. IBM were off to a relatively flat start.
84. Phase 2 was about all the other projects to be done to complete the program – declared as funding dependant on the circumstances of the day.
85. If you broaden that to where the RFO level was (phase 1 and phase 2), it was about finding an organisation that could take over the program – 35 projects subject to funding, a PMO capability, an ability to work with Government, source the necessary resources over years of work. There is a significant difference in the basis of measurement – I believe there was consideration for whether you measure based on the actual (funded) work or the potential work (unfunded).
86. They had determined this through cross team discussion at a session break. There was a view that they should rescore. This led to a meeting to determine the detail of the issue, the options and legitimacy.
87. I cannot recall whether Ms Blakeney or the Legal Services Unit were able to attend or we needed to refer to them following the meeting. I am confident we covered due

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process as we knew it was unusual. The verdict was to rescore. I know at the time I thought it was an interesting outcome and made worse by the determination that the rescoring brought about a change in ranking of supplier position – IBM became the front runner – overtaking Accenture.

After the Evaluation

88. I enjoyed working with Mr Burns in the early part. He was the front man and I was the detail man. We had many enjoyable discussions and brainstorming sessions.
89. I was sidelined by Mr Burns in the final weeks of the program and relocated to a different room. I was excluded from front-line work. He never told me why. I never asked. After that, Mr Shah became Mr Burns' detail man. I contemplated and planned my exit from the program.
90. From my perspective, part of the distancing in our relationship was that I progressively lost respect for the process and his leadership after Re-planning Phase II. I was not comfortable with the WorkBrain issue not having been adequately addressed – or not visible to me.
91. Since leaving the SS in December 2007. I have not been in contact in any form with Mr Burns nor conducted any business with him.
92. I felt the WorkBrain issue was a significant differentiator and that it had not really been run to ground sufficiently in the evaluation process.
93. If I was asked who I thought was better positioned to do the work – it was definitely Accenture as the HR Payroll offered more challenges and Accenture had significantly greater IP than IBM in this area. I cannot comment on who had the better bid – I did not read them in detail. I was surprised at the outcome.

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94. I did not read all the detail of the responses. I read the general sections and I had no predisposition to IBM winning the tender. As far as I was concerned Accenture and IBM both had strengths and weaknesses. Both capable of a spectacular success and a spectacular failure. They were in my view equally positioned because it was going to be an enormous challenge. I was more concerned that the full program remain unfunded. Only the front part of the RFO/T was funded.
95. Both of them did the classic of calling on their international successes to bolster local delivery. Both of them were saying that they would draw on all of their capabilities.
96. Mr Burns, from our numerous discussion we had during the evaluation process, did appear to have a view that one of the tenderers was stronger than the other.
97. During the evaluation, Mr Burns and I had been working consistently and quite closely together.
98. I was in the early days driven by the fact that I thought the whole shared services was built on a false premise and I tried to use any objective analysis to put that to the Executive.
99. Some mechanism should have been put in place to deal with the perceived risk about SAP and WorkBrain, eg if the milestone is not achieved the contract is able to be terminated.
100. WorkBrain was seen to be innovative by some. The concept is good because the harmony between a rostering system and the payroll processing system would be innovative and good. The issue was that it was an unsubstantiated position.

Contract Negotiations

101. Apart from an initial requirements meeting with Mr Swinson, and the SS contract team (Mr Burns, John Beeston, Malcolm Campbell, Mr Shah) I had very little involvement or sight of the contract negotiation and signing.

Keith Richard
Goddard Signature:



Witness signature:



102. An area that I am unclear on, is how the breadth of what was tendered for to be done up front, seems to have reduced to just the Health Payroll. Was it de-scoped in contract negotiations. Was it subsequently de-scoped. Is it / has it progressed well?

Departure

103. I left the program on 4 December 2007, soon after the contract was signed.

104. I was subsequently engaged (March 2008) for a contract to Department of Housing through the Candle agency.

105. I was approached by the Commission of Inquiry to make this statement. I make this statement voluntarily. The contents of this statement are true and correct to the best of my knowledge. I acknowledge that any false or misleading statement could be an offence against the Commissions of Inquiry Act 1950 or contempt of the Commission.

Declaration

This written statement by me dated 5/3/13 and contained in the pages numbered 1 to 21 is true and correct to the best of my knowledge and belief.

