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THE HONOURABLE RICHARD CHESTERMAN AO RFD QC, Commissioner

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IN THE MATTER OF THE COMMISSIONS INQUIRY ACT 1950

COMMISSIONS OF INQUIRY ORDER (No. 1) 2012

QUEENSLAND HEALTH PAYROLL SYSTEM COMMISSION OF INQUIRY

BRISBANE

..DATE 24/04/2013

Continued from 23/04/13

DAY 20

WARNING: The publication of information or details likely to lead to the identification of persons in some proceedings is a criminal offence. This is so particularly in relation to the identification of children who are involved in criminal proceedings or proceedings for their protection under the *Child Protection Act 1999*, and complaints in criminal sexual offences, but is not limited to those categories. You may wish to seek legal advice before giving others access to the details of any person named in these proceedings.

THE COMMISSION COMMENCED AT 10.06 AM

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COMMISSIONER: Mr Horton?

MR HORTON: Good morning, Mr Commissioner.
Mr Commissioner, the first witness this morning is Janette
May Jones and I call her.

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JONES, JANETTE MAY sworn:

MR HORTON: You are Janette May Jones. Is that correct?
---Correct.

And you've prepared a statement for the purposes of this
commission hearing - - - ?---Correct.

- - - of 62 paragraphs dated 28 February 2013. Is that
right?---That's right.

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I tender that statement, Mr Commissioner.

COMMISSIONER: Yes. Ms Jones' statement will be
exhibit 79.

ADMITTED AND MARKED: "EXHIBIT 79"

MR HORTON: Ms Jones you were, back in 2008, the director
of payroll and establishment in Queensland Health Shared
Services Provider. Is that correct?---Shared Services
Partner.

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Is that a different organisation from Queensland Health
itself?---It's a component of Queensland Health. All
employees were employees of Queensland Health. At the
development of the Shared Services initiative certain roles
and functions were removed from Queensland Health main and
put into its own organisation, although that was never
formally an organisation. It remained within Health, but
treated Health as its customer.

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In that role you were responsible, in effect, for running
under both the LATTICE system and under the new system
which was rolled out, the payroll for Queensland Health?
---That's right.

That was in those days about how many employees?---About
76,000.

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Yes. You had under the LATTICE system, I think under you,
a fairly large number of people supporting the LATTICE
system in order to complete pay runs?---Yes.

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About how many towards the end days of LATTICE?---Prior to
- well, we were established to have 500 staff in various
roles within the payroll requirements. Prior to go live
that had increased to 800. 1

Yes. About when did it increase to 800?---It increased
between 2008 and 2010, firstly, in response to the increase
in manual workarounds in LATTICE and also to accommodate
the resource requirements within the QHIC project. So
payroll was required to submit resources at the request of 10
the project.

Yes. Which took people away, in effect, from doing
day-to-day payroll operations?---That's right.

When the new system was - I'm really talking about late
2007, early 2008 - when there was talk of a new payroll
system to be rolled out were you involved in the business
requirements gathering or the definition of scope for what
the new system might look like?---I did not have direct 20
responsibility for that piece of work. However, I do
recall there were workshops run, of which I, or my staff,
may have attended on occasion where we contributed to
understanding how payroll was produced in the old legacy
system to assist with the new design.

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And were those workshops run or facilitated by IBM representatives?--My recollection is it was the QHEST group that ran them. 1

QHEST being Queensland Health, is that correct?---That's right.

What level of detail was communicated by you or your team, for the benefit of these workshops, about the way in which payroll (indistinct)?---I would say it was not very detailed, there's two types of requirements - or three - you have a scope, then you have specifications and then you have a detailed design. The specification environment which those workshops addressed were more about the attributes of how Queensland Health awards worked rather than how the payroll produced. 10

Yes, and so - - -

COMMISSIONER: Can you describe the distinction for me in more detail, please?---I beg your pardon? 20

Can you describe the distinction in more detail, please? ---Well, the scope regards to the major elements or deliverables within the project, the specifications or the business design is about the types of things, things that are done in a rostering system or a payroll system or have the integration would carry those. The sorts of things the awards would do, how nurses were paid, how doctors were paid at the high level. Payroll rules are a level under that which prescribe exactly how a piece or a measure such as an hour or an allowance is treated in regard to other payments, so it's a very detailed business design. 30

Are you saying that the workshops were concerned with the more general - - -?---The award interpretation.

- - - of award interpretation?---Yes.

MR HORTON: Can I show you a document and ask you where it might fit into these categories you've mentioned? Can the witness please be shown volume 4, page 63? And this document, Ms Jones, you may be aware of, is called the QHIC Scope Definition Version 1. Page 63. Do you recognise that document, have you seen it before?---I have seen it before. 40

And of the three types of documents you've spoken of, are you able to put this document in one or more of those categories?---I'd say that was the high-level scope definition of what was to be delivered within the build of the project. 50

Did you ever see documents of the kind put forward to the other two categories you spoke of, the more detailed categories?---Yes, the business attributes document, the

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BAD, was the major product of the workshops that I've described. That was something that was version managed throughout the life of the project, so as awards changed or understandings became clearer that document was updated.

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And did you have input into the making of that document? ---I or my staff would have contributed to the information that led to the document, but we did not own or update or publish that document.

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Did you form a view about that document's adequacy in terms, from your perspective, of knowing LATTICE and having to do another payroll on a weekly or fortnightly basis? ---The document clearly described the business attributes of award management in Queensland Health, it was something that content experts contributed to and improved on as the project went along.

How about documents in the third category, the most specific, did you ever see documents of that kind?---I believe there was a pay rules document that wasn't developed until about halfway through the project, I can't be clear on time, but it was the pay rules and there was an Excel spreadsheet with hundreds of pay rules being developed.

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Did you have an input into the making of that document?---I did not but I seconded one of our staff into the QHEST group to start that work, and it was certainly circulated across the project teams.

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You say, I think, from about mid-2009, was it, that you were a member of the project directorate?---Under the go live structure, I've been struggling to remember the dates of all of that. There were various iterations of the governance group, there were various reviews of the project governance. The actual project directorate that I'm describing commenced in 2009, and it's around the time that my manager exited shared services so it took on a different role for me at that time. I believe prior to that, probably mid-2008, there was a meeting that I attended regularly but I can't recall the name but it was certainly different to what the project directorate ended up being.

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But you were there on the project directorate, I think, from go live recommendation?---Correct.

And that's what the project directorate's function was, to recommend to the board whether or not to go live and the project board was the decision maker on that?---That's right.

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Could I ask you to take up volume 4, again, on a new topic, and just turn to page 275-1. This is a memo, I think, which has a briefing note, author's name, Janette Jones, down the bottom left-hand side?---Yeah.

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Dated 26 March 2008, so relatively early on in the scheme of things?---Yes.

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COMMISSIONER: Sorry, where am I?

MR HORTON: I'm sorry, Mr Commissioner. Volume 4, page 275-1.

COMMISSIONER: Yes, thank you, I've got that.

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MR HORTON: This is a memo by you on test procedure and contingency planning. How did it come about that you were the one responsible for preparing this briefing note?---It was not something I initiated, it was something that I was asked to commence the draft of because I had been - I had an overarching view of what the program testing was meant to deliver, and so from the payroll perspective it was the first cut draft of what that was, and my understanding was it was to go up through QHEST. At the time, there was a need to respond to some concerns being raised.

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And what were the concerns being raised?---At the time that this was written, I believe we had looked at planning a new go live environment. It was in 2008, so we had - there were concerns at the time that the six month implementation would not be sufficient to go through to the live environment without fully testing. This was simply a factual document about the testing that was planned.

And it seems to be really stating some fundamental principles of testing, is that what you're seeking to do here, why we do testing, how we go about framing it? ---That's right.

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Is it about this time that you were involved in the preparation or approval of a QHIC master test plan? Do you recall ever seeing a master test plan?---I recall seeing the document, I don't recall my involvement of any substance in that.

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Can I show you a copy of that document? Ms Jones, this is version 1.1, and the date of it - - -

COMMISSIONER: Can I have a copy?

MR HORTON: Yes, certainly. It's a March 2009 version, but you'll see it's got a history that goes back well before that, obviously. The numbers (indistinct) time, going back to 5 February 2008, and your name is just mentioned as one of the people to whom it has been distributed on. Page number 7 of that - 7 of that bundle, right at the top there?---Right.

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I don't need to ask about any detail about this. I'm just asking you if that looks like the master test plan which you might have been distributed with in 2008 and 2009?---It does appear so. 1

Yes. We will seek to have that included in the bundle, Mr Commissioner.

THE COMMISSIONER: Yes, I think that's where it belongs. 10

MR HORTON: Yes. Could I just take you to two parts of it? One is sub-page number 35.

THE COMMISSIONER: 75?

MR HORTON: Sorry, 35.

THE COMMISSIONER: 35.

MR HORTON: UAT entry criteria. You will see there, Ms Jones, it says, "UAT entry criteria as defined in the QHEST test plan LATTICE and ESP replacement" et cetera?---Yes. 20

So there was another test plan which was to govern UAT entry specifically?---That's correct.

Yes, and that was brought into existence as we know. Then sub-page 40, there's a definition there of the severity into which the effects might be classified about a third of the way down the page. "Severity show stopper, major minor (indistinct)"?---Yes. 30

And then if you just turn to page 43, the definitions for classifying defects is there set out and I'm interested for the present purposes in number 2 major?---That's right.

Is that your understanding of where the definitions stood in the master test plan?---Yes. 40

Thank you.

THE COMMISSIONER: For a defect to qualify as number 2 major, do all our five descriptions have to be satisfied or will one do?---No, any one of those I believe would have led to a categorization of 2.

Thank you.

MR HORTON: Thank you. Now, when it came to testing, you expressed in your statement - user acceptance testing, you expressed - it's your word, "frustration" at the process?---Yes. 50

You say, among other things, that there were a number of defects being identified and questioned whether they were in fact defects. You questioned whether the test was on the right track. That frustration, I think, was the source of many, many deliberations about the defects about categorization and the criteria that applied. Is that correct?---That's right.

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Now, I'll jump forward a bit because it explains the relevance of what I'm going to ask you in a minute. In early 2010, late 2009, there becomes a proposal to deal with severity 2 defects by way of a management plan, or defect management plan. Do you understand what I'm speaking about?---Yes, I do.

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And that management plan involves perhaps workarounds is another term for it. Is that right?---That's right.

And responsibility for those workarounds and for entering into the matter of plan risks ultimately with you and your team?---Well, workarounds that needed to be executed within the payroll area of Queensland Health, that's true.

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Were there other types of workarounds?---There may have been workarounds that were the responsibility of CorpTech on the other side of the payroll. The payroll is basically going in two partnered components. There is the technological part in CorpTech that actually runs payroll cycles and data. Queensland Health inputs data and runs samples and reports to go through the payroll results and integrity, so it would depend which area a workaround was in.

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Yes?---The majority were in payroll in Queensland Health.

Do you know about how many there were by the time the system went live?---For - in total, I don't recall. There was probably somewhere around 40 of the managed defects.

THE COMMISSIONER: Sorry, what entirely is the directed question?

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MR HORTON: Yes.

So I'm really asking you as at mid-March at the go live point in time. I'm going to take you through some of the documents and I'm going to take you to the management plan and let me do that. Can I just see how far I can get without taking you to the documents. You tell me when I'm taking you to uncertain territory. Initially the criteria for entering the user acceptance testing and exiting UAT testing is that there be no severity 1 or severity 2, full stop, but that severity 3 might be managed by a management plan. Is that your understanding?---Well, they may be

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managed either through a management plan or to be fixed later. Not every defect would affect a pay, so a typical level 3 defect may simply be a display issue that had no workaround, had no requirement for a workaround. 1

Yes. And that's why the example that you have given is something that you might say - something is a severity 3, a minor matter - - -?---Yes.

- - - rather than a 2, a major matter?---That's right. 10

And one of the criteria for ascertaining whether something is severity 2 defect was whether it impacted pay results, whether it made them incorrect, pay results are incorrect in that test master plan I showed you?---Yes.

But there were others, weren't there, there were four other criteria?---That's right.

So you might have a severity 2 for a reason other than it merely making payroll results incorrect?---Yes. 20

I don't mean merely but I mean just not that?---That's right.

Yes. So initially the system can't enter UAT or exit UAT if there is a severity 2 defect?---Under that testing plan, that's right.

Yes. Now, that was changed at the end of 2009. Is that correct?---Yes. 30

And it was changed so that a severity 2 might be dealt with by a management plan?---I don't believe the - I don't recall that it was specific that the exit criteria were changed. I don't - I wasn't involved in discussion around that but it's fair to say that some of the defects were reviewed to understand in the scale of the definition where they sat.

I'm sorry, I missed that. The last bit?---It's fair to say that the defects were reviewed regarding the scales as to where they sat. 40

Yes. And on many occasions, defects are reclassified from being a severity 2 to a severity 3?---There were some occasions, yes.

But as well as I am suggesting to you are the criteria for the system moving from one stage to the next, entering and exiting UAT was moved, changed, so that even those severity 2 defects which remained wouldn't prevent the system proceeding to the next stage?---That's correct. 50

THE COMMISSIONER: Ms Jones, can you give me some examples of what you describe as defects?---A defect is something that according to how you expect the test to be - the result of a the test to be or how you expect to use it is not executed by the designed solution, so you may expect it to print a report and it doesn't, that's a defect. 1

All right. What other examples are there of defects that you encountered?---There's many types of defects and the definitions being used - the original definitions related to the contract about what was required from the solution - - - 10

What did you observe by way of defects? What sorts of things?---It may be things like a leave balance - would be 20 minutes incorrect if a certain leave type, such as purpose leave, was taken and it would have to be manually adjusted. It may be that an allowance would have to be put in manually because the system could not - the system as delivered did not automatically attach that balance to the worked shift. 20

Thank you.

MR HORTON: Can I ask you be shown another document - this is going forward again - just to explain the relevance of some documents I'm going to take you through in that volume you have there so please keep that volume. Could the witness please be shown, Ms Associate, volume 13 of the bundle?---13? 30

Yes. Page 52. It's the email that you send to Pine which I'm going to ask you about in the middle of that page. Do you remember sending that email?---I have been asked about this email prior to coming here today so, yes, I'm familiar with the email.

Yes. It seems that in January 2010, I think it's 12 January, you seem to have been circulated with a draft management plan or something of that kind. Is that correct?---That's right. 40

That seems to have caused you some concern, which you've expressed in this email?---That's right.

What was the specific concern which you had upon seeing that draft management plan?---The project directorate had been asked by the board to move defect management into a management plan so that they could be well informed about the impact of any outstanding defects within the decision they had to make. So the project directorate started to talk about what a defect management plan would look like, who would be responsible for it and what was important information to understand. Then the defect management plan was circulated by the UAT team and it was the 50

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responsibility of IBM to come up with the defect management plan and only the project directorate could really agree that a defect could be placed on the management plan and there was quite an area of understanding and information that the directorate would require to allow it on to the management plan otherwise it was to be fixed. The management plan was not about everybody can put a defect on it and we'll just work out how to deal with it. The management plan was to be developed after careful deliberation on what could not be fixed and whether it could be accommodated beyond go live. The circulation of this defect management plan concerned me because it literally had a lot of defects on it. Some of them had not been analysed. Some had not been discussed with IBM for our discussions about defect versus change and certainly the project directorate had not had an opportunity to understand magnitude, impact, scale and volume of those ones. It just got circulated to a large group, is my recollection.

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My concern was that the UAT team was now circulating a defect management plan which they had no responsibility over and were not asked to, in my understanding. The project directorate had asked IBM to come up with a defect solution management plan. Once I had raised this with Pine and the project manager on her return, it was deemed that we needed to have much more control about this because, in effect, we now had two defect management plan terms being circulated. Considering that Queensland Health was the one that would have to execute and be affected by the majority of the workarounds, I wanted to make sure that the Queensland Health members of the board understood completely what was on that plan. So it was just now very unhelpful that we had two defect management plans being circulated and considering the level of goodwill within the project at that point, this was a very unhelpful event.

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By level of goodwill you mean a lack of it. Is that correct?---Absolutely. Correct.

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What was the source of the two plans or who was the source of each of the two plans?---I recall IBM a little while later provided the first draft of what they believed should be on the spreadsheet and the project directorate worked on the elements that would be important to describe a defect spreadsheet and I don't know who in the UAT team - there were several people that could have. Everybody had a defect list so I don't know who authored that one.

Yes. I want to suggest to you that your email rather gives the impression as at mid-January that in fact what's occurring is people are trying to release themselves from the pressing need of having to deal with the result of the defect because if they put it on the management plan it doesn't have to be resolved until after go live so it

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becomes then your problem not their problem?---I believe there was that view. It was a very difficult environment at that point. My perception was that people were adversarial and trying to prove the system was full of defects, so they were trying to get as much into these plans as possible either in the good intention of demonstrating their valid concerns about how many defects were there or simply that they were operating an adversarial model that, "We can put more defects on there." At an individual level, I have no idea what motivated different people, but my perception was those two motivations existed in the project.

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Ultimately, the source of the defect identification is the KJ Ross testing. Is that correct? At this point in time KJ Ross is - - - ?---No.

- - - conducting UAT testing?---They were, absolutely, and they were able, as with all test teams, to raise a defect. I would not agree that it was their responsibility to identify defects, quantify them or any such thing. We had a defect management group and a working group that did that.

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COMMISSIONER: Who was in charge of the testing group?
---The UAT testing group?

Yes?---It would be QHEST, Tony Price was the director of that. It would be him.

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MR HORTON: And the contractor, the head contractor who was testing was a Mr Brett Cowan, is that correct, from KJ Ross?---That's correct.