KR Goddard Signature
Signed at Elveland this 15 day of March 2013

Witnessed:

[Signature] Signature
Name A.S. JHAGS 1/565 10872

Keith Richard
Goddard Signature:

KR Goddard

Witness signature:

[Signature]



**QUEENSLAND HEALTH PAYROLL SYSTEM
COMMISSION OF INQUIRY**

Annexure to Statement of Witness

Items to be annexed to the statement of Keith Richard Goddard dated 14 March 2013

1. Arena Review Notes marked 'A'.

Keith Richard
Goddard signature:

Handwritten signature of Keith Richard Goddard in black ink, written over a horizontal line.

Witness signature:

Handwritten signature in black ink, written over a horizontal line.

"A"

APPENDIX A: Arena Review Notes:
(electronic Xcel file available)

Project: CorpTech SSS			
Subject: Arena Review			
Sheet: Brief			
Version: 0.03			
Date: 15 April 2007			
Brief as Noted by Gary, based on Verbal Description by Geoff Walte - Thursday 6 April 2007:			
* Assist in managing the relationship with Gerard			
* Why did we get it wrong			
* How to fit the pieces together			
* Dependencies to make the pieces work			
Brief Clarification by Jan Dalton <date>:			
* Schedule 9 revision with CEO Committee understood to be for 18 April 2007 ==> confirmed as cancelled;			
<other ???>			
Brief Clarification by Barbara Perrot <date>:			
* ???			

Notes on interviews planned / achieved:

Project: CorpTech SSS						
Subject: Arena Review						
Sheet: Interview List						
Version: 0.03						
Date: 15 April 2007						
INTERVIEWS CONDUCTED						
Date	Time	Interviewees	Interviewers			
			Gary Uhlman	Tony Burns	David Ekert	Keith Goddard
		Gary Waldon & Melissa Wahrenff (Johi Changa Lead)	Y	Y	Y	Y
		Jane Sieward (RRMSU Director)	Y	Y	Y	Y
		Helen Jinks (Finance Referrals Coordinator)	Y	Y	Y	Y
Thu 12 April	2:00	Sandra Bowick (HRBS Lead); Leanne Daliston (HRBS SAP Lead)	Y	Y	Y	Y
Fri 13 April 2007	11:30	Karyn Motteshad (Shadow - Scott MacDonald - SP Dr HRBS)	Y	Y	Y	Y
		Under Consideration				
		Sandra Weigh (SP Dr - PMO)				
		Scott MacDonald (SP Dr - HRBS)				
		BJ Wilmoth (SP Dr - JFA (Cross Functional Applications))				
		Debra White (SP Dr - Finance Solutions)				
		Lynne Hackwood (OSF (Other SAP Functionality) Lead)				
		Andrew Atkins (IT)				
		Kathryn Lowe (SAP Finance Lead)				

Interview Notes:

Project: CorpTech SSS

Subject: Arena Review

Sheet: Interview Notes

Version: 0.03

Date: 15 April 2007

Interviewees	Notes
Megan Janke	<ul style="list-style-type: none">* Workbrain integration to SAP - no PoC performed or planned - risk* Health's finance knowledge is advanced - IA workshops start next week* Health's knowledge of HR is immature - IA workshops timing uncertain* DETA is well prepared - there are scope challenges (200+ requirements)* Could probably do just Health in time - but risk would transition to readiness of Health (the business - not the solution)* Would do DETA first* A theory is emerging - do bigger agencies first* DDE is not the silver bullet!* Rio Tinto has elected not to take on DDE due to environment / transport management complexity risks. They have greater competence in this space.* Wave the wand:<ul style="list-style-type: none">* Undertake 'real' forward planning* Need to build flexibility into schedule (sliding window, order of magnitude estimation, etc)* Resource rationalisation - Are we getting value from current resource base (individual / collective)* Synchronise organisation to the plan* Build / Deploy organisation split is right, but improve communication / processes / inter-relationships* Increased partnering - increased role / risk + Delivery accountability* No one lives in fear on this project!* Introduce 'gates'* Improve PMO processes / practices
Karyn Mottershead	<ul style="list-style-type: none">* DDE with dual teams is a 'must have' strategy to contain time frame* Revise Transport Management / Environment management governance / processes* Agencies are prepared to pay for agency specific - but we can't do all of it now* Schedule 9 not revised to account for agency specific scope agreed* Negotiation of Agency Specific scope not sufficiently controlled (compressed)* Governance issues in managing agencies in what agency specific scope they can have* Still selling the concept / principles of shared services to agencies (they are not on board)* Distracted in dealing with agency demands arising from lack of scope control - e.g. DETA requesting detailed plans, method explanation, etc* Workshops on Workbrain are refining the product evaluation* Run three streams under DDE (one in each environment and one in preparation)* Rio Tinto does not have same contention for same objects - hence need for DDE is less* Is preparing an advisory report for Geoff - 30 Improvement suggestions
Gary Waldon Melissa Witheruth	<ul style="list-style-type: none">* Agencies going 'slow' / closing down in anticipation of delay / deferral due to Health bring forward (self elected - not directed to do this)* BTI - ineffective effort (e.g. training) if course is altering - seek clarification / certainty of direction* Not good at keeping strategic planning internal until confirmed* Build driven, not agency (business) driven. Limited consideration for training.* Training absorbs over-run of up stream work - not recalibrated / replanned to account for delays. E.g. Training material developed during testing.* DETA would be upset if 'over-taken' by Health* Doubt whether Health have the time frame to achieve (bring forward scenario)* Previous Lattice rollout required five years - region by region, hospital by hospital* Involvement exclusion - BTI persons (eg Mark Foley) excluded from Health discussions* HRBS Pilot is arguably Housing Specific - not standard offer - expecting a need to rebuild significant chunks* Defects are raised to bypass Change Control process (due to duration of RFC process)* Documentation for Housing has been deferred. When will it be done ?* No single scope repository* Preference for maintaining work to current Schedule 9 - comfortable with the rollout plan within this* Not confident in Build ability to maintain current Schedule 9 (due to historical performance, lack of planning, complexity of concurrent projects)* Risks for bringing health forward (overlapping DETA - managing the rollout and managing the support (help desk)* The Wand:<ul style="list-style-type: none">* Find anchor points being priority* Prioritise on ROI - suspect Education and Health ROI is less than smaller agencies* Staff savings are not happening - cumbersome business processes implemented* Transparency between Build and Deploy* Contain Darin's breadth of influence (ie intrusion into BTI / Agency space)<ul style="list-style-type: none">* Darin makes decisions based on agency consultation* Over confidence in ability to deliver* Lack of detailed planning* Political interference* Suspect DETA and Health are colluding to go it alone* Believe an accurate estimation of Schedule 9 to end of program can be achieved* Budget doubt - burn rate for expected over-run => huge budget variation* Geoff to articulate roles and responsibilities - keep darin and Jan to their 'patch'
Leanne Davidson Sandra Bowtell	
Jane Stewart	<ul style="list-style-type: none">* Lattice support environment<ul style="list-style-type: none">* Talent 2 provide application support* Mincom provide technical (hardware O/S DB) support* HRMU provide solution support

Notes on documents to be referenced:

Project: CorpTech SSS
 Subject: Arena Review
 Sheet: Document References
 Version: 0.03
 Date: 15 April 2007

DOCUMENTATION REFERENCED					
Ref	Title	Version / Date	Source	Subject Description	
1	Notes from Initial Internal Review Workshop	Unofficial	Barbara ?		
2	Directions Paper from Follow-on Internal Review Workshop	Draft v0.01	Keith Goddard		
3	Directions Risk Model - Arising from Internal Review Workshop	Draft v0.01	Keith Goddard		
4	Directions Risk Model - Arising from Internal Review Workshop	Draft v0.02	Keith Goddard		
5	CEO Committee - Cover Note - Scope of Core Services	31-Jan-03	Diann McMillan	Scope of Services	
6	CEO Committee - Briefing Paper - SSI Business Case Update	6-May-05	Diann McMillan	Business Case Update	
7	CEO Committee - Briefing Paper - SSI Program Update	18-May-06	Diann McMillan		
8	Schedule 9 v1.10	17-Aug-06	Diann McMillan	Schedule 9 v1.10	
9	SEG Briefing Paper - Schedule 9 Approach	17-Aug-06	Diann McMillan	Schedule 9 v1.10	
10	CEO Committee - Paper - Business Solutions Issues Analysis	25-Aug-06	Diann McMillan		
11	CEO Committee - Paper - Implementation Rollout Issues Analysis	6-Oct-06	Diann McMillan		
12	CEO Committee - Schedule 9 Variation for Approval	13-Oct-06	Diann McMillan	Schedule 9 v2.0	
13	CEO Committee - Briefing Paper - Schedule 9 v2.0 Approval	16-Nov-06	Diann McMillan	Schedule 9 v2.0	
14	Schedule 9 v2.0	16-Nov-06	Diann McMillan	Schedule 9 v2.0	
15	SSI ELC - Briefing Paper - SSI Benefits Management Framework 2007	1-Feb-07	Diann McMillan	Business Case Review / Budget Variation	
16	Agency Transition Model	16-Mar-07	Melissa Witheroff		
17	SSS Contract Options - eMail	28-Mar-07	Aidan Mullan		
18	Presentation Slides - HRBS Health Planning Brief	6-Apr-07	??	Presented by Darin Bard to Health	
19	ED CorpTech - Briefing Note - Cover Note for letter to Talent 2 - extend support	<Dec 2006>	Jane Stewart		
20	Letter Received from Talent 2 - Support not to be extended	3-Jan-07	Jane Stewart		
21	email - Health to CorpTech - Health's Forward Option Preference	12-Feb-07	Jane Stewart		
22	Minutes - Meeting CorpTech & Talent 2	23-Feb-07	Jane Stewart		
23	ED CorpTech - Briefing Note - Contingency Options	8-Mar-07	Jane Stewart		
24	eMail - CorpTech to Talent 2 - minute confirmation and escrow access	<Mar 2007>	Jane Stewart		
25	Status of PS Enterprise Agreements (EAs)	12-Apr-07	Jane Stewart		
26		1-Aug-06	??		