But it was his job, wasn't it, to test and notify, and he did it on a daily basis, those defects which he found as a result of doing his job?---I can't comment on what his job was. He certainly did not report to me and I did not engage him so I don't know what brief he was given regarding his job, but UAT is about running agreed test case scenarios across it and reporting unexpected results or test case failures. I don't know that I can agree that it was his job or the purpose of UAT to find, identify or quantify defects.

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One would have thought that that is the very thing a tester is to do and if a tester doesn't identify defects, he's miscarried in his or her function?---The word "defect" was very problematic. There was a whole group dealing with defects. The UAT testers were - the actual people running test scripts were my payroll staff who had been seconded into that group. So while there they did not report to me, they reported up through the QHEST group, they were there for two reasons because they understood payroll. Also we thought that was a very good resource preparation, advanced user-type environment to bring them back into our world

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saying, "You've had a lot of experience in the UAT," so they were there for those two reasons. They weren't there to develop the scripts or make judgment; simply run the script. My understanding or my expectations of UAT was that they would run the test scripts and come up with unexpected results or test failures which would then be identified as to whether the test script was correct or wrong, whether the interpretation of the results was correct or wrong or whether the tester followed the script exactly or whether the system was a defect. So an unexpected testing result can be as a result of those four things. So to go straight to defect, implying a system functionality problem wasn't necessarily always true.

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But can I suggest that your frustration with, and, again, your word "frustration" with the testing that was conducted as user acceptance testing is probably not so much those problems you've been discussing but more that the sheer fact was so many defects were being revealed at a time when thought - the reasons you set out in your statement, you were keen to have a system up and running to replace LATTICE which you regarded that risk of imminent failure? ---My frustration was that we continued to rely upon UAT to backward manage a testing process that had many steps before. UAT should simply state that the test results had passed or not, "Your system appears to be operating and usable." By setting up an adversarial environment where it seemed like UAT was being used to check on the system test was frustrating. I felt if we could sit down and go through the system testing, the methodology, the results, whether the testing was robust would have been more helpful than continuing to place the UAT team in a position where they were checking, assessing, measuring or reporting on what was happening prior to the system getting to them. The system was either going to work or not at that point, it really was never designed for UAT to be a defect finder, and that was frustrating.

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And it's unusual, and tell me if you can't say this in your experience, but it's unusual in fact in UAT to have defects of this kind and number arising?---I don't have a large experience in the number of software implementations, however, my prior experience was inputting in the ESP system in Queensland Health, and I did not find that unusual. UAT, because there's such a interpretive difference between specifications, users and awards, it occurred on my previous experience that you would get to UAT and you would find things that the system produced that either the system didn't configure correctly or our specifications were so broad it's little wonder that's how the system ended up being built. So UAT, particularly first rounds of UAT, very much informs a debate or an engagement around, "Well, that's what the award says," and that problem exists in Queensland Health outside of software. HR practitioner union's employees debate the meaning and intent of awards all the time, so writing that in a specification at the award level is problematic when you get to a pay result because it can come up with different results according to what you thought it should be. So it was not surprising to me that UAT, particularly UAT 1, came up with that, what was frustrating is that we didn't have the opportunity to go back to the specifications and sit down and workshop through why did that happen.

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And why did you not have an opportunity?---I think it's so adversarial that there was a view that IBM would not be able to do it, so we shouldn't really be helping them, they're the prime contractor, they're the deliverer, they should just deliver it to us so we shouldn't really help

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them do that. There was a view from IBM that's our commercial business, we're not going to tell you how we do system tests, we're not obligated to and it just makes you question further what we're doing, so we're not going to go through our system test with you. And you've got the problem that payroll can't participate in the new system well, we have no knowledge of how new systems, we have no idea so we can't discuss that. So for those three reasons the - what I think could have helped was going back to collaboratively sit down and work out specifications and what it really meant and go back through system testing in a much more informed way, but those three reasons that opportunity was never arrived at.

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The results of the UAT, and you've mentioned UAT 1, it seems to have been clear then that the specifications, whatever they were at the time, were woefully inadequate? ---I would agree.

After that time, there are three more phases of user acceptance testing. That's unusual to have four phases of UAT, and you mentioned - - -

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COMMISSIONER: UAT 1 was early in 2009, was it?

MR HORTON: Yes?---There were four phases but it really didn't stop, it went for nine months, it just seemed to continue into UAT. The different phases would be we'd start the test scripts all over again, so we'd go 1 and then we'd start it again in 2, and we'd start it again in 3 and again in 4.

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You mentioned system testing earlier, you said UAT 1, you would have liked to have gone back, and you mentioned that IBM had talked about system testing being their business. That's the problem, isn't it, ultimately that Mr Cowan identified in his January 2010 report, he said, "Look, I'm discovering all these defects, I should not be discovering them"?---That's correct.

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And, "I held educated suspicions that there is some more fundamental problem that wasn't dealt with at an earlier stage," and he identified system testing as the possible or the likely candidate. Is that correct?---That is where you would expect issues to be raised.

Is that an earlier point in time at which perhaps the requirements ought to have been known to be inadequate at system testing stage?---Again, I had no visibility of what was performed in system testing, but you would expect once something passed through a system test that other than a few nuances and minor matters the major blocks or processes or data exchange would work.

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You say you never saw the results of IBM system test for this system?---I don't recall in detail, I may have seen the results of some tests but certainly we had no visibility or involvement in the overall test. We didn't really seek to bc that's what IBM were meant to deliver, and it's very complex language and IT coding that we would not necessarily have contributed much to the actual performing of the system tests.

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Yes, I think it's clear that it was an IBM responsibility under the contract. If we just move then to the time leading up to the go live, there's been a management plan circulated, you've expressed some reservations. After you express your reservations on 12 January 2010, is there another defect management plan that you come to (indistinct) with?---The project directorate went through a - IBM provided a spreadsheet which they recommended were the important elements that needed to brought to the attention of the board, and I think it was the QHEST project manager and the IBM manager who sat down and came up with the actual front end of that finance. It was the project directorate who managed the document.

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Were you satisfied before go live that management plan was practical in reality for you after the go live date?---Yes, I was.

Could I take you to it and ask you a few questions about it?---Sure.

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It's volume 14 starting, I think, at page 488, Ms Jones? ---Page 485?

488. Does that look like the final defect management plan which you would have been operating under immediately after go live?---I believe there was a version later than this, but this was one version that was produced by the go live.

Certainly. If you look at page 489 it says that version 1 is 28 February 2010 and was distributed to the directorate and the board on 1 March, so some little while before go live. Do you think this represents any way - - - ?---Yes, I - - -

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- - - a close version to what was applicable immediately after go live?---Yes.

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Are the spreadsheets where we should look for the detail which concerned you, the coloured spreadsheets attached?
---Yes. 1

MR KENT: Your Honour, sorry, Commissioner, I just have
a - - -

MR HORTON: I'll take you to another document in light of what my learned friend said and see if that's the precise document. I'm sorry, Ms Associate, could you hand the witness volume 15? 10

Page 105 might be - - -

COMMISSIONER: 105?

MR HORTON: Yes, 105, which might be something you recognise. Yes, dated - - - ?---That's the latest one that I'm aware of. 20

So the spreadsheets are a little bit unreadable, but it would just seem to be in a general sense that there are still very many defects identified as severity 2 which are to be managed under this plan. Is that correct?---I'm not sure of the numbers now, but there were defects, category 2's, that had to be managed. I agree with that.

It's very hard to read, I'm sorry, but if you look about a third of the way across, for example, at page 116, there's a heading there Workaround Possible, but under many of the - - - 30

COMMISSIONER: Mr Horton, this isn't very satisfactory. Can you get better copies?

MR HORTON: Yes, we will, commissioner. Maybe if we turn the page it might help. In fact 117, I can make the point by reference to this clearer page.

Is your clearer, Ms Jones?---That's right. Yes. 40

Workaround possible, but then against many of the defects it's said that workaround is not possible. It's got the word "no".

COMMISSIONER: Where do we see this?

MR HORTON: Almost halfway across the page, "Workaround possible." 50

COMMISSIONER: That's a heading, is it?

MR HORTON: Yes.

COMMISSIONER: I can't read it. What column is this? 1

MR HORTON: Seven, column 7.

COMMISSIONER: Thank you.

MR HORTON: And then the next column seems to be, Ms Jones, workaround registered. My question really is that some of the workarounds seem to say that there's not a workaround possible?---I can't recall the number of that, but it may be that a workaround is not possible or not required. It's very unclear. I'm struggling to know that, but it may be more clearer in the other version if you're just looking at headings because I don't believe headings have changed. 10

Yes. If that's convenient, I can take you back to the earlier one and it's page 499-1 and these are the - - -

COMMISSIONER: That's in volume 14? 20

MR HORTON: It is. Yes.

COMMISSIONER: 499?

MR HORTON: Yes, dash 1, I think they begin at, Mr Commissioner.

COMMISSIONER: Yes, thank you. What's this document? 30

MR HORTON: It's a similar spreadsheet, I think. It's a coloured version. There are two components to it. Again, it doesn't flow easily, but again in the pages, this time it's column 1, on the 499-1 under Workaround Possible, again, it says "no" for several of the possible workarounds?---Right.

My question really was if these defects had been deferred off into a management plan on the grounds there be a workaround to overcome them, how come on the defect management plan it said there's no workaround?---Simply that there was no workaround. The defect management plan was to make sure that the payroll of Queensland Health was not materially affected by any of the known defects. So where it says, "Workaround possible, no," you'll see that that relates to a payment summary item that would not be required until June 30. 40

COMMISSIONER: Where are you looking, Ms Jones?---The first line of page 499. 50

Yes?---The workaround possible in the first column is no.

Mine is blank.

MR HORTON: Which page are you looking at, Ms Jones? 1
---499-6.

COMMISSIONER: Six? Right?---I thought that was where you directed me.

MR HORTON: Yes.

COMMISSIONER: I thought you said one. 10

MR HORTON: I did?---Sorry.

You've just gone to something - you've gone to a good example.

COMMISSIONER: So 499-6? Yes. It's got, "No workaround possible," and it says "no"?---So that issue related to end of financial year payment summary and it was to be fixed when the end of financial year support stacks were to be implemented in June. We knew the support stacks would have to be done. We knew the system would have to have the configuration changed. No-one needed a payment summary run prior to that. That is the type of decision the project directorate made recommendations to the board regarding that that defect, although countered in the defect tally, did not materially affect the Queensland Health payroll go live. You'll see the next one has to do with DSS. That is simply the transfer of information on to the Queensland Health decision support teams system. It in no way affected the Queensland Health payroll and this is one of the issues that the project directorate needed to give clear advice to the board on. The project had come so far and there were this many priority 2 defects. Not all of them affected the pay. Some of them - and I recall, I don't know which - but one of them affected one doctor for an allowance so that was a defect and something that affected the Queensland Health DSS system or one doctor's allowance occasionally we felt could not be measured as holding the same value as things that affected the Queensland Health payroll outcome. 40

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Yes. Just on the doctor's example, one person's pay's affected. That would still be workaroudable in that you would adjust that doctor's pay before it goes into - the idea was to adjust that doctor's pay before it went into his or her pocket?---That would not have fitted the description of a workaround. A workaround was something that we would do that we would run and intervene into the system to create.

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Yes?---On the example I gave you, we would simply do that manually and we had written a procedure to enable us to do that whenever something popped up that was unforeseen.

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The distinction you might be drawing is this, isn't it: there might be things in this management plan which are workarounds, and there might be things in this management plan which are being managed?---That's right.

To put it more broadly, that is, we have postponed dealing with that until the beginning of the new financial year? ---That's right, and this was something that was not fully appreciated across the program. I believe every person on this project had done everything they could and all that was asked of them. The decision came down to whether regarding the defects and the gates, were these severity 2 defects which did fit the contract definition of a severity 2. Were they of sufficient magnitude that you would abort, and that was what the management solution plan was meant to provide information on.

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But did they meet the contract definition of severities? By "contract" can we take it that - - -?---The test plan.

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As mentioned in the beginning, severity 2 might be something which means payroll is also incorrect, but it's only one of the five instances given of when something might be a severity 2?---Not all five had to be met.

I understand?---It was literally if a payroll result was incorrect and affected the pay it was a severity 2.

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But that was something which IBM urged months earlier in meetings, isn't it, in fact that was the meaning of severity 2, which was inconsistent with the test plan. I can take you to the - - -?---I'm not familiar with what you're talking about.

What I want to suggest to you is there are things in the management plan which are inconsistent with the severity 2 definition, because severity 2 is something which is major and which might result in pay being incorrect, but it might also be that a major component, or function will not work or that testing is severely impacted, or there's a major impact to a testing schedule. So there's other elements of severity 2 I'm suggesting apply to many of these things in the management plan?---I don't recall which part of the

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criteria each one of these relate to, I don't know that we were ever asked to look at that. It was simply there had to be an agreement whether it was a defect, it had to be agreed what severity and then there was a pragmatic debate around the magnitude, the materiality or the impact of each individual one.

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Yes, and that's really what I'm suggesting to you. These were pragmatic decisions rather than ones made strictly in accordance with the, for example, master test plan criteria of severity?---Those debates had gone before this point.

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Those debates had resulted, for example, in the change from severity 2s to being impermissible in order for the system to move through the gates to severity 2s being permissible if manageable through a workaround or management plan?
---Yes.

Can I just take you back to something where that might be more clearly stated, and that is in volume 14, if the witness might be shown that volume? I think you might still have it. Early in that volume which contained the first of the defect modules, 155 is the page.

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COMMISSIONER: 155?

MR HORTON: 155. It's the top half of the page which I'm going to take you to. So this is where the criteria is, no severity 1 defects but a comprehensive management plan for severity 2s. Now, that's the material change in that box, isn't it? Previously, there were to be no severity 2s full stop?---Yes, I would agree with that, but this is in relation to the gating not the test plan. I don't think we ever went back and attempted or disputed or debated the test definitions, it was the gate.

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Yes, and there's a change request to deal with this change, I'm not suggesting it's made by force of this document, there's an earlier change request formalised which makes this then change?---Right.

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But I'm giving it as an example of decision making applying to the new criteria. And you'll see on the right-hand side, "Process for the management of defects, as detailed in the plan, has been endorsed by the project directorate." Now, this is 1 February 2010, Ms Jones. Does that appear to you to be a correct statement, that it was endorsed by the directorate by that time?---For the first one there you're talking about now?

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Yes?---The (indistinct) readiness criteria number 33? Is that what your question is?

I'm on page 155?---Sorry, I must have flipped over.

Top right-hand box, comments, the first box under comments. 1
Are you on 155?---I am now. I would agree.

So it was signed off by then or endorsed by the
directorate?---That's right.

And then a final update was to be approved, and then
there's the note about the risk?---Yes.

What's the window being spoken of there, "Not achievable 10
within the available window," do you know? I know you're
not on the board at this time?---I believe that relates to
the payroll window of actually running the pay that we
would have to go in and run a workaround process or
procedure, and whether we would fit that into the payroll
window prior to the cut off.

And that's the problem of whether all this, in the end, is
likely at this stage to be practicable, is that correct? 20
---That's right.

And that practicability, for the most part, fell to you
running this payroll team?---That's right.

And were you satisfied at the time that it was practicable
for you and your team to manage them?---The ones that
related to payroll, yes, I was, and we put in place some
expert central resources to deal with workarounds. As a
result of that risk being debated, we took pains to make 30
sure that workarounds were not introduced into our payroll
teams out in Queensland and that they were contained to
expert users of the system in Brisbane who sat in the one
room and did them. To manage that risk, they were brought
together as a workaround process and put into the pay run
procedure. There was a group that developed the pay run
procedure, it was very prescribed exactly on every day by
every hour what had to happen, so workarounds were placed
appropriately across that pay protocol so it was a
performed, rehearsed ballet, "This workaround here, that 40
one there, can't do that until there," and it was resourced
to run. So the risk existed but it was mitigated.

What part, though, of your endorsement, I'll say because
that's what the document uses as the word, what part of
your endorsement of that management plan, though, was you
trying your very best to say, "I will help deal with this
problem," which was a real problem before go live, the real
problems that emerged, is that right?---Yes.

What part of your decision to endorse the plan, though, was 50
you, in the best faith, saying, "I will take on this very
difficult role which may well be unmanageable, but I'm
going to try my level best to achieve it"?---I don't think
there was a large component of that. It's fair to say that
all team members were prepared to do whatever they had to
do to make this work.

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Yes?---So that's a fair statement in itself. However, if I did not think payroll could do it and I did not have the confidence of the pay team who were required to do it, I certainly wouldn't have put Shared Services in that position where we couldn't execute those matters. 1

What I'm really suggesting to you is with the best possible of motives you over promised?---I disagree.

Can I just reverse back a bit to the go live time? You say in your statement words to the effect that: in the lead up, your team is working extremely long hours under very difficult circumstances. Could you give the commission please just an idea of some detail about workloads and about pressure placed on your team?---There were two team areas. We had a central team and we had a distributed spoke payroll team across the state. So our payroll teams in many offices, such as Cairns and Townsville and the Sunshine Coast and the Gold Coast - we had many. Those payroll teams I'll speak of first in the spoke model. They were required to continue to pay Queensland Health every fortnight and payroll teams operate in a closed must deliver 14-day cycle. So the rest of the world goes by and projects think about things and replan, rescope; payroll must operate specifically. On top of doing that, they had to participate in the communication and the consultation around how we'd work together and what their new role would be beyond go live and they had to go off to training and go through a competency measurement process during normal work hours with the new system. So they had one and a half jobs, every one of them. Then the central teams, go live - there was the preparation. There was the training. There was all the requirements that people asked the central team to do with regard to the project, so meetings were constant and we had three simulations of the go live. So the full go live is an eight-week cutover period. It's not just the day and it's not just payroll. It's CorpTech and it was IBM. Officers had to do certain things across the cutover time and the full thing was rehearsed twice in full down to the meetings actually occurring. So they were doing that at the same time as running the Queensland Health pay. So the two things were in parallel and they had a high workload. 10 20 30 40

Are you talking about working 18 hours and 13 days a fortnight?---That was from the cutover period. That's correct.

From about 1 February. Is that correct?---A little earlier than that probably. 50

Yes. For what sort of period? Over what sort of period were you working those hours?---Until I left payroll. The date escapes me.

Yes?---May, I think.

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We've got your statement. Then immediately after go live you say that the pay run was reasonably acceptable for, what, three pay periods? Is that correct?---That's correct.

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And then - - - ?---I said that it improved a cross the three pay periods.

Yes. And then something went wrong?---Well, nothing went wrong except a catalyst amplified or concentrated the payroll concerns of Queensland Health staff and really brought in a large amount of media attention and brought in a lot of concern from employees and unions into an environment that had no clear ability to manage, escalate or respond to it so that level of media inquiry, employee concern and union representation was not foreseen and was not able to be managed.

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You really describe in your statement at paragraph 33, for example, that this really becomes a situation of organisational panic - are your terms?---That's right.

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Describe how that came about?---The payroll process is a very prescribed thing. I know I keep saying that, but it really is. It's down to accounting type rules, you know. You need evidence that somebody worked. You need a form to be signed. It needs to be endorsed by the line manager. You need to keep that evidence and it's all audited and that's the regular predictable environment. If we don't have a form, we don't put it in the system and we don't pay it. All of a sudden it would appear that everybody who believed they had a payroll inquiry or complaint or missed payment from whenever, not just the new system, from years ago even - they were saying, "Well, I haven't been paid. It's never been paid. It's never been right," and so it snowballed into payroll getting completely hammered with having to respond to an extraordinary level of complaint in the absence of any data or evidence that they're allowed to process something and it was just organisational panic, "So and so said they haven't been paid. We haven't got a roster, pay them anyway." So how to respond in such an environment was very concerning for the payroll people who are used to having an artefact duly authorised in which to process. So it was a very uncertain time for them about whether they were allowed to enter things. Hospitals started sending in, "These staff need this paid." It might be

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five shifts on an evening; not which date, nothing like that, just five shifts and the payroll staff were going, "Can we pay this?" and I'm going, "You need to be able to pay them. Try and find out what days it was. Ring somebody." So it completely went around the accepted documentary process and due authorisation. It just concentrated every single historical payroll complaint down to tools allowances from, you know, 2009 hadn't been processed. This new system didn't even relate to 2009. It

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only knew from a certain date in 2010. So then we had to take teams off to try and fix LATTICE payments and get them over here because there was a high level of expectation on payroll that they just fix all of that stuff from whenever, as well as put the new system in.

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You spoke about a catalyst for this and I think the catalyst you say is an email which goes out to staff urging them to seek charity if they're financially compromised or destitute?---That's right.

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That's the catalyst you speak about?---Was the catalyst.

In what sense? Were staff expressing anger at that? ---Those sorts of emails - it was a genuine attempt to reassure people that they would be given payroll assistance by an executive at Royal Brisbane, but as has become the modern trend in all sorts of announcements, "If you need help go and see so and so." You see that on the news all the time. You see it on current affairs shows, "If you need help go to these places." That was included at the bottom of this email. The content of the email was not reported. The foot of the email was reported in the Courier Mail, across Australia, on the Today Show, everywhere. So it was not about people being paid. It turned into a social judgment or a perception of the value Queensland Health had for its staff at that point. It really stopped being about payroll. It was about how staff felt valued within Queensland Health.

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But against a background, it seems, of you having a management plan for workarounds that you yourself also had to manage with the new system.

COMMISSIONER: I missed the question.

MR HORTON: I'm sorry.

But against the background of you having a management plan requiring of you workarounds to keep the new system on track?---I did not ever - well, that's the first time that I've even been put that as a concept that the workarounds in any way affected our ability to process the pay. I don't believe they did. They did not factor in a large way beyond go live. The management plan prescribed how they were to do it. The workarounds group who met every day and wrote the workarounds procedure, they were all known. There was a manual about how to do it. The team went and did it. I don't recall one conversation beyond the go live about whether the workarounds were significant or working or impacting on the pay. They were simply done.

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But many, many people, and I know you say you don't even know the number but that's part of my question, many, many people are not paid, overpaid, underpaid, something went fundamentally wrong in the way the system worked after go live?---There were three things, in my view, that contributed to people not being paid. The first was the Workbrain performance issue, which was not a known issue prior to go live, that was a reflection of the scale of the deployment and the number of users within the system. So payroll staff could not get enough time in the system to get all the data in to the rostering environment, they couldn't get the rosters published in there. The Workbrain performance issue definitely affected our ability to get people on rosters. The only defect that I recall that had a direct impact on people getting paid was individual rosters corrupting, and I've forgotten the word that applied to it, but it was a corruption of the roster. So the roster, for all intents and purposes, it's an individual's roster not a whole team roster, and individual or some individuals in a roster, something was wrong with the way it was being stored in that it wouldn't go over to SAP. I don't believe it was an integration issue, it was an issue in Workbrain that affected some people being paid. And the other reason people didn't get paid was that Queensland Health had a purposeful decision that if you didn't have a roster you would not be paid. So if somebody was not on a published roster, if the roster hadn't been submitted to payroll, the system assumed they were on leave so they weren't paid.

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What was the Workbrain performance issue you've spoke about?---After the go live there was - I don't recall the cause of the performance issue, but there was an issue in some areas across the state where there seemed to be a number of users who were in the same area at the same time, and it would create too much of a load on the system and it would simply lock them out or freeze. So they would have to come back out of the system and go back in, so that was one of the immediate issues that we had to deal with.

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Were there other issues with Workbrain which affected its performance?---Not that I'm aware of.

Did that issue, you say, contribute to inaccurate pays or no pays?---It would have to because from the view of the payroll officer, the person had a roster but nothing arrived in SAP.

Are you able to say to what extent, what proportion of pay that's likely more affected, on a fortnightly basis?---I can, because once we discovered that issue - I don't know if it was IBM or CorpTech, one of the consultant team developed a report which identified where that roster issue existed, and, again, the workaround team would go in and unpublish that roster and fix it and put it back in. So I

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would say probably 100 staff across the state on any given time would be affected by that. 1

How many people at the time that you leave the payroll area are working under you on getting the pay runs done in 2010 after go live?---I have no idea. Part of that issue beyond the go live, we definitely had 800 people at the go live. Three weeks into it, or two weeks into it, when the level of concern started to be amplified and then when the media became involved in circulating and highlighting people's concerns, the payroll staff experienced a period of time where they were just getting abusive calls. They were significantly affected by that, so, no, I don't recall the mechanism of the decision but it was agreed with the payroll union that the payroll staff wouldn't have to answer the phones anymore. I wasn't involved in that consultation, but, in effect, people who had a payroll problem were being told to ring payroll at the same time as payroll staff were told they were not to answer the phone. So a further decision was then taken that we'd hire temporary agency staff to answer the phone and take a message. This added to the confusion, the loss of control and the inability to respond to people's concerns. We now had people trying to contact payroll, contacting somebody who didn't even work in Queensland Health and didn't know Queensland Health let alone payroll taking a message, telling the payroll officer, who, by this time is still trying to deal with other matters, and having to ring them back and them getting abused because it took so long, or they couldn't answer. So the whole response at that point was ridiculous and not in the control of any plan. 10 20 30

I want to just take you to one last topic, in effect, and that's some of the considerations explored in the go live recommendation from the project directorate. You say in your statement that the extreme of imminent risk of the LATTICE failure, and I putting it too highly, really trumped everything else in terms of the consideration whether to go live?---I don't know that I said it trumped everything else. 40

You didn't say "trumped", it was my suggestion to you?---It was a matter that was one of the drivers for this project. One of the elements all teams considered whenever they were contributing to advice or performing roles within the team, everybody knew that we had to do something. From 2006, I have raised the concern that the LATTICE system was going out of vendor support, basically a heads-up, got to do something here. Queensland Health payroll, the many, many millions of dollars that it's worth, not being in vendor support was considered by most contemporary industry people to be an unacceptable situation. So I know CorpTech did all they could to try and induce the commercial owner to provide commercial support, but it wasn't there. Commercial support is important because it's a shared risk environment in which you can rely upon expert technical 50

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experience to get there in a certain period of time,
without that there was a problem. PJ 30, the post June
LATTICE replacement project that CorpTech managed was the
mitigation to that, so nobody else is going to do it,
government will have to do it.

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And that's Mr Hood's team, is that correct?---That's
correct.

Got some resources internally to keep LATTICE alive?---I
was on the project, it was with Emergency Services and
Corrective Services, from memory, all agencies that used
LATTICE. Queensland Health used LATTICE differently in
that we used a calculator area of LATTICE that the other
agencies didn't use, so Queensland Health had more urgent
requirements to make sure we knew how to run that. PJ 30
took the source code, Talent2 did all they could to make
sure we were supported in doing that. Phillip Hood's team
took on responsibility for that.

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Yes?---So that best efforts all of that. That went well but I suppose over time, it has become - the LATTICE system is failing, however if the briefs and the subsequent information that I provided, LATTICE was a product that produced the pay result. The Queensland Health payroll required software technology remarkably similar to Workbrain to produce work hours information. That software had gone - the version - had gone out of vendor support. The vendor had extended priority 1 so if it stopped, they would come and help us but they weren't going to do anything more to it, they want us to upgrade. The servers were at or approaching end of life and would require replacement. The operating environment, my understanding was also approaching end of life, so although people say LATTICE, the actual payroll system and how it hung together had so many failed points and risk points that the only way to manage that was to replace or upgrade the whole thing. We were constantly patching bits of it, trying to do workarounds, trying to put in plans that managed things that couldn't be done. No running a pay and sending people home to have tea or see their kids and come back and finish it and we'll be here till midnight. I recall having to call a team in on the weekend because the Royal Brisbane database wouldn't export and we had to literally remove people so that we could decrease the size of the file and get it across to LATTICE - pay.

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If the risk of the kind that you're talking about though had been able to be communicated to your satisfaction about LATTICE, would you still have recommended the go live when the project directorate did?--- I'm not sure that's a fair question. It depends what you mean by mitigated. We had mitigated everything in the rostering and the LATTICE world. Workarounds were so commonplace that people, I think, grew to consider them normal business.

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I really mean this: if someone had been able to demonstrate to your satisfaction that for the next six months LATTICE could reasonably be relied upon to continue the Queensland Health pay, could reasonably be relied upon, would you have made the decision to recommend go live?---I had considered that in exiting UAT. There were points across the project where things were so problematic and unclear. We discussed that with the board. I recall exiting one of the UATs - I think it was UAT before the UAT - I think it was UAT 4 prior to the UAT forward progression test - regression test, and the directorate was asked to consider exiting UAT 4 and we had the consultant telling us, "We don't know what else is underneath all these defects," and unhappiness, so there was risk. The project directorate could not agree on a position and so we had government board member meetings with the PD so basically we excluded IBM and we discussed whether we should exit UAT or stop and I felt we should stop at that time. I think that's what came to the

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management plan and the question was, "If you could be assured that you could work with it, could we keep going and see if we could go live?" and I think that's what we agreed to do. "Okay, you want a management plan, you want us to assess," because it was a lot of time, a lot of money and the board has asked the project directorate to move towards management so I had considered, "Could LATTICE go six more months?" and obviously I felt that it could have. Worst case scenario, just hope it didn't happen so six months, possibly. The problem as we progress was that I have no confidence - we were talking about six months. By this point, more EBs were coming, the stacks were there. The annual leave central scheme had come, Queensland Health reporting at a financial level was coming. There were restructures within Queensland Health again, so my view was you weren't talking six months, you were talking six, 12 or 24. My real view was that you would have to start against and I don't mean from an empty box, I mean from where you were, we would have to start again and do two years and - -

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MR FLANAGAN: That must be the course - you had no real confidence in the build design of the new system?---No, it was not. It was because I had direct sight of how the software worked and that every time the HR environment - and by this time, the finance environment changed the system would have to be changed. I knew what changes were coming, I knew what changes we had been struggling in. One of the major problems with this project is it took so long, so many new requirements came up, so many things changed that it was never static. One of the principles that I understood was that we had to have a change freeze environment in the business world to deliver a software build and we just never got it, and constant change stopped that.

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Great fatigue essentially set in particularly towards the end of the project which also seems to have been a factor - perhaps with the benefit of hindsight and of perspective looking back, the team seemed terribly fatigued and by that I mean the project directorate, the people working underneath you and so forth, and there was a desire for that reason too, to be free of the constant struggles about whether to go live and the difficulties being experienced in the system?---I don't agree with that.

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Wasn't the time to stop this exactly when you had thought it should be stopped, and that is not exempt from UAT and say, "This system has not met the UAT criteria which has been set down," at the outset; that is, there are severity 2s, we do not exit UAT, we do not seek to get around them via workaround. We deal with it head-on and the system doesn't pass UAT?---I don't know - I don't know if there was a right time to exit, that was a big call. It was not my call. I would appreciate how difficult and problematic that would be for any officer who had to make it. When I

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say about - I think it was in September so I'm not talking about the exit for UAT and to cut over when I say exiting UAT, I'm talking about - it was around September 2009 where the UAT manager was suggesting either a full retest or a significant regression test and that's where that discussion took place. It was around the confidence to be able to fix the defects that existed let alone how we would deal with ones that would do that. There appeared to be, and I was not directly involved in, but I saw the result of a lot of negotiation between Queensland Health and CorpTech and IBM about how to deal with those defects. What had to be fixed, I remember Bill's statement saying, "The sky will go black when IBM is coming in to fix this," so there were significant commitments to resolving that problem.

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When did he say that? Did he say that to you?---He said it in opening meeting. I don't recall which meeting but certainly the sky would go black with IBM as we will resource this and we will fix this.

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What was there to fix? At which stage of the project are you when this was said?---It was within UAT 4 which must have been around September 2009. 1

Yes. Did the sky blacken with consultants?---No, there was no eclipse.

Finally, you say in paragraph 15 that there was a decision brought about 10 days prior to the go live and you were told that the minister had directed that the system was to go live. Who communicated that to you?---As I say in my statement, I don't remember the first person and I'm struggling to remember if it was 10 days. It was within the decision period because one of the things the board and the directorate relied upon was that progressing with the project did not necessarily commit a go live. You could say no at any of the checkpoint gates. There was a view that you should proceed as far as you can until it's completely untenable and we stop, but everything - we need to investigate and test people's views about the success of the system or the project. Going forward did not equal: we're going to go live. It equalled: we understand we can stop at this gate. We understand. We'll pass this. We'll test it out. We'll have a look. We could stop there. So proceeding doesn't lock in a go live. It's not a launch series. So when we're talking about going live - and it caught, basically, everybody by surprise. I think there was an assumption it won't go live. There was always an assumption, "This thing won't go live. It won't go live." I was told, and I really can't remember who the first person was, that the minister had directed that whatever had to be done to send this live had to be done. It was to go live. 10 20 30

There was more than one person? You said the first person? ---I checked it.

Yes?---I don't recall the first person, but I did check it with other people. I did ask other senior, more senior to me, "Is this true?" and they affirmed, "Yes, it was." 40

Yes. Who were the senior people who you checked that with? ---It would have been Mr James Brown, Tony Price, Adrian Shea.

Which minister did you understand the minister to be who was saying go live?---I understood - it's an interesting question and I don't know the answer to that. When that was said to me, my perception the minister that related to me so that would be Deputy Premier Lucas at the time, but I would assume the same statement to CorpTech would mean another minister. I did not hear that statement. It was reported to me that that was the instruction to the board. 50

Yes, thank you. You did factor into your decision to recommend go live?---Recommending go live was not that

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simple. Recommending go live was a completely managed plan where we had risks that had to be mitigated. We had a level of tolerance and a risk appetite that we understood and we had a complete script of things that we had to agree were done or not done.

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I'm not suggesting it was simple. I'm just really asking was it a factor in your mind, one factor in your mind, in recommending go live, recognising it's a complex - - -?---I think it was a factor in reassuring the board that any risk or appetite for risk that had to be accommodated - the executive council of government had their back and I think that was the thing in their mind, "We've done everything we can. It's as close as we're ever going to get it without restarting again and the minister wants it to go live." I suppose in my mind you would expect government understood and had your back.

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That's the evidence-in-chief of this witness.

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COMMISSIONER: Mr Kent?

MR KENT: Thank you, commissioner.

Ms Jones, you have your statement with you?---It's here somewhere.

Can I just ask you about a couple of things that you say in the statement. May I take you please to paragraph 20 which is on page 5?---Yes.

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You say there that you had the impression the test manager thought they should just keep testing until there were no defects and you say that there was no ability to simply extend testing. The decision was to stop or go live. Can you just explain that for me please how those two were the alternatives?---The methodology of the UAT or the use of the test plan definitions was that there be no severity 2's. There was a strong view from the test manager that there were severity 2's, therefore, it was black and white. You shouldn't proceed and you should keep testing it.

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COMMISSIONER: Who expressed that view?---It's my perception that Brett Cowan had expressed that view: that you really shouldn't be exiting UAT until you have no severity 2's. The severity 2's were not black and white, as I've said. Someone effected a report in the DSS system somewhere in finance, so my focus was on the materiality and there were grounds required of payroll. Every time you change something or rerun a test you are likely to create an issue somewhere else. Every time Queensland Health changed an award parameter, it was a new requirement. Every time government, Commonwealth or state, changed parental leave, annual leave, parental leave scheme, it was

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a new thing. You can't test this forever. You can only test when the business environment is static. It was supposed to be in a change locked down environment and it was not static. We knew that the end of financial year would require the system to change. We knew that upcoming enterprise bargaining would require the system to change. We knew the parental leave scheme and things like that were coming. We knew changes were coming. So you either stopped and allowed the system to catch up with all the new stuff and the changes or you looked at how to manage the current system. It wasn't, "Let's run UAT 5." There was no time. The UAT manager recommended a regression test, which the project directorate endorsed and I believe was undertaken, but past the regression test there was no time to redo the UAT.