Notes on analysis:

Notes on analysis:

Area	Issues/Findings	Analysis/Implications	Recommendations
Process	<ul style="list-style-type: none"> Initial report provided to the project team by the client. Initial report provided to the project team by the client. Initial report provided to the project team by the client. 	<ul style="list-style-type: none"> Initial report provided to the project team by the client. Initial report provided to the project team by the client. Initial report provided to the project team by the client. 	<ul style="list-style-type: none"> Initial report provided to the project team by the client. Initial report provided to the project team by the client. Initial report provided to the project team by the client.
Structure	<ul style="list-style-type: none"> Initial report provided to the project team by the client. Initial report provided to the project team by the client. Initial report provided to the project team by the client. 	<ul style="list-style-type: none"> Initial report provided to the project team by the client. Initial report provided to the project team by the client. Initial report provided to the project team by the client. 	<ul style="list-style-type: none"> Initial report provided to the project team by the client. Initial report provided to the project team by the client. Initial report provided to the project team by the client.
Content	<ul style="list-style-type: none"> Initial report provided to the project team by the client. Initial report provided to the project team by the client. Initial report provided to the project team by the client. 	<ul style="list-style-type: none"> Initial report provided to the project team by the client. Initial report provided to the project team by the client. Initial report provided to the project team by the client. 	<ul style="list-style-type: none"> Initial report provided to the project team by the client. Initial report provided to the project team by the client. Initial report provided to the project team by the client.

Notes on Recommendations:

Project: CorpTech SSS

Subject: Arena Review

Sheet: Recommendation

Version: 0.03

Date: 15 April 2007

IMMEDIATE RECOMMENDATIONS	
No.	Recommendation
1.	Maintain the current Schedule 9 - in principle * Health is not brought forward as the next and highest priority agency to be implemented. * Schedule 9 is revised, at least for a 12 month immediate window based on current (possible reaffirmed) principles (e.g. small agencies first, piloting, etc)
2.	Establish a lattice support capability * Revisit business discussions with Talent 2 * Work in combination with other Lattice dependant organisations such as WA Health, NSW <?> to establish a capability * Consider other suppliers interest in providing this support e.g. Mincom, Dialog, etc * maintain activities to secure source code and training * Commence recruitment * Commence technology procurement
3.	Commence Health Requirements Activity * As part of the review of Schedule 9, commence and maintain work on health targeting a nominal late 2008 implementation time frame.
4.	Review Point (nominally December 2007) * Assess the Lattice support capability established. * Assess the complexity and status of Health Implementation. * Revise the optimal timing for health implementation, and re-gear the Health implementation project. * Revise Schedule 9 to reflect optimal timing
PROGRESSIVE RECOMMENDATIONS	
No.	Recommendation
1.	Structural Reform
2.	Rebalance Scope, Time and Cost * Maintaining current budget will require massive scope adjustments - e.g. drop DETA and Health
3.	Reaffirm Principles
4.	Communications
6.	Consider DDE