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MR KENT: If the decision had been made as at March 2010 not to go live, in your view when was the next opportunity, likely practical opportunity, to go live?---If only the end of financial year legislative changes were done, it was my understanding, September was possible. If Queensland Health required any additional system requirements it would just keep blowing out from there. One of the things we did learn was there was really only two windows in a year that you could send this integrated system live and that was in March or September. There was no two weeks here or four weeks there.

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That is because of the ebb and flow of financial considerations through the financial year. Is that correct?---That's right.

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Was one of the factors that you had to work with EBA's, enterprise bargaining agreements?---Yes.

Was one of those in the pipeline?---They were all going in the pipeline. The 2008 date was because they were looming and they are three-yearly items and some items within an EBA change every year and I'm not talking about wage rates. I'm talking about configurable, functional elements. More change was on the - we were already manually working around in the LATTICE environment significant system requirements that couldn't be delivered because the LATTICE system was in lockdown itself. We couldn't configure them. So we're manually paying a lot of things outside of LATTICE. So we would have to return to that environment and try for a September go live.

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MR KENT: If I can take you to paragraph 25 of your statement on page 6, you say there, "It would have been improper to go live with severity 2 defects still existing without a workaround," and you didn't think there were any such at the time in that all severity 2s had workarounds. But I take I from your evidence that what you're referring to there is severity 2s that have an immediate impact on the payroll?---That's right, the ones that affected the pay.

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All right. May I take you, please, to paragraph 33, and the passages at the top of page 8. This is something you just touched on a moment ago, but you say there that, "The directorate and the board knew, they needed to make a decision to go live or accept that we may not be able to go live for 6, 12 or 24 months," is the September date that you mentioned a moment ago, that's the first order sought as possible time that there may have been a delay for? ---That's correct.

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All right. Can I take you, please, to paragraph 44 on page 10? You say there that, in your view, for three pay periods the system did work and the pay results improved getting progressively better?---That's right.

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And your view was that, I presume towards the end, it was probably better than the old payroll system?---Yes.

Paragraph 51, you deal with the possibility which may have been suggested at some stage that the two systems could be run in parallel. Are you saying there to actually run live the two systems in parallel, you'd require the double the amount of payroll clerks?---That's right.

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All right. And I presume, as far as you're aware, there weren't another 1000 payroll clerks around to be suddenly employed in Queensland Health?---No, and views that were expressed around, "Just hire some," or, "Get a commercial vendor or outsource it," under values the role of payroll staff, no, I don't mean that just in a human way. Any perception that you can just get people off the street to manage Queensland Health pay run and its awards is a ridiculous notion, and this concept that you should just put more people on and train them up, the payroll staff were experts in their field, in the main, and that takes a long time to develop the knowledge to be able to navigate and manage a Queensland Health award employee and payroll environment.

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I think we've already heard some evidence to the effect that the payroll system in Queensland Health at the time required payroll staff to make up to 200,000 fortnightly manual entries in the system?---That's correct.

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All right. Can I just ask you about a couple of questions that Mr Horton had for you earlier this morning? You

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described how after go live, I think in your terms once the 1
problems became known in the media people who had
complaints started to send in claims even for quite
historical claims. Do you remember giving that evidence
this morning?---Yes, I do.

Can you just tell me in a physical sense how that happened?
Would a claim, for example, be transmitted by fax?---Well,
by fax, dropped in. Usual process would be to either 10
deliver through internal mail by hand or fax, the employee
forms or scan.

Certainly, there's a written document that turns up on a
payroll officer's desk?---That's right.

Was there a problem developing with such claims being
submitted more than once?---In response to the concerns and
the increasing level of internal organisational and
external organisational, and everybody a payroll expert 20
type world, people were submitting their forms and then
being told Queensland Health will pay everybody overnight.
That was a statement made that payroll could never deliver,
we could not make payroll adjustments. There was a hearing
in the Industrial Relations Commission where the unions
brought the payroll issues, and we gave a commitment that
where people had not been paid and we could get the
information we would correct in the overnight pay run. It
was very clear, and we agreed that anything - my
recollection, certainly my intent, anybody that had a large 30
pay discrepancy of more than 10 per cent of their pay we
should be addressing immediately. We tried to build a
perception that pay error magnitude would allow us to
respond appropriately to dealing with people's financial
concerns and hardship, and that message was just not
carried through the organisation, not by all managers and
certainly not by some unions, where we were suddenly rather
than trying to fix people who had no pay, we were getting
claims for \$5 back payment from an allowance. We were
getting, I mean, hundreds of claims for overnight payment 40
for between \$5 and \$100, when what payroll was trying to do
was to basically triage issues and respond to them. We
were getting a large number of forms submitted, "I haven't
got it yet so I'm putting the form in again, I haven't got
it yet, I'm putting the form in again." We had triplicate
forms clogging the system, nobody knew had been paid,
nobody knew if it was on a payroll spreadsheet from the
district, a form from the employee. If it related to last
year it wasn't on the current system, so there was no
visibility about whether it had been processed at all so 50
there was no time limit put on any of this, there was an
expectation placed upon payroll that they would correct
things overnight and unions, in some cases, even sent this
out to their members. It was just completely unmanageable
and was never going to be met.

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And this was at the time when your staff were attempting to grapple with the new system that had just gone live? ---That's right. As would be reasonably expected, if you change over your tools of trade you're not as productive until you get used to it and bed them down. So in a period where we would have needed to give them extra time and support, and we did all we could to do that, the outward expectation from payroll was that we fix everything overnight. It was ridiculous, we were never able to do that, we never agreed we could do that and it led to a snowballing of employee concern and manager - they just didn't know what to do with it all.

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Mr Horton asked you about the performance of the system once it started, and a question along these lines, that there were many, many people paid wrongly. Are you able to compare, from your own knowledge, the numbers of people paid wrongly in the beginning of the new system after go live compared to the numbers under LATTICE?---I can't compare numbers, we never got to the point where I was involved in any analysis of that. However, the types of issues were similar and I felt that system driven overpayments were down and payroll staff calculation error was down, because the system was a superior system to what we were used to. Given appropriate or reasonable ability go through a review process of that, I think that would have been the findings but, of course, we never did that. If somebody did, I'm not aware of it.

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I think you say in your statement that your understanding was on the third cycle after go live, it was performing better than the old system?---That's was my assessment.

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Can I just ask you a couple of questions following from Mr Horton's questions to you about LATTICE, I think one of the things that you told us this morning was that the problems with the old system extended more to more than just LATTICE itself. Correct?---That's right.

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Were there problems with the ESP program as well?---That's right.

I think you mentioned the servers were approaching the end of their life?---That's right.

Your summary of this was that the whole system had to be upgraded?---That's right.

You mentioned in your statement that one of your fears was that you would get to a pay cycle and the system would fail catastrophically so that no-one would be paid. Correct? ---That's right.

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You were asked about what could have happened at the point of the go live decision if LATTICE's performance could be guaranteed for a further six months into the future. Do you remember being asked about that?---That's right.

And you told us a bit about what your response was to that and I think you indicated how there are only so many windows and it might be up to 24 months to actually get to the go live point again, My question is slightly different though. You understood of the system, could someone meaningfully guarantee to you that LATTICE or the old system, I should say, would continue performing for another six months?---No. The assessment of the LATTICE risk was robust within government. The CorpTech support team under Phillip Hood did a fantastic job to provide the mitigation to LATTICE being unsupported but at the end of the day, it was unsupported. Best efforts of government were not going to cut it when it came to, "What would you do if you couldn't pay people?" and no-one could answer that, and the risk sat within government and as you can see by the payroll go live, no matter whose - no matter leads to a payroll issue, it will be payroll that is the focus and the blame or the perceived fault body, so Queensland Health not being able to pay its employees, completely unacceptable and possible, so wherever it's possible, it's unacceptable. We had people coming into payroll saying, "Are you sure that's true?" and we had consultants reviewing it, we had risk analysis' being undertaken. This was not my personal view, this was the view of people who took the time to understand what this Queensland Health payroll system was like and how it was functioning, where it's fail points were and whether we had any room for mitigation left.

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There were comments at the time with, "Hire another tech, it will last, don't worry about it." In my view, disrespectful and ill-informed views of consultants who simply want to encourage government to give them the easy jobs while these big problems can happen in the background and if they happen, we will deal with them then. What we needed from all of government plan was to understand when we would be provided a satisfactory and safe payroll operating environment. This perception that you could go to the end of the line because it wasn't really a problem was never said by anyone who had taken the time to evaluate or become informed. It was being stated by people who were - "Let's do small bits first. Let's do the low-hanging fruit," - was the term of the time because that risk won't ever happen but the question has to be, "Well, what if it did? What are you going to do?" and there was no answer. I don't know what you would do.

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You may have mentioned it in that answer that you just gave me but in your experience, can there be a difference in perception or approach of consultants who were hired on a contractual basis versus public servants of permanent employees long term with a system?---My experience of consultants assisting public service is the major drive of a consultancy is to extend the consultancy and manage money. They may very well invest their time in dealing with issues but their priority is not to resolve the issue. Public servants live and breathe and get blamed for the issues. They have invested interests in going through risk planning and management and mitigation and these are all very clear systems in Queensland Health in identifying and managing mitigating all those things, public servants have to get the job done and will do whatever is necessary or within their capability to get it done, whereas consultants will simply know - things that disturb me are comments like, "Let's get the easy stuff done first. Go for low-hanging fruit," or the absolute worst statement is, "New technology or new systems will drive your business change." That is not true. So you end up with software driving a change through a department but then blames the software for what happens where the software is software, it's just shelf stuff, it doesn't do things to an organization, so those are the types of things when I hear that consultants are saying, I become alarmed.

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Thank you. No further questions, thank you, Commissioner.

THE COMMISSIONER: Mr Traves?

MR TRAVES: I'm grateful; thank you.

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Ms Jones, in or about June or July of 2009, there was discussion amongst the members of the project directorate and indeed the board concerning the reclassification of some severity 2 defects. There's a document which I wanted to show you which is not in the material that the

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commission presently has bar for the fact that it's an exhibit in Mr Shea's affidavit. 1

MR FLANAGAN: I might seek to have that marked for identification at this stage, Mr Commissioner, the statement of Mr Shea and the attachments because Mr Traves seeks it.

THE COMMISSIONER: Yes, all right. There is no need to put it for identification. I will just make it exhibit 80. 10

MR FLANAGAN: Thank you, Mr Commissioner.

MR TRAVES: Thank you.

ADMITTED AND MARKED: "EXHIBIT 80"

THE COMMISSIONER: Is it an affidavit or a statement?

MR TRAVES: Statement. 20

THE COMMISSIONER: It's exhibit 80.

MR TRAVES: Thank you.

The document that I wish to show you, Ms Jones, is at page 60 of the exhibits to that statement.

THE COMMISSIONER: Did you say 60? 30

MR TRAVES: 60. Now, if I can ask you to go - before I ask you a question about that, one page - with the documents immediately preceding that are minutes of a board meeting, a quick board meeting on 2 July 2009 and you can see that from page 55. I will ask you to have a quick look at that and then the passage that I wanted to take you to was on page 59. Now, I know that you weren't at this board meeting but I just wanted to direct your attention to something. Have you got page 59 open there?---Yes.

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You'll see Tony, I think it's Tony Price, tabled the following document at the meeting, a QHIC severity 2 defect criteria UAT. He advised it was a rough document and so on?---Right.

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I just want you to look at that next document then. That is back at page 60 to which I first took you. Do you see that's called a QHIC Severity 2 Defect Criteria for UAT? ---Yes.

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Have you seen that document before? I'm not putting to you that they're one and the same. That is, I'm not putting to you that this document, page 60, is the one referred to at page 59. I'm merely seeking clarification?---I don't recall seeing this, but that's not to say I didn't. I simply don't recall it.

All right. Is it fair to say at this point there was discussion about which defects which might have been classified as severity 2 did or did not affect net pay? ---Yes.

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If I were to take you across to page 61 and ask you to look at items 16, 17 and 18 - - - ?---Yes.

Are they the sorts of items about which there was debate, that is, did they or did they affect net pay?---This depends upon whether you're talking about payroll from an employee perspective or payroll from a finance perspective. They are two different concepts. The thing that I think I - and what I interpreted the board to be concerned with was that the money that Queensland Health employees were rightfully owed was provided. So we talk about affecting pay as in employees getting their money. A finance term is about payroll and it's a different concept. It's about the finance payroll and it includes on-costs and reporting elements and tax and super. There's two concepts. Certainly this refers to the finance elements of a payroll and they would not have materially affected an employee's net pay.

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And, finally, did I understand the effect of your evidence to be earlier correctly, that is to this effect, that in respect of those defects which are reclassified, when the system went live you saw no evidence that those defects which had been reclassified were actually the cause of the problem?---Not at all.

Thank you.

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COMMISSIONER: Mr Ambrose?

MR AMBROSE: Ms Jones, can I ask you to look at paragraph 52 please?---Of my statement?

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Of your statement, the first sentence there, "I told my managers of the problems I have mentioned above." These managers were people beneath you or people above you?
---Above me.

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The next sentence, "I told Paul Monahan and Cesare Callioni," are they your managers?---Paul Monahan was the executive director of Shared Services. I reported to him. When he left, Cesare Callioni was employed and I reported to him
so - - -

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Are they the managers that you're referring to in the first sentence?---Yes.

I understand. They were well aware of the problems. "They" refers to those managers?---Yes.

In the next sentence, "I provided briefings through to the deputy director-general and the director-general of Queensland Health Mr Reid." I'm trying to understand quite what that means. Do you mean that you provided briefings to the deputy director-general and to the director-general or you provided briefings through someone else expected to go to those gentlemen?---Through the correspondence process, I would raise matters and it would go through a series of clearances and at any point in that the content can be reviewed or the person to which it's supposed to go can be changed. At my level of the organisation, if I wished to communicate a risk or a briefing, I would create that. It would need the support of my boss and it would go up the chain, so to speak.

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All right. The next sentence, "I provided these managers with information about the risk to the LATTICE environment." Are you trying to convey that you provided your managers Monahan and then later Callioni a brief about the risks that you have referred to earlier?---I believe I am referring to Mr Monahan and Mr Callioni. Probably the way the interview question was posed to me - I certainly did not speak to Mr Reid, the then director-general of Queensland Health and very early on in the process I would rarely have spoken to Mr Kalimnios.

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I'm just trying to understand who you mean in that second-last sentence, "I provided these managers," because there seems to be a discussion of the managers in the first two sentences, three sentences even, and then you talk about briefings to two different people and then you say, "I provided these managers." I'm trying to understand are you trying to convey that "these managers" are the ones you referred to earlier or are you trying to suggest that the deputy director-general and the director-general were the managers?---I am not suggesting that the director-general and the deputy director-general are the managers.

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All right?---The managers referred are the people I reported to. 1

Okay. Then the last sentences, "I sent such briefings up about once a year." Are you talking about briefings to your managers?---They would go through my managers, so I'd provide my managers and they would go up through to the recipient within the department.

They may or may not go up higher than the managers?---My assumption is that they go up. I agree, I have no visibility about where they end up. 10

If I suggest to you that Mr Reid, the director-general, in fact received no briefing from you, would you disregard with that?

COMMISSIONER: I think it's established that - - -?---I don't know. 20

- - - Ms Jones didn't herself speak to Mr Reid. She gave her manager's report which she expected to be dealt with by them and to be sent to those above that and she can't take it beyond that.

MR AMBROSE: Thank you?---I would have to check each brief, but the way the correspondence worked at the time is that I would create the brief, clear it through my boss, who may even have asked me to write it. It would go through his boss, the deputy director-general who may determine whether it needs to go to the attention of the director-general, who may determine if it needs to go to the attention of the minister. Where these things go after I've written them, I don't get to direct and I don't know, but I can't with any clear recollection tell you whether they went to the director-general. 30

Thank you.

COMMISSIONER: Mr Sullivan? 40

MR SULLIVAN: Commissioner, could I just hand this document up to Ms Jones to have a look at. We provided a copy of this to you earlier this morning and a separate copy for yourself, Mr Commissioner.

You were taken to a document in Mr Shea's affidavit or statement?---Right.

Do you recall that?---Yes. 50

Do you see that this is on the front sheet an email from Mr Shah of 11 August 2009?---Yes. I can see that.

It's sent to various people, including yourself?---Yes.

You'll see from the subject matter of that email that it's got, in effect, a draft said to be a final version of entry and exit criteria and defect classification guideline. If we turn to about six or so pages from the back, you should see a heading page called Defect Classification Guidelines Version 1.0?---Yes. 1

Do you recall getting this email at all?---No.

If you have a look at that defect classification guideline, you'll see the document behind that is broadly similar to that other document you were taken to in Mr O'Shea's (sic) in content. Mr Shea, I should say, not O'Shea?---Well, I will take your word that they're similar, I did not read Mr Shea's document with any depth. 10

Do you recall that there was a defect classification guideline being prepared at the time of the preparation of the entry and exit criteria in relation to UAT 4?---Yes. 20

Having a look at this document, I'm not saying this is the final document but does it is this broadly quite the type of document which was under discussion?---Yes.

Thank you, your Honour.

COMMISSIONER: What do you want to do with the document?

MR SULLIVAN: I think it was going to be tendered, in any event, through my client, Mr Price, but we might as well tender it at this stage. 30

COMMISSIONER: It's attached to his statement?

MR HORTON: A version which is not dissimilar from that is attached, not the same, so it would be appropriate to be tendered.

COMMISSIONER: All right. The email from Mr Shah to Ms Jones and others of 11 August 2009 with the attachments is exhibit 81. 40

ADMITTED AND MARKED: "EXHIBIT 81"

MR SULLIVAN: Thank you, Ms Jones. That's all, thank you, Commissioner.

COMMISSIONER: Thank you. Mr Doyle?

MR DOYLE: Yes, thank you. Ms Jones, at the very start of your evidence you spoke about - well, I think you were shown a QHIC scope document, do you recall that? If you don't I'll show it to you again?---Yeah, I don't recall that, I'm sorry. 50

Let's move on, I'll see if we can go without it for the moment?---Okay. 1

You'll recall I think you described it as a scope document which identified the major elements at a certain level?
---Yes, I do recall that.

And then you contemplated I think to be some two further articulations of detail, one which I think you described as a business attributes document or something like that? 10
---That's right.

Now, you know such a thing was brought into existence and revised throughout the course of the development of the LATTICE replacement system?---That's right.

And for that to occur would require, whatever you call them, workshops or interchanges between IBM on the one hand and someone at Queensland Health?---Yes. 20

And can you tell me please, to your knowledge, was that someone without QHEST?---Is that QHEST?

QHEST, Queensland Health Enterprise Solutions Transition?
---It would have been.

And that's not a group of which you were a member?---No.

Thank you. The next level of specification I think you referred to would be the thing which set out the details of the pay rules and so on?---Yes. 30

By which you mean the details of the content of the awards and the agreements and whatever else governed people entitlements?---Not literally. The document I'm talking to, and I'm struggling to remember what it was called, I'm sure it was called "pay rules" or something, but because of the Workbrain system housing the award interpretation rules, the document I'm referring to sets out which groups of Queensland Health's employees had the same pay rules. 40

So categorises like employees where ever they might be?
---Shift working nurses, non-shift working, admin staff.

Again, the formulation of such a document or whatever it turns out to be, would involve the cooperation of both someone from IBM and someone from Queensland Health?---I think the majority of submitting that information would be Queensland Health, but they could not have done it without the system to sign knowledge. 50

So it requires information to come from Queensland Health - - -?---Yes.

- - - and to be acted upon by IBM, and you know that was done throughout the course of this project?---Yes.

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Indeed, it had to be done in order to do whatever the system did after go live?---Yes. 1

In terms of the part of Queensland Health who is providing that information or cooperation, is that, again, someone within QHEST rather than your section?---It would have been managed through QHEST, they would have identified the majority of the documentation. I'm quite sure that shared services or payroll staff would have been given the opportunity to review or have input into that, but we did not manage the document. 10

All right. So it might be then that you would have input into providing some information to another department within Queensland Health which provided it to IBM?---That's right.

If you go to your statement, please, you say in paragraph 5 that, "One of the reasons for the deferrals in the go live was an increasing understanding of the complexity of the financial and payroll environment within Queensland Health," and so on. In 6, "Queensland Health's project was originally a like for like project and was an interim solution pending the full implementation." It's those two things I just want to ask you about. You knew from the outside, the detail of which I'll take you to if we need to, but the LATTICE replacement was intended to be an interim payroll system arrangement - - -?---Correct. 20

- - - which was to provide, and the language used is "minimum functionality"?---Yes. 30

Can you recall that? So it was always intended to, you would understand, to provide an automation of some systems but not the whole of the business systems which Queensland Health might wish to have automated?---That's right.

In order to identify what the minimal functionality would be would require someone within Queensland Health to inform IBM of those things?---I would assume so. 40

Again, that's something done by QHEST, QHEST, I'm going to get that right by the end of this - - -

COMMISSIONER: I call it QHEST too, Mr Doyle.

MR DOYLE: It must be right then. It would require the provision of the information to IBM, and your understanding is the arrangements within Queensland Health was that QHEST would be the one to do that?---If we make the assumption that it was Queensland Health and not CorpTech, I honestly don't know the answer to that. 50

I see. All right. It wasn't your department anyway?---No.

Thank you. I might just ask that you be shown volume 7, please. Could you open it at page 360, please? Actually, 359 to start with. You should have there an email which is copied to you, do you see that?---Yes, I do.

1

And it is from Paul Monahan?---That's right.

And it says, "I have attached a brief, we just sent to," and that's a reference to Mr Kalimnios?---That's right.

10

Behind that on the next page you'll see another email which runs for a few pages?---Yes, I can see that.

From Mr Monahan to Mr Kalimnios and others?---Yes.

Do you recall receiving and reading this email?---Yes.

Thank you. The things I want to take you to are on page 361, where there's a heading "Impact of Stopping". Do you see that?---Yes.

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Under it are list of things which are relevant, but I won't bother asking you about, except for the last dot point on that page. "Currently at a rate of both under and overpayments associated to existing complex manual workarounds will continue." So that's one of the consequences of stopping the progress of the LATTICE replacement system is that, that's as you understood? ---Yes.

30

Then you say, "There are many of these manual processes that have been embedded into payroll practices." Can you just tell me what that means? Can I have a go and you tell me if I'm right? Because of the deficiencies of the LATTICE system, a whole series of workaround processes had developed and they had become, in effect, standard business practice for Queensland Health?---Yes, when the LATTICE support team transitioned to CorpTech, because LATTICE was run in Queensland Health by the staff for Queensland Health, when the Shared Services Initiative transferred that into CorpTech there came a time where we had to sit down and look at all the outstanding issues, outstanding defects for the LATTICE system and simply had to write them down. They had been there for so long and we were using the system and there was no longer any value in trying to raise issues to be fixed, so we basically agreed that how we currently used the system was now considered normal business. There was no further value in differentiating workarounds, and payroll staff who use the system would not necessarily have identified what they're doing as a issue or a defect or a workaround.

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A workaround as distinct from standard business practice? 1
---Yes.

That's identified as being - I suppose the culture had become such that you couldn't tell that it was a workaround rather than just the usual way business is done?---The normal user would not, no.

And there's a whole series of things that are listed there that I won't trouble you about now. If you go to the next heading, you'll see Impact of Continuing and we should understand that is discussion of some consequences of proceeding with the LATTICE replacement arrangement. That's as you understood it at the time?---Yes. 10

Can you turn to the next page to the first dot point, "Project scope has been locked down since September 2008 resulting in an increasing number of workarounds necessary to complete the projects," and someone likes the word "workaround". Then down a little further it says, "Some of these workarounds are known now and result from underspecification by Queensland Health." 20

COMMISSIONER: Where are you reading from?

MR DOYLE: Page 363.

COMMISSIONER: I have that.

MR DOYLE: The first dot point and then after the first sentence the word "workaround" seems to be repeated many times. 30

COMMISSIONER: Yes.

MR DOYLE: So at the end of when that stops - - -

COMMISSIONER: I see. Yes.

MR DOYLE: I know these are not your words, but was it known that - let me put it to you this way: it was known that Queensland Health had originally underspecified its requirements in telling IBM what were its essential or minimum business requirements?---Yes. That's what it means. 40

There were to your knowledge a series of changes - are you familiar with the concept of a change request?---Yes.

Okay. There were a series of change requests in which more specificity was provided and what IBM was asked to do was altered. You're aware of those?---Yes. 50

And that in part was at least due to a greater appreciation by whomever it was in Queensland Health of what their requirements were?---Yes.

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In part, it may have also been due to changes in the environment, that is changes to tax laws or whatever that were external?---That's right.

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Thank you. That, whilst it speaks in terms of communication in December 2008, process was the one you continued. There were continued changes in what IBM was asked to do as a result of either the identification by Queensland Health of a better understanding of what their requirements were or the kind of environmental changes I spoke of?---That's right.

10

Thank you. Can I ask you to go back to your statement please. Could you turn to page 4. I just want to ask you about one thing in paragraph 15. About six lines from the end you refer to "upcoming large scale changes". Do you see that?---Yes.

Is that a reference to, amongst other things, the - I'm sorry, I'll ask you. What are the upcoming large scale changes to which you refer there?---My recollection were things like the end of the financial year legislative changes, superannuation changes. Parental leave was being discussed at that time, I think, the major changes to payment, enterprise bargaining, allowances. It wasn't just enterprise bargaining. There were some redefinition of existing awards as well.

20

All right. Can you help me with this please. Were you aware that there were also some - I'm sorry. Each of those things to which you refer are things which would impact upon the specification of the LATTICE replacement system, its testing and its function?---Yes.

30

You're also aware, aren't you, that there was intended to be upgrading of the SAP system itself?---Yes.

And that was imminent. That was something which was about to occur shortly?---I was aware it was one of the factors that's something that CorpTech and the technical side of the business would have more understanding of. It was certainly tabled as one of the issues.

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If that was to occur that, too, would have an impact upon testing?---Yes.

You would have to start again?---Yes.

Those are the things you have in mind as the large scale upcoming changes?---Yes.

50

All right. I want to ask you about the testing thing, but I hope to do so without going to too many documents. Ultimately, you've told us there was a management plan to handle defects - - - ?---Yes.

- - - of things of various kinds which, in part, arose from 1
- would this be right, a testing regime which had been
conducted which had identified, rightly or wrongly for the
moment, a number of severity 2 defects?---Yes.

You know that there was, at least as far as IBM was
concerned, a contention that a lot of things which were
identified as severity 2 defects were in fact not defects
at all, but things which were out of scope?---They 10
expressed that.

Yes. There was also a contention that things which were
identified as severity 2 defects were not in fact as major
as would justify them being described as severity 2
defects?---IBM held that view.

I'll come back to your view about that in a moment. That
was in part because the description of what was a
severity 2 defect involves, at least, some sort of
qualitative assessment, a subjective assessment?---I 20
believe it would have to be a subjective element, depending
upon why you're reviewing it as a defect, the same as
specifications. If you and I read the same specification
we may well interpret it differently. The same can be said
of the defects.

An aspect of that that you mentioned before - and tell me
if I've got this right - that something would be identified
as a defect if it produced the wrong payroll outcome?---The 30
wrong test scenario outcome.

Right. That may be attributable to a difference of view as
to what the pay rule is to be construed as, that is, what
the award in fact provides for?---Correct; because indeed
there's another assessment as to how it's paid now.

Just keeping it, if you we can, at a simplified level for
me, if I take a particular view about what the pay rule
means and someone else takes a different view about what
the payroll means, a system designed with my thoughts in 40
mind will be shown as a defect by someone who has in mind
the different construction of that pay rule?---That's
correct.

You know that was in fact really - you know that was at
least a contention being advanced by IBM as the cause of
some of these defects?---Yes.

You know, don't you, that the pay rules themselves from
your experience are capable of significantly different 50
construction by people acting reasonably?---Yes.

Thank you. That's been your experience confined within
Queensland Health?---Yes.

Thank you. In the course of giving your evidence earlier, you referred to something called The Test Script and a possible explanation for the test producing a negative, but a defect result, is that the script was wrong?---Mm.

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Can you tell me, please, what a test script is and how it might impact upon the identification of something wrongly as a defect?---Well, to enable the tester to test a certain passage of data through the system you would have to have an exact step-by-step scenario of what value you want them to put into which part, which screen, which field, how to process that through the interface and what you would expect the result would be. So an example would be if you put - if you changed a nurse form a day shift to a night shift, you do it on this screen in this way and then you allow the interface to come and you see how much the payment outcome is, that's the test script. So it tells the tester exactly what to do and it predicts what you should get.

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And if there were some misdirection in the script, it would throw out something that suggested a defect when in fact there is nothing wrong, it's the script that's wrong? ---That's right.

20

I'm going through things you've listed before, there's a question of interpretation, that is, the person sitting watching the screen has some interpretive role to play in identifying something as being a defect. I suppose there's also at least the possibility of user error?---Of course.

30

Either in not following the script or data entry error and those sorts of things?---That's right.

And then another possibility, of course, is there is really something wrong with the system?---That is a possibility.

Well, it seems to be. Now, would you go to your statement, please, to paragraph 16, for the moment. Have you got it? ---Yes, I have.

40

You refer to the KJ Ross report, which you described as being both "hot and controversial"?---That's right.

Would it be fair to say that its inclusions or its observations were, at least as far as IBM was concerned, controversial? IBM contended it was wrong?---Yes.

Was there also controversy within Queensland Health about its accuracy? Is this the hotness and controversy you find that IBM - - -?---They're for different reasons. It was outwardly rejected by IBM, is my recollection.

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COMMISSIONER: It was what, I'm sorry, I missed that answer.

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MR DOYLE: Outwardly rejected?---Outwardly rejected. That's not correct. Within the different groups in Queensland Health, there was a view - no-one questioned the author or the report, I believe he represented exactly black and white what he saw. The issue I was involved in was even if you had five defects, are they five defects that would stop a go live? That was not reflected, and the KJ Ross report became controversial because people were trying to use it as a literal measure on quality of the system delivered and the decision to abort a go live. In that regard, I'm not sure the author intended for it to be used in that way, or wrote it in that way, but it definitely resulted in that happening.

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Okay, well that's the internal controversy that - - -?
---Yes.

- - - you speak of. Okay, thank you. Now, by process I don't want to go through this, we need to in detail. Ultimately, there is a decision to adopt a criteria for the go live, or the commencement of the go live, that these things or some of these things which are identified as defects are capable of being managed in some way by a management plan?---That's right.

20

Is it fair to say that, as far as your involvement in that process is concerned, reflects this consideration: that you wanted to have an understanding of how serious the defect was, its magnitude of impact and whether it can be handled or not in order to make a more sensitive judgement as to whether the existence of that defect precluded go live or didn't?---Correct.

30

Really, to call it "severity 2" wasn't, in your judgement, a sufficiently sensitive means of determining whether it was a bar to proceeding?---I think the project directorate - and I'll speak for myself in that group - but I was aware of the discussions and believed the consideration also was on the value of public money that had been spent to date to get this system to where it was, which was close and possibly as close as we were going to get it for a number of years, even if we went to another system. The decision had to weigh up the investment to date and whether the resulting or the remnant risk was of sufficient magnitude to abort a multimillion dollar implementation. And black and white gates on numbers of figures that were determined prior to the system project even starting, it was not a valid or reasonable, in my view, process simply to go, "Okay, there's 40 sev 2s, we'll stop."

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COMMISSIONER: I missed the last part of the answer.

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MR DOYLE: "There are 40 sev 2s, okay, we'll stop"?
---There was millions of dollars - - -

Sorry, all for the moment was: have I reflected what you said accurately?---Yes. 1

That it was not a valid approach merely to say, "There are 40 sev 2s, no, we'll stop"?---No, we could not do that.

Okay. And I think you gave us some examples earlier, but if one person's pay was affected by a small amount on the user testing process, that would be identified as a severity 2 defect?---That's right. 10

Even if it was readily overcome by some workaround?---If it fit the criteria, it's black and white, it fit the criteria.

All right. Similarly, if a screen was meant to import data within a certain time frame, if it did so but it took slightly longer that would be - and it affected pay, is that a severity 2 defect? Don't worry about that, that's too hard?---I'm not sure I could say yes or no to that, I'd have to sit there and analyse it. 20

Okay, thank you. Is it that kind of consideration, at least, that you had in mind yourself when saying that you wanted to examine the particular defects and see just how serious they were and whether they could be - and assuming they were - whether they could worked around?---I personally looked at every defect with the defect management team, the working group and IT staff and we had - the workarounds were simply, "Oh, let's do this way," they were formally documented, measured, evaluated and audit approved ways of dealing with that severity. 30

I'd like to have a better understanding of the team that you're talking about, the people with whom you sat down and looked at each of these defects and determined whatever you determined about the workaround?---Particularly moving, they became more frequent as the pressure towards new go live became evident. The top line would be system support, Jane Stewart, IBM, Mark Dimmock, myself would sit down and go through that list. Prior to doing that, there would be a workaround group that included - I'm just trying to think if IBM were there, I cannot recall an IBM member, but they were solution government employed consultants or public servants who understood the solution, the pay rules and they had different skills and they all came together and we used to nut out - IBM were involved in that, that's the one we talked about the scrum. We'd nut out what it was - - - 40

The scrum?---The scrum. And they were boots and all, frank, open, everything on the table type discussions of a number of people. Everybody had their view heard, that was extremely important, and then it would go away and be written down and then as a document I would ask my key staff what they thought about the legitimacy, the magnitude and the materiality of that. 50

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All right. Now, by that process, ultimately, you've been shown today a spreadsheet, or two spreadsheets, which show defects identifying where there's a workaround possible? ---That's right.

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Is that the product of that process?---Of the workaround process?

Of the identification of the defect with the defect team identifying whether it was a serious defect or not and whether it was capable of workaround or not?---No, that was simply a list. The product was a - each defect had a document of its own, it had a definition, it had a measured severity, it had a detailed design of the workarounds step-by-step on what you had to do, it had a review from the audit team and it was signed by all parties.

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Okay?---And there was one for every defect.

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Thank you. Who was the audit team?---The Queensland Health audit team were asked to join because there was a view in doing the management plan that there had to be an overcharging diligence about how workarounds were constructed and whether the measurements were real. So that workaround group that endorsed those workarounds had an audit member. It may have changed from time to time, but it was from Queensland Health audit. 1

Thank you. Can you go back to your statement please. In paragraph 17 - I know you've been asked about this before - the fourth sentence says: 10

The user acceptance testing is problematic in that it was never clear to me that they understood the scenarios in which Queensland Health operated its payroll.

Just pausing there, the "they" which is referred to there are whom?---That would be the UAT team. I think it refers to - I'm not clear on who was considered the UAT team. 20

Could I just ask you a question?---Yes.

The UAT team is a team within Queensland Health, a body of people - - - ?---Yes.

- - - drawn from Queensland Health?---Yes.

Is it your recollection that some of your payroll staff were seconded to be engaged in that process - - - ?---Yes. 30

- - - but that they were under the supervision of whoever comprised the UAT team, the leader?---That's right.

And that that team was itself either drawn from or under the supervision of QHEST?---That's right.

Thank you. Then in paragraph 18 you say, "I would see things" - sorry, I've left out, "I would go to a defect meeting and workaround meetings, both of which," et cetera. Then you say in 18, "I would see things that the tester had raised as defects that were not," and perhaps you can give us an example or two of the kind of thing you have in mind there?---I can't think of a specific example, you know, a detailed example, but it would be perhaps a defect that had been raised and you go back and the script - if you replicate the test it worked - the script had not been followed, unexpected thing because people fall back to their known LATTICE processes or the defect is raised because the expected result was not produced. When you sit down and work out manually what should have happened, the expected result was wrong. 40 50

Right?---So the system was right, the test was wrong.

We probably needn't dwell on it. The director would be told they ran a UAT in the wrong operating environment. What does that mean?---I think this was one of the frustrations because things were so compressed. Operating environments are something I'd never viewed as a problem until this project, but the size of these - - -

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Sorry. Arising in Queensland Health - - - ?---The size of these databases and the compressed nature of the schedules where we had parallel testing happening, just to quarantine off a bit of a black box to run the test was an extraordinary booking feat. On occasion I had been advised that the UAT was being run on the wrong environment where perhaps something should have been fixed and it wasn't fixed because they'd gone back or they'd rolled back or it had mirrored or - - -

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All right. I won't dwell on that?---Thank you.

This was an ongoing process throughout the whole of the time that you had involvement in reviewing these defect lists that were produced from the UAT team. Would that be a fair statement?---When you say "this was - - - "

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The process of your reviewing lists, having meetings, workshopping and sometimes identifying things that had been identified as defects that weren't or with the result of the testing being scripted wrongly and those sorts of things?---Or interpretation of the award outcome, yes.

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It was a common experience?---Yes. That team met for years, it felt like. I can't remember how long.

Very good. We've seen that ultimately the approach was to proceed with a go live with a management plan to deal with the things which were residually identified as defects in some way and I don't want to take you through that for the moment. The process of go live is not an overnight thing, is it?---No.

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I think you refer to it commencing 10 days before. Would that be right?---The difference between producing the pay and actually turning on the system was about 10 days, but the cutover period is actually eight weeks' long. So the incremental approach to the go live has many decision points.

Right. As far as payroll is concerned, before the actual 14 March - which I think is the day identified as go live - do you run payrolls on the new system? Did you run tests on the new system?---On the implemented live system?

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Yes?---Yes.

Did you run simulations of pay runs on the implemented live system - - - ?---Yes. 1

- - - before 14 March?---Yes.

When did they commence?---The pay protocol - the cutover plan lead into the pay protocol. We migrated all the data, cutover to the new system. The first thing that was done was the pay before anything else because we had a rollback plan where if we needed to abort, we would. Even after the go live introduction after cutover, there were decision points where we could have stopped. The first pay was checked for a number of employees, materiality compared to other pay fortnights and prior to running - there was another pay, interim pay, two days before the pay date and then the final pay run, but the standard fortnight has interim pay runs and that was one of the things that in payroll we anticipated was a very attractive feature of this new system because it incrementally built the payroll so you had a fallback position at any time. 10 20

We may be at cross-purposes. I want to ask you did you run - I thought you had said before that there were three simulations of - - - ?---Three simulations of the full go live eight-week plan. Correct.

All right. Can you explain that to me please?---I'm sorry. I thought you were talking about the payroll of the live environment. 30

I may have asked you the wrong question, but can you concentrate now on the three simulations of go live? ---Okay. So the cutover process and the procedure into go live was a very planned technical environment which included IBM, CorpTech and Queensland Health. There was dependency for all teams to be able to migrate data, check data, run reports, be available to transport things in and out of systems, test the integration. It was an enormous test. The first simulation involved just the people who had to do the work so that they could practice what their tasks were, make sure the timings were correct, make sure that whatever the data migration team did or CorpTech had to do, the sequence is right, and it was 24-hour clock stuff and the second one required all of the executives to actually go through a simulation of the process: what did the report look like. What were the risks you were likely to see? What would you do? Think about how you would respond to that. So a full practice was then done. 40 50

That is a simulation of, in the first instance, to train the people - - - ?---Yes.

- - - of the payroll?---No. That's to - - -

What is it a simulation of please?---The actual cutover to the live environment, taking everything out of LATTICE and SAP, data cleansing it, putting it into SAP and Workbrain and running the first pay. 1

All right. That is having migrated the data from the old system to the new, by which we mean the names of people and their locations, their seniority, their entitlements?---All their rosters, everything. 10

That is brought across, cleansed, which is a description used to ensure that it's - as far as you can - satisfactory to be incorporated into the new system. The data is accurate, in other words?---That it fits the required field.

Yes?---So it had to be in Australian postcodes.

Then you run a payroll. Having done that, you run a payroll, a simulated payroll?---That's my recollection. 20

Okay. How many times was that done before 14 March, the running of a simulated payroll?---Twice.

Is that a convenient time?

COMMISSIONER: Yes. We will adjourn until 2.30.

THE COMMISSION ADJOURNED AT 1 PM 30

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THE COMMISSION RESUMED AT 2.32 PM

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MR DOYLE: Ms Jones, I asked you about these simulations which we spoke about before lunch?---Yes.

Their outcomes were satisfactory, I take it, that is, they were not such as to cause you to change your view about whether to - - - ?---No.

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- - - go ahead with the implementation of the replacement? ---That's right.

You told Mr Horton when - I think he asked you, really, "Why did people not get paid post go live"?---Yes.

You identified three things. Tell me if I haven't got these correct. I'll summarise them and we'll come back to deal with the detail of them. One was some performance issue related to Workbrain that had to do with people not being able to get access to it or being locked out of it after a certain time. Is that a sort of neat summary of the point?---That's right.

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The second was something to do with individual roster being corrupted in some way, in a way I'll have to come back and have you explain to me?---That's right.

And the third was something to do with a Queensland Health determination about if a document hadn't been submitted you were not to get paid?---That's right.

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Apart from those three things which I'm going to explore with you, they are the things which - I mean, putting aside trivial user error those sorts of things - account for your understanding of why people didn't get paid before the panic decision was made later on?---That's right.

So those things aside, the information which was data migrated from the old system to the new and cleansed was able to be utilised and communicated as necessary to conduct the payroll?---That's right.

40

You in fact conducted three post go live payrolls using the new system?---There were interim pay runs prior to the final one and I believe the number was three. That's the usual number.

Can I ask you to go to your statement to paragraph 44, would you, where you say, "Everyone who was involved in the decision to go live, to my knowledge, believed it could have worked," and that included you, I take it?---That's right.

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"For three pay periods it did," and we should understand that to mean it did work, might I say?---That's correct. 1

"For three pay periods it did work and the system worked and the pay results improved"?---Yes

I'm going to ask you some things about that. Would it be your - apart from the three things that you've identified, the three things that we're going to come back and discuss, that the system performed really in the way you expected it would?---Yes. 10

That there was a disconnect, if you like, between the raft of defects that had been predicted would occur and what you in fact experienced?---Yes.

That in fact what the UAT testing suggested would be a large number of defects did not materialise in your experience?---That's right. 20

In respect of those three payrolls that you ran, those three pay periods - cycles that you ran - I want to deal now with those three points that you mentioned. The first one was the Workbrain event in which people were not able to get access or, if they had have, they were locked out after a time?---That's right.

That's something that you observed, that you personally observed?---Yes. 30

It was something that was reported to IBM?---It would have been raised through our usual service processes. After the go live we stopped being in project mode and went into a live support environment, so they would have been logged through CorpTech.

It wasn't meant to be a difficult question. Your belief is that report of that was made to IBM - - -?---Yes.

- - - so they could do something about it?---Absolutely. 40

The problem, as you understand it, comes about in this way that if too many people tried to log on to the system at the one time, some of them would have to wait to get access and after a period of waiting the system might just stop waiting and close them out?---I can't recall the technical detail, but it was more technical than that, but essentially that's what happened.

I'm sure there is a more technical explanation for it, but that's essentially what happened. You know, don't you, that in response to the communication that was made to IBM, they deployed resources, as they're called in this industry, to try to overcome it?---Yes. 50

And they deployed a critical situation manager?---That's right. 1

Some called Greg Grier?---I don't know where - - -

But you know the description of critical - - - ?---It was a critical incident.

- - - situation manager?---Yes. 10

And they also engaged some specialists, including someone called Mark Rafter. Do you recall that person's name?---I don't recall people's names because I wouldn't have been dealing with the incident - individuals.

And that the system was able to modified in some way, you understand?---We were given a security workaround which limited the environments within the system that each logged in user had access to and it appeared to overcome the issue in the short term. Thank you. 20

Can I show you a document, please? I'm showing you an email which you received from someone called Rick. Do you see that at the bottom half of the page - - - ?---Yes, yes.

- - - 12.48 pm on 7 May?---Yes.

And it says, as you can see, "Hi, Janette. We've done a check on Workbrain performance with each hub" - now the hub are the various main centres of Queensland Health throughout the state?---That's right. 30

At 12.30, presumably that means that day - - - ?---Yes.

- - - outcomes are as is stated and you've seen this before, I take it, Ms Jones?---Yes.

The tenor, with one exception I'll come back to, is it's either going very well or it's going well and improved on the way it had been going in respect of Workbrain performance, which is the subject matter of this email?--- Yes. 40

That's consistent with your recollection of by this time the solution which you've just spoken about having been introduced and applied?---Yes.

Rockhampton says they haven't noticed any improvement. Can you identify why it might have been different? Was there any systemic reason why the system available for use to Rockhampton would be different to that available for use in the other centres?---That was why we were trying - we would do these at regular interviews. We had trended information about when the system was having the issues. Philip Hood was coordinating tests in the live system for user experience as to: if they did something, did it make a 50

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difference, but there could have been differences in the number of users or the WAN or the LAN or the Citrix environment in which they were operating. 1

There could have been something different about the number of users trying to access Workbrain. That's one possible explanation?---Yes.

But it could also be a network problem which affected one hub; that is, a local area network problem?---It could have been local area network, but it was deployed through Citrix so - - - 10

Yes, okay?---- - - then the client likely - not likely to be network.

It could have been a problem with the Citrix?---Citrix and WAN. Correct.

Not Workbrain?---That's right. 20

All right. Thank you. I'll tender that email.

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COMMISSIONER: Who is Rick?

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MR DOYLE: Sorry?

COMMISSIONER: Who's Rick?

MR DOYLE: Sorry, I'll ask the question. Rick is someone at the go live support desk in Queensland Health?---Yes, he was the manager of our complaints process within shared services.

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COMMISSIONER: What's his surname?---Presland.

The email from Mr Presland to Ms Jones of - - -

MR DOYLE: 7 May.

COMMISSIONER: 7 May 2010, exhibit 82.

ADMITTED AND MARKED: "EXHIBIT 82"

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MR DOYLE: Putting aside events which then intruded, that is, the panic reaction that I'll talk to you about in a moment, IBM was continuing to, as far as you knew, respond to any requests for further fine tuning or improving of the system when it was reported to them that was necessary?---Yes.

Thank you. Can we go back and deal then with the second of the problems you've identified, and that was something to do about a corrupted roster?---Yes.

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Is that the subject matter which affected possibly 100 people throughout the state?---Yes.

I don't necessarily want you to go into great detail, but can you tell me please, as best you can recall it, what the issue was which is the cause of that problem for those 100 people?---I don't know the technical issue, but the roster would be published into the rostering software which meant it was available for transport over to SAP. The publication indicator appeared like it was successfully published, but in effect it had not been treated by the software in a way that enabled it to be exported out.

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Right?---So it just didn't go anywhere but it looked normal.

That was identified as an issue early within these first - - -?---Yes.

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It was a means of identifying that it had occurred was also identified?---Yes.

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And it was able to be accommodated by a workaround of some kind, by manual treatment?---A way to re-enter the data was designed so that we could overcome it.

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Very good. And was that way implemented?---Yes.

Do you recall when?---It was in the third pay period. The actual final procedure was in the third pay period, from my memory. It took a little while to understand that was the case, there was some testing required through this environment, it was around then. The issue being you couldn't identify - there couldn't be 100 people on any given day, but you couldn't identify them without running a report on who was at risk and then you'd have to go in and have a look.

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So that I'm clear, a pay period is how long?---Two weeks.

So its within six weeks of the go live that this problem had been identified and the way of dealing with it also identified and implemented?---Yes.

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Perhaps obvious from the document I just shown you, but that email was dated 7 May. That too demonstrates, does it, that the first of the issues we talked about had been one which had been improved within the three pay periods you've identified?---That's right.

All right. Can we go the last of those, please, the last of the issues you mentioned, which was a Queensland Health decision about something about documents. Can you just explain to me, briefly, what the problems because I want to ask you to expand upon it, so just for the moment be brief as to what you identify as the issue?---The design of the end to end business process, it was determined that if you did not have a roster published it wouldn't proceed to payment.

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Could I just ask you: did you say "a roster published"?---A roster available to the system. "Published" has a different term if you're in the business or the technical, but if you don't have a roster in the system it won't proceed to payment.

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Can I try it this way: is it right to say that the start of each pay run, pay period, a roster is entered for each person, or should be entered at least for each person?

COMMISSIONER: I think I understand what's being said? ---Employees could be on a permanent roster, such as myself, you're just on a roster forever.

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MR DOYLE: Right?---So everybody's on a roster, some employee groups have ad hoc rostering, so every fortnight they have a new roster. That new roster had to go in otherwise you're on a cyclic roster that just rolled over.

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A business decision was made by someone that if the roster was not provided and recorded in some way, and I'll come back to that, that person would not get paid?---That's right. 1

And that is a business decision of Queensland Health?---That's right.

By someone senior to you?---Yes. 10

Do you know who?---I understand that came from the business reference group, that was the most senior portfolio heads, such as the senior director of HR, senior director of finance, those level people, there were many people on that group. They were the people that made the decisions around the business design that Queensland Health required.

Do you remember when that decision was made?---No.

Was it something which was implemented anew, if you like, when the LATTICE replacement was rolled out?---It was well circulated throughout the entire Queensland Health, it was one of the change readiness criteria that line managers understood. There was posters in hospital groups. 20

I don't mean to suggest it was unexpected, but it was a business decision which was to be run with the introduction of the LATTICE replacement system?---That's right.

What was the system under LATTICE?---It was a similar process but there was no conscious decision. I'm struggling to compare the systems. The ESP to LATTICE system, there was manual intervention, it wasn't automated in the way that the Workbrain integration to SAP was - - - 30

COMMISSIONER: Under both systems, didn't you need a roster to know how much the person should be paid?---Under LATTICE you only had to have a roster for ad hoc groups, but there were many cyclic rosters as well. But you could still be paid without a roster in the ESP to LATTICE environment. 40

MR DOYLE: So under the LATTICE environment, whatever that was, if you didn't have a roster you could still get paid?---Yes.

A business decision was made in respect of the introduction of the LATTICE replacement system, that if you didn't have a roster you wouldn't get paid?---That's right. 50

Can you help me, please, I assume people on standard rosters such as yours only have to have that provided once?---That's right.

But in respect of those who are on varying rosters, rosters that might change from time to time, was the system that

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they had to physically send the piece of paper to an office within Queensland Health as recording the roster for the people who were to be paid in accordance with it?--Yes, it was usually a monthly cycle not a fortnightly cycle. 1

And the system that was in place was that those things had to be - well, tell me, please, who was meant to get these - let's ignore the cyclical rosters because they seem to be in a different category. The variable rosters, who did they have to be prepared by and sent to?---The unit managers of those areas would create the roster in whatever format, provide it to payroll who would enter it into the Workbrain system. 10

And the payroll we're talking about, is that someone in Brisbane or does it extend to someone in Rockhampton and Cairns?---Across the state each hub would do their own clients.

So the hubs would receive from various employees or outposts rosters which they had to record in some way?--- That's right. 20

And those could be sent in the post, internal post, or by fax, is that right?---That's right, or scanning, email scan.

Or scanning an email. And a lot in fact was sent by fax? ---Yes. 30

And you know that a lot of them were eligible?---I was aware of some roster quality issues.

Thank you. That's public service speak. Was there issues that they were incomplete or not capable of being fully understood or read?---The issue, to my recollection, was that they were using codes that meant something to the employee and the local manager, such as "ML", meaning "morning late", and inferred a start time of 10 am to that person, but a payroll officer would not know what an ML meant. 40

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Right. That's a translation difficulty - - -?---Yes. 1

- - - and I accept that there were those. There was also difficulty with - at least the facts that a lot of them couldn't be read at all?---I understand there were some.

Right. Were there any other difficulties that you can help us with about the provision of these rosters to payroll?---No, it was just - we rely - that they had to be available to the input prior to a certain point within the pay run. 10

So might it be that rosters were provided after that point in the pay run but were in accordance with the directive to be ignored for the purposes of that pay run?---They wouldn't have been ignored, they wouldn't have been able to be put into the system.

Okay. So there wouldn't be change which may have been required by that roster, would not be taken into account for the pay run?---That's right. 20

There are also instances of people just not sending in their rosters?---That's right.

Thank you. Now, in terms of the scale of the numbers of people that were affected by the absence of a roster for the purposes of the computation of the payroll, can you give us an idea of, you know, how much each pay run represented? ---I could not, I don't think. It was not something that I was there long enough to analyse but when we looked at a record or an employee's inquiry about not being paid, it was usually that there was a roster not in the system. We did not, in my time there, get to measuring that. 30

Okay. After the complaints started coming in, generally is it right to say that when you examined them, it was because of the non compliance with the Queensland Health business directive about having a roster in on time?---That's right. 40

Was there also something to do with the provision of timesheets, or is that the same thing as the roster?---Timesheets were not - that term was not used. Roster adjustment forms where they - once we had a roster, the end-to-end business process was to preload a roster for all employees and then the variation through a roster adjustment form.

Okay?---So any additional overtime. 50

That may be then on the same thing. If I had a roster for me inputted into the system, I would satisfy the requirement that I would be paid in accordance with the roster because it has been provided?---That's correct.

But if I did any overtime, I would need to put in some adjusting document?---That's right. 1

And there was a business directive as well, wasn't there, that you would only be paid in accordance with the roster that had been provided, so if I wanted an adjustment I had to send in that form?---That's right.

And again, by the relevant sort of payroll cut off time? ---That's right. 10

That can work - that will operate whether I work overtime or less time, so if I had time off, the same sort of thing happens, I would need to put in some sort of variation - - -?---That's right.

- - - or my manager would need to ensure that I wasn't overpaid. Again, did you experience - once you started looking at complaints, instances of people being underpaid or overpaid on the basis of them not inputting variations?---Yes. 20

Thank you. Was there a particular difficulty in respect of that phenomenon, that is the problem of rosters or variations not being put in, experienced in any particular hub? Did one stand out more than any other?---The most affected employee group was nursing because they have the largest number of our top roster teams. The largest complaint or largest impact appeared to be in Nambour and probably the Gold Coast in nursing. 30

All right. Thank you. I think I have asked you this already, you're not able to put a figure on the number of the complaints that you received which were figure or proportion will do which are attributed to these sort of rostering issues, rostering document issues?---For people who have no roster?

Who contended they had not been paid correctly where you were able to see that the reason was failure to provide - the absence of a roster form or the absence of a variation form which may account for it?---I couldn't put the figures on that. 40

Okay. When the LATTICE replacement system was introduced, you have told us that information data was migrated from the old system to the new?---Yes.

When complaints started to arrive, it included, as you have told us already, complaints about not being paid correctly under the old system?---That's right. 50

The data which recorded people's entitlement which was transferred to the new system was the data pursuant to which those people were paid under the old system?---That's right.

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All right. I put this badly, I suppose, but the new system treated as true, as correct, entitlements which had been transferred from the old system to the new?---Entitlements were not transferred. 1

Well, information that was transferred from the old to the new?---Historical information about employee payments was not transferred.

What about the non-secular - the non-cyclic roster?---Ad hoc rosters, non-cyclic were transferred over. 10

Thank you. That information was taken as a given, in a sense, the base which was to be applied for those people?---Yes.

All right. Now, when the roster forms are provided to either the central office or one of the hubs, does someone have to physically enter the data into the system for it to operate?---Yes. 20

And did you encounter when you looked at the complaint subsequently instances of the incorrect translation of data?---In a small number of cases only.

Okay. Can you tell me numbers or proportions?---No, but it was not significant at all.

Thank you. Also, was it right to say that you had a backlog of information to be coded into the new system at some point? I put that very broadly but we will see how we go?---For the first pay period? 30

Yes?---There was - the system was not available for the usual period so that it did not all get entered.

Progressively you were catching up on that backlog?---That's right, that was the priority.

That took - that process of catching up hadn't been completed within the first three pay periods, or had it?---The backlog became - it was compounding, it was not clear whether it was - we had finished that bit, we will do this bit because that is when we started to getting multiple forms being submitted through. 40

I see. I will put the question differently; you were endeavouring to catch up on the backlog of the coding of the information?---Yes. 50

You were confident that your team would have been able to do that in a timely way except that you were overtaken by what I will describe as the panic response and we will come - - -? ---Yes.

Would that be fair?---That's fair.

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Similarly, in terms of the first two - sorry, that's fine. We will come to the panic response if we can now. There came a time when people started giving you lots of complaints about lots of things?---That's right.

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You have identified what some of those were. Was there a team established to deal with those within Queensland Health?---To deal with the inquiries or to deal with the payments?

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Both?---Queensland Health set up a 1800 hotline where they could register their inquiries or complaints and we sent up a process within payroll where we could go back to the LATTICE system and understand what they are now saying they required to be processed because you couldn't process it any more. LATTICE had ended, but you needed to reference the data in that system, calculate a pay manually and put it into the SAP system.

Right?---And so we established that in payroll.

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So there was an 1800 number for people to make a complaint? 1
---That's right.

Was that broadly advertised?---Yes.

It was acted upon broadly. Would that be - that is, a lot of people took up that opportunity?---I understand so. I didn't have anything to do with that.

That was, if not immediately, very soon operated by an independent agency, a call centre, to receive those complaints?---That's right. 10

And to pass them on to Queensland Health? That's right? ---That's right.

You had some opportunity to review the nature of those complaints, that is, to see what they were talking about? ---Yes, some.

Limited and would it be right to say the vast majority of the complaints that you identified or had an opportunity to review arose from a rostering form or a variation of a rostering form not having been submitted?---Not having been processed. Correct. 20

Not having been processed in time?---No, I'm not saying that the employees did not submit or the line manager did not submit, it could have been that the employee didn't submit it, the line manager didn't it. The payroll officer has lost it or didn't enter it. There were three reasons. 30

Okay. The process for - - - ?---For whatever reason, it wasn't processed.

But that accounts for the vast majority of the complaints that you had the opportunity to look at?---Yes.

All right. Did you receive an instruction then to go through and check whether people had put in whether a form had been put in to register their roster or to register a change within time and to tell those people that's the problem?---We had no capacity to do that within our resourcing. We were acting on the next pay period, so within payroll we had no ability to do that. 40

Was someone else tasked with the job of investigating these complaints and telling people, "The real cause is you didn't put your form in on time"?---I think the focus was on getting them paid and finding out what was necessary to submit to get them paid, not necessarily a root cause as to how it happened. 50

There was a direction, wasn't there, to pay them, in substance?---Yes.

That included to pay people whose complaint related to a time prior to the go live?---That's right. 1

Were there many of those?---Yes.

How many? I mean what proportion again? Can you help us please?---They seemed to just keep coming so there would have been hundreds to thousands of them.

I'm asking you in respect of those that related to the period prior to go live, is that what you're suggesting, hundreds or thousands of them?---That's right. 10

So there were complaints made prior to the introduction of this system to your knowledge which were paid, that is, instruction was made to pay them?---Are you suggesting that we paid them in the old system and the new system?

No. I've asked the question differently. I'll withdraw what I've suggested to you. A lot of complaints were in respect of underpayments or claimed underpayments under the old system?---That's right. 20

Were they investigated? Was there a process for the investigation of whether they were valid or invalid complaints, to your knowledge?---No.

What was done with them?---If they submitted a duly authorised claim for a payment, we paid it. 30

So someone gave you an instruction to do that?---That would be normal business if an employee and their manager agreed that a payment is to be processed, it would be processed. It was not payroll's role to question or validate that form.

Did that include some people who were no longer employed by Queensland Health?---It would have.

Do you recall that? And data in respect of such people would not have been migrated from the old system to the new?---No. 40

Who was responsible for data migration from the old system to the new?---Who was responsible?

Who did it?---Well, I suppose the data preparation was prepared by QHEST and landed by IBM, I would think.

And received by IBM?---Yes, landed in the system. 50

All right. But the information in that data is compiled by Queensland Health personnel, assembled, then provided to IBM to be introduced - - - ?---That's right.

- - - to its system?---That's right.

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JONES, J.M. XXN

Now go back to your statement please. At paragraph 46 you say - you refer to, "It became so highly politicised." Do you see that?---Yes, I do. 1

Can you explain to me please what you mean by that?---I mean the environment in which we were required to operate the payroll. The adjustment of pays and the payment of existing rosters is a usual process that has been done in payroll and very familiar and was not substantially different between the old system and the new system as far as the business procedure goes. However, from the point in time I refer where payroll was making every attempt, and I believe Queensland Health as a whole, specifically line managers and HR units, to identify people who have been paid not at all or underpaid a significant amount. We were trying to identify where these people were so we could adjust them. We were trying to triage the issues and the complaints and the impact. It clearly was unsatisfactory and completely regretful that people had not been paid. Our focus was to identify where that had happened and respond accordingly. In that environment we began to get commitments given to employees through internal statements and the media that everybody would be paid overnight. Unions appeared to have been given some assurance that Queensland Health would pay everybody and pay adjustments would go overnight. We did not agree we would ever be able to deliver that and so that's what I mean about politicised. We were trying to operate a payroll environment. We were trying to find and assist people who had been adversely affected by this implementation and what we got was an enormous level of complaint about minor payments and the commitment that we'd fix them all and we just couldn't. We never could in the old system. We couldn't do it in the new system so this raised the expectation that payroll can do these things overnight and so from that point no matter what we did, it was not going to meet those expectations. 10 20 30

Just going back to the things that we've talked about, the first issue about Workbrain timing people out was one which was improving and being attended to and you were confident would be resolved. Is that what you say?---Yes. 40

The second about these 100-odd people who were the subject of corrupted roster, I think was the way you described it, that was being dealt with by some manual task - - - ?--- That's right.

- - - and being adequately and properly dealt with?---It was the most concerning issue because it was so difficult to be sure that we had it covered. 50

But you were dealing with it by some manual workaround? ---Yes. But it was the least satisfactory workaround.

I understand. Any other issues that had been identified in the pre-go live assessment of defects that you'd identified as being capable of workarounds, you were confident that your team, but for the demands put on you by the panic, would have been able to deal with them?---Yes. 1

What happened was there was an explosion really of demand on your time to deal with a large number of complaints which were attributable to assertions of under or overpayment, usually underpayment, I suspect - - - ?---Yes. 10

- - - in large measure attributable to a decision made to not pay people unless their roster forms or roster amendment forms had been submitted in time?---That's correct.

And also in large measure attributable to claims in respect of events prior to - that is under the old LATTICE system? ---That's right. 20

Forgetting for the moment the numbers of those complaints, the fact of people being underpaid or overpaid is something that you would normally take in your stride in the payroll section, that is, it happens, you investigate it, and you correct it?---That's right.

The number here of those kinds of complaints included you being able to do so?---Absolutely.

And ultimately you were told not to bother, in a sense, just to pay them?---I'm not sure what you mean by "bother". 30

Ultimately, you were told to pay the claims without investigating the cause of them?---Yes.

Thank you. And you were told to do so in a time which you knew, if you'd been asked, was unrealistic?---That's right.

And did you tell your superiors that it was unrealistic? ---Yes. 40

Who?---Well, Mr Shea, Mr Kalimnios, they would have agreed - well, they did agree with me, we could not possible process that sort of information.

And do you know, tell me if you do, if they passed that onto anyone further up the public service - - -?---I understand they did.

- - - or political chain? To whom?---I'm not familiar with the system that was being put in place, there were all sorts of names about payroll processes but there was Mr Walsh who was brought in to oversee that period of time, so I would presume that's who they would have taken that to. 50

Sorry, I missed that. Mr Walsh, yes?---I presume that's who they would have been informing because he had been put into the position of managing the Queensland Health issues.

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Very good. Just excuse me, I'll check something. When we you no longer involved in Queensland Health?---I'm still in Queensland Health.

Sorry, I've asked you whether you've had an opportunity to investigate some of these things, when did that opportunity - - -?---I think it was around 18th or 19th, mid-May.

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And what happened then?---I was not required to continue.

By whom were you not required to continue?---I don't know. Mr Kalimnios advised me that.

Excuse me, please. Thank you.

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COMMISSIONER: Mr Horton?

MR HORTON: Ms Jones, you were asked about change requests by Mr Doyle. Do you recall being asked by Mr Doyle about change requests?---Sorry, I can not quite hear you.

COMMISSIONER: Nor can I, Mr Horton.

MR HORTON: I'll speak up. You were asked by Mr Doyle about change requests?---Yes.

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Did you have any involvement in their preparation or lodgment?---No, I had no responsibility for them, however, my opinion would often be asked about whether that was new or not, did I agree that something was a new requirement and when did it start.

But you're not in a position to know, as I understand it, whether the change request entailed the provision by IBM of greater level or lesser level of detail in the specification of what was to be done, is that right? ---That's right.

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Could the witness please be shown volume 15 of the bundle? I'm going to take you, Ms Jones, to page 304.

COMMISSIONER: 304?

MR HORTON: 304. And this issue goes, Ms Jones, generally to that concerning problems experienced after go live and specifically with Workbrain. The document begins, Ms Jones, at 303, it's a ministerial briefing note, "To provide the minister with a consolidated briefing on the implementation of the project." But what I want to ask you

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about is 304, over the page to 305, which talks about some problems apparently being experienced at that time?---On page - - - 1

304, the bottom of 304?---Right.

But it's the ones at 305 I wanted to ask you about, points 2 and 3, whether what is there said about Workbrain and SAP is the sort of problem you were speaking about concerning Workbrain?---Number 2 is the performance issue I talked about. 10

Yes?---I have not raised number 3 at all, the Workbrain integration issue.

Let's take number 2 for a minute. Mr Doyle suggested to you, he used the word it was a "timeout issue" with Workbrain. Is this the timeout issue at paragraph 2? ---Yes. 20

And does "timeout" sum up the problems that were being experienced with Workbrain or were they wider, it timing out?---I cannot really recall the detail of it, but, effectively, to put it simply the payroll officer was not able to access that area of the system to do their work, they were locked out.

And point 3, you said that's not an issue you mentioned but was that an issue which you think was also a problem at the time that you were dealing with the system?---That is not something I would deal with nor had any exposure to, it's possibly something that CorpTech let me know was happening but that - when I talked about the workarounds and the two areas of payroll, CorpTech had some, we had others, and so I would not have had involvement in that. 30

Do we take it that there are errors which may have been occurring in the system but in respect of which you might have had no knowledge?---That's possible, yes. 40

And this might be an example of one of them?---Yes.

Thank you. That's the evidence, Mr Commissioner, of Ms Jones, might she be excused?

COMMISSIONER: Yes, Ms Jones, thank you very much for your assistance, it's been a long day for you.

WITNESS WITHDREW 50

MR HORTON: The next witness, Mr Commissioner, is Anthony Price, and I call him.

PRICE, ANTHONY sworn:

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MR HORTON: You are Anthony Price, is that correct?
---Correct.

And you've prepared a statement for the inquiry, dated
29 March 2013?---I'm sure that's the correct date, yes.

With 123 paragraphs?---Let me just check for a minute.
Yes.

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And you've, I think, have provided as part of your
statement a bundle of documents with a list of materials?
---Yes.

And there are some 95 numbered documents attached as part
of that attachment of annexures?---Yes.

I tender that statement along with two copies of the
attachments.

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COMMISSIONER: Yes. Mr Price's statement and attachments
are exhibit 83.

ADMITTED AND MARKED: "EXHIBIT 83"

MR HORTON: Mr Price, you were the director of QHEST until
28 June 2010?---Yes.

And you began in that role approximately when?---April
2008.

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Just describe for us briefly, would you, what was the role
or function of QHEST?---Okay. QHEST, I call it QHEST, was
a unit set up within Queensland Health to assist with the
whole implementation of ERP functionality across Health, so
I had a wide range of projects set up other than in QHIC.
So we had project management services to other corporate
services projects, we had staff that input to projects and
things like that.

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What's ERP functionality?---ERP functionality was the thing
that the shared services was trying to implement to the
whole of government, Enterprise Resource Program, covered
off finance, HR payroll, all sorts of things.

So you were concerned in QHEST with more than just the
Queensland Health payroll interim solution roll-out?---Yes.

But was it one of your important functions or more major
functions at the time?---It was put to me at the start that
in fact the QHIC project - when I started in April, the
QHIC project was meant to be finished by August, so to me
it was more that was going to be a thing that was over very

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quickly and I was actually hired to do the broader range of things. 1

Yes. Now, you were involved from June 2008 but were you involved at all in the early period with scoping the work to be done under the interim solution or with providing better requirements as part of an activity?---What do you mean by "the early period"?

In your early days - - -?---Yes. 10

- - - in QHEST?---Yes. No, the scoping done on the statement of work 7, for instance, if that's what you mean - - -

It is?--- - - - was all completed before I got there so - and I have no real knowledge or view of that at all.

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Yes. Were you aware of the documents which then contained or expressed the scope which it emerged from statement of work 7?--Not really, no, there was only one document that I knew of when I arrived when QHEST was underway and that was the business attributes document, the BAD as it was called - - - 1

Yes?--- - - - and people were continuing to work on that at the time but other than that, there was no requirements documents or anything like that. 10

Who was working, to your knowledge, on the BAD?---There was a group of people from within QHEST and also IBM as I understood it.

Yes. Who were the people from IBM working on the business attributes design?---I can't recall names.

And who from QHEST was working on it?---Damon Atzeni's team, essentially. 20

Yes. Was it ever finalized to your knowledge, the business attributes design?---Yes, I believe that was finalized.

Do you know about when?---No, I can't - I don't recall exactly when. It was signed off at some point but I don't recall when that was.

Yes. And signed off by whom, do you remember?---Again, I can't recall. 30

There seemed to have been in the project - later anyway - concerns about the clarity of the scope, what was in and what was out in terms of what IBM wants to do?---Mm'hm.

Did you ever form a view about whether the BAD was a sufficient document for Queensland Health's purposes?---No, I never really looked in detail at the documents itself. It's content was always at a technical level that I wasn't really across so I relied on the teams to tell me whether that was sufficient from their point of view. 40

Yes. Do you agree with the general proposition that I'm putting to you - at least later in the stage, by that I mean late 2008, early 2009, there seems to be a general view that the scope of the job to be done as part of the Queensland Health interim solution was seriously unclear?---Yes, definitely.

Who would have been responsible within the Queensland Health side of things for checking that that it properly expressed what Queensland Health thought should be done at least?---Well, the Queensland Health people involved would have been responsible for providing information to whoever it is who had accountability for eliciting the requirements. 50

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PRICE, A. XN

Yes?--- It wasn't up to Queensland Health to elicit requirements, it just provides information so there would have been people from QHEST itself that would have been payroll people, finance people, all providing, you know, the business requirements hopefully to IBM who were eliciting the requirements to allow them to write that up and create their scoping and so on. That's how it would normally work.

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Is that right? So when you say elicit, are you saying really it's part of a scoping exercise for IBM to gather their requirements?---Yes. Yes.

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Which of course will be taken from Queensland Health but as part of the scoping exercise it would be something that IBM must gather?---Yes. That would be the normal approach, to gather the requirement - - -

Yes. And did that - - -

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THE COMMISSIONER: But who (indistinct) ultimate responsibility to making sure that happens, that IBM got the information it needed or that it had asked for it?---As I said, the information came from varying sections of sources, so for instance, the finance information would be signed off by the director of finance.

But who had responsibility for making sure that the left hand knew what the right hand were doing, or was the responsibility spread so wide, that no-one knew what knew what anyone else was doing and no-one seemed to care. I mean, there must have surely been someone in charge?

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--- From a project point of view, Queensland Health was a customer so CorpTech were the ones who were managing IBM, IBM had the responsibility to the whole project. They had to elicit things. Now, in terms of sign off, there would be an authorized officer to sign off from whoever's point of view in terms of requirements but - and then they would form part of a contract sign off that CorpTech would sign off on. I know for instance with the BAD, I'm sure Damon and his team had input and would perhaps have signed off at some parts in the earlier stages but then all that would form part of some document that would be signed off with CorpTech, that was my understanding of it anyway.

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MR FLANAGAN: Now you deal in your statement with a particular change of request 60?---Mm'hm.

And with the question of the interface between the human resources system and the finance system?---Yes.

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Now, were you involved in the preparation or response to the change request which is 60, I think 61 is related to it?---No. We - I knew that the work was happening but I wasn't involved with preparation of the change request, no.

Yes. Did you form a view at the time about what the problem was which the change request had arisen in connection with?--Yes. Yes. The main thing seemed to be that originally they had believed that they could use the existing interfaces, that is the (indistinct) of interfaces to take information from the payroll system to the ledger. At some point in time, and it happened around about the time I started or just before that, some people started to come to the realization that that wasn't going to work in the correct way, and then that began the whole series of discussions that led to 60 and 61.

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Yes. Did you form a view yourself about whether what IBM sought to change in 60 and 61 was something which ought to have been done as part of the original already agreed scope?--Yes. From my point of view, it was clear to me and to others that a payroll system that has millions of dollars has to have all that money accounted for properly in the ledger, therefore a most basic requirement of the payroll system was to interface into the ledger and so on. It was - I couldn't understand how that wasn't fully explored in the scoping stages back in, say, statement of work 7, why wouldn't IBM have looked at the interfaces and assured themselves that what they said was going to work under a fixed price contract would in fact worked. That's what I would have hoped they would have ended up.

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Was it a case though of Queensland Health changing the way he wanted to raise those interfaces with the Payman and associated applications?---There certainly would have been any change - what Queensland Health would have wanted at the outcome. Perhaps there was more investigations done later on about whether what they thought could be used was actually going to work. I'm not clear about that.

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Yes. Are you aware of the detail or is it something that is new to you?---The detail - it's much more technical in terms of my understanding.

Yes. Can I take you to a document which seems to relate to this issue in volume 4, please, Mr Price, of the bundle and at page 301. Now, change request 60, Mr Price, was in, I think, June 2008. This document that I'm showing you is the HRFI integration business requirements version 1 final which seems to be dated 12 May 2008. Have you seen this document before?---Yes.

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Is this connected with the issue of the interface between the HR and finance systems?---Yes.

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And is this a document which you have had some involvement in preparing or overseeing people who prepared it?---I had - my teams were working on this document, yes.

And working on it, it seems, before change request 60 was agreed?---Yes.

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PRICE, A. XN

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Was this a catalyst or a precursor to your knowledge to
change request 60?---It was certainly part of the process
that lead up to change 60. As I said, I think people were
working on this before I started and it may well have been
as they worked on it that they started to form the opinion
that whatever you proposed was not going to work and then
they went ahead and completed this - - -

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COMMISSIONER: Proposed by IBM you mean?---Sorry?

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Proposed by whom?---The solution proposed by IBM - this was Queensland Health's document.

Yes?---As they were working on what they believed they needed for the system, they must have been looking, I guess, at what IBM had proposed and came to the view that it wasn't going to fit. I mean, this is all happening before I started and this is just what I picked up later on. So the very first meeting I attended on my first day, this was the major topic that hit the table and they invited in Windsor (indistinct) that things had to be done differently. At that point, I had no idea of, you know, what was going on, but clearly they'd already started and there was something seriously wrong at that point.

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Can I take you to page 309 please. It's the executive summary. It says it's intending to provide some clarity to the Queensland Health business requirements but not intended as business requirements to be delivered in the QHIC interim solution. Then only the business requirements must be delivered by the solution. Did you write this executive summary or have input into it?---No.

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Do you know what it's seeking to convey in that first paragraph in those words I've drawn to your attention?---I must admit, I'm not clear about exactly what they're trying to say there.

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What about the first sentence in the second paragraph, "The business requirements have not changed due to the replacement of the LATTICE payroll solution"?---What they're saying is that the requirements were always the requirements and they reflect current financial taxation legislation. So the business needs went unchanged. That's what they could be indicating.

Yes. Is your understanding that is true, that is, that these business requirements were always business requirements of Queensland Health?---Yes. There were no other changes happening in the financial sphere. Like there was a set pattern, a set of requirements. There was a way of working. What this sets out is the finance way of working what they need to be able to do things and that wasn't changing at the same time.

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Yes. Were these requirements gathered by IBM, to your knowledge, at an earlier stage?---This document - is that what you're referring to?

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I'm really talking about the requirements this document contains. I'm not really talking about the document?---My understanding of this is it was collected by Queensland Health personnel, this particular document.

24/4/13

PRICE, T. XN

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Yes. I'm asking you whether IBM did a gathering exercise before this on business requirements for integration?---Not before this as far as I'm aware, but that could have happened before I started.

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As I've said change request 60 was agreed in June 2008, but the question of integration between the human resource and finance system seems to have been a problem which endured after change request 60 and 61. Is that right?---Yes.

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Could I take you please to volume 5 and I'm going to go to page 272. 272, Mr Price, is a letter which I think you might have written. You're mentioned at the top right-hand as being the person to whom inquiries are to be directed?--
-Yes. It was actually put together by a group of people, but I signed it as prepared by. Yes.

Yes. It is a letter which responds to one sent by IBM on 8 August?---Yes.

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The part that I wanted to ask you about was on page 273 under clause 2. I think in the Italics under the heading clause 2 is the assertion which IBM had made in its earlier letter?---Yes.

And that is that the finance design continued to be debated. That design, was that an integration issue?---
What they're referring to is the HR by integration.

Yes. Did you write or agree with the two paragraphs which appear there under, "QH does not accept this is a cause for delay"?---Yes.

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So where it says there, "QH acknowledged that a draft was delivered which contained significant gaps and this has been communicated to IBM," would that be a document like the business requirements document I showed you earlier?---
No. That's referring to a document that IBM would have produced as a draft confined to us which would have been about requirements. Yes.

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I see. Yes. An IBM document?---Yes.

And then it says, "IBM have confirmed that their solution design is incomplete." Did that happen to your knowledge? ---The teams that were working with IBM might have had that discussion and IBM have agreed that it's incomplete. That's what they communicated to me to put in here.

So why to your knowledge was it still being debated and what was meant to your knowledge by the word "debate"?---I think that's what - why he put down that this reason wasn't valid because there was no debate going on. Change requests 60 and 61 had gone through. Funding had been supplied. It was up now to IBM to complete the process

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that had been agreed, that is to fulfil the requirements of 60 and 61. **1**

And then in the last paragraph under clause 2 you say, "Queensland Health has provided all specification requirements," and to your knowledge had that occurred?--- Yes.

To your knowledge did IBM ever challenge that assertion?--- Not that I'm aware of. No. **10**

Thank you. Can I take you just to another topic which appears at paragraph 33 of your statement, Mr Price?---Yes.

It's the topic of scalability of Workbrain?---Yes.

I might not put this very well, but the question of scalability is one which seeks to address whether the system will work once a very large number of users or larger number of users begin to access it?---Yes. That would be my understanding. **20**

It was something which - I don't know whether you're aware of this - provision had been made for, scalability testing under the contract. Were you aware of that?---Yes. That had happened. I wasn't involved, but I knew that preliminary tests had been done as part of the contract and so on and also there had to be scalability tests going on.

Yes. To your knowledge did Workbrain pass the, what you call I think, preliminary or initial scalability tests?--- Again, that was a sort of a hearsay thing. I wasn't involved, but I've heard that it did but - at the time, but I have no real knowledge of it. **30**

Okay. Was there later Workbrain testing of a scalability kind as well?---Yes. Much closer to go live there were tests and I forget again - it was called scalability and then it might have been called - it might have had a different name in terms of the actual test they did, but there was a report produced by CorpTech in the latter half of 2009 that was starting to question whether Workbrain was scaleable to the extent required and that was provided to the directorate and so on at the time. **40**

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Yes, and did you remember seeing a copy of that report?--- 1
Yes.

To your recollection, did it suggest what you've just said
you heard it say?---Yes, it said - in fact, it had a little
diagram in it that said, "Workbrain licence," or whatever
it was, "withheld."

Yes, I think I've seen that document?---Seen that? 10

Yes?---So the discussion was more about how much it would
scale to, not that it wouldn't scale, but, you know, would
it get to 1000, 2000, 3000 users, that was the question.

To your knowledge, did Workbrain ever pass a scalability
test to the extent that Queensland Health or CorpTech
thought it should?---After that first CorpTech report there
was a series of other documents provided to the board by
IBM, a joint IBM/CorpTech document, which addressed that
issue and I remember seeing it. Again, this is not from 20
memory but from memory of seeing documents recently, that
they brought N4 to assist them. I didn't get the final
trail of it, but it was signed off as kind of a go live so
they must have got it to an acceptable level.

But you weren't part of the N4?---No, this is all done
through CorpTech, was arranged through CorpTech and IBM,
they reported independently to the board about this
particular issue. 30

The N4 audit identified real problems, were you aware of
that?---I think there was a couple of N4 audits, and I'm
not sure which one you're referring to.

One of the N4 audits identified some problems that would
prevent the system going live so far as Workbrain was
concerned?---The board was informed, I recall, of an audit
that happened and what CorpTech and IBM were doing about
it, I remember that. 40

You deal in your statement with the general topic, I think,
of the redefinition of the severity of defects. I want to
ask you about two topics that are related, one is about the
entry criteria by which one could enter user acceptance
testing - - -?---Yes.

- - - and some of the defect classification criteria. Can
I take you first please, Mr Price, to volume 9 of the
bundle? I want to take you first, please, to page 47,
which takes us to May 2009. You seem to be the chair of 50
this meeting, it's the project directorate entrance to UAT,
5 May 2009?---Yes.

And you seem to open the meeting there in row one of the
box, saying, "Outcome/decision, to give a recommendation
about the possibility of entering UAT"?---Yes.

24/4/13

PRICE, A. XN

Next row down there are two options that were discussed, option 1: fix all defects?---Yes. 1

Option 2: enter UAT with some defects?---Yes.

Then over the page, page 48, second row down, Jane Stewart, do you see the words:

Jane Stewart expresses some concerns about entering UAT with outstanding defects, and on a strict assessment of the criteria at the time for entry into UAT one doesn't enter UAT if there are severity 2 defects unfixed. 10

Is that correct?---That would be the normal process, yes.

And then a bit lower down "Entry Criteria Needed"?---Yes.

"Four pay runs have happened, IBM have fixed the priority 4s." Then it says, "This was the entry criteria and they were met." But that's not the criteria, is it, there were severity 2 criterion as well?---Yeah. 20

And then someone says, last row, TB, perhaps Terry Burns, says, "It's more important how we exit than how we enter." And then over the page at item 17, which is the last row, it's agreed by the directorate to officially enter UAT. Then there's a note at the bottom attributed to John. Is that John Gower?---John Gower, yes. 30

So entry occurs into UAT at this stage on the basis of option 2, is that right, that there will be some defects which IBM will correct as they go in UAT?---Yes, and at this time we're in UAT 3.

Yes, I understand?---And what had happened just previous to this was there had been another meeting there the first round of - not the first round - but one of the rounds of the fight about definitions of defects, it was agreed at the board that severity 2s would include everything to do with pay at this point. So in fact what that change did was take a lot of sev 3s and put them into sev 2s, that's what I think John is saying, is that would take you longer to do because of a lot of sev 3s have become sev 2s, the numbers had changed. What they're talking about here is the concept of entering UAT with some defects open but having a plan from IBM to deliver the defects in time for the testing, so testing was scheduled a certain way. You know, it might be we're testing leave in week two if we had to have all the defects on leave fixed before week two, and that was proposed as a way of continuing to try and keep on that kind of schedule at that time, that's what we do about it. 40 50

COMMISSIONER: Would you explain to me again how it was or why it was that the severity 3 defects became severity 2 defects?---Because at that time - and I only really understand this because I had a much closer look at these documents in the last couple of days and it's all starting to come back to me - the argument about defects is on several levels, one is: is this a defect at all or is it a change of scope of requirement? So there's always that sort of discussion going on. At the meetings just before this one, earlier to this, there was a view put probably by Queensland Health and agreed that we had to fix everything to do with pay. So originally, sev 2, you could have a defect that affected pay but it could be in sev 3. In the lead-up to this particular discussion, it was agreed to change that, and what John Gower might be saying is, "Well, we might have had 50 sev 2s, we've now got 70, and if you're going to ask us to fix those it's going to take us longer." So he was, again, referring back to the schedule, but that's what happened at that time.

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Can you give me an example of a defect that might not be a defect but was a change of scope?---A real one?

Yes?---One that I agreed with?

Give me one of each if you like?---I can't remember. It's very hard to remember the actual details of things.

No, I just want to get some idea of what we're talking about?---There may well have been - in the same way as the enterprise bargaining changes happen later and they were all agreed - while we were sitting here doing all this project, industrial activity is going on all the time and people are suddenly provided with a new industrial agreement, arrangement around something. People wouldn't care that we were trying to implement a system, they'd just write that up, send the letter through and the HR department will say, "Here, we've got to fix this," and that would be a new genuine requirement. We didn't pay people like this before a week ago but now we do, so that's a new requirement. But, currently, the system doesn't calculate (indistinct) example of a real one and so on. The others, I can't recall, that's where it gets into that discussion about, "Well, you know, it's a defect because everyone knows the system has to work this way," but then there was this discussion about, "Well, it's out of scope."

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Thank you.

MR HORTON: The change you say that occurred which made severity 3s into severity 2s was one which resulted because there was an agreement that if something affected pay that would be the classification for severity 2?---Yeah, and that held for a while, for a couple of weeks.

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Yes. But that was always the case, wasn't it, that a severity 2 was something which meant that payroll results are incorrect, among other things?---Among other things, but before this point you could have a thing that affected pay as a sev 3. That's my understanding.

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Yes. By reference to some test plan criteria or just as a matter of practice of the board?---I can't recall exactly what - like I said, I only became clear about this - - -

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Can I get you to turn over a few pages to page 61 of that same volume. The minutes I took you to were 5 May. This document is - the combined list as at 6 May, three pages, I think?---So page 61, are you saying?

61. It should be an A3 landscape?---Oh, yes, yes. This is the list. Yes.

Is that right? This is the list of defects which exist immediately after the board meeting for the directorate meeting which I've mentioned took place on 5 May?---Well, there were so many lists around, but certainly at the end there was one list that was put forward and the point of it was Queensland Health looked at all the items and said, "Here's what we believe," and we put that to IBM saying, "When can you fix this by? What's the schedule?" and they came back, I believe, at a later meeting with another spreadsheet with, you know, colours, "We can do this, the blue ones, by such - the red ones by - - -"

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Yes. So if we just use this spreadsheet to illustrate a few examples. The second row down, the first one is assigned, sequence number 2, the status is in dispute. Do you see there under the heading Status?---Yes.

Sequence number 2. That's an example, is it, where something has been assigned a severity 2 as major - what is in dispute between the state and IBM as to whether it should be so categorised or should be categorised as a defect at all?---I read that as categorised as a defect at all.

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And then there are ones that say - - - ?---You realise this is probably the first time I've looked at this spreadsheet in detail.

Sure. Would you have seen it at the time, do you think, as part of the directorate meeting?---This level of detail wasn't provided to the directorate that often. It was more just summary numbers.

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But you would want some level of detail, wouldn't you, before you decided whether to go into the next stage of the project with errors - - - ?---Yes.

- - - which were being categorised as major, which is what severity 2 is?---Yes. There's a sub-set of people at the directorate who dealt with the defects in particular. 1

Yes?---There was a group of four people which would have been, at this stage, Amanda Doherty from QHEST, Janette Jones, James Stewart and Mark Dymock and they were the ones who, on behalf of the directorate, did the detailed work around defects. 10

Yes. What I really want to suggest to you just from that is that there are really quite a large number, some 69 - - -?---Yes.

- - - major defects outstanding at a time when the directorate has resolved to proceed to the next stage, but on the criteria which I suggest to you would have prevented that happening had they been adhered to?---If there wasn't the pressures of the schedule to try and maintain. 20

Yes. So, no doubt, there was reason to do it, but what I'm saying is it involved not applying strictly the criteria which prevented movement from one stage to the next in terms of UAT if there existed severity 2's?---Yes.

And the severity 2 defects which existed, although some might have been disputed as defects and some might have been new, there were defects as severity 2's which were not in dispute for those reasons?---Mm'hm. 30

Is that your understanding?---They were there, but they were going to be fixed before they were tested.

Right?---I mean, the actual UAT period would start, but what this was about was making sure that each of those defects was fixed before the test cycles were actually run on that defect.

Sure. We'll get to that, but in fact it seems at every stage of entering and exiting UAT there are defects which are being tolerated - - - ?---Yes. 40

- - - which are severity 2?---Mm'hm.

Is that your understanding in general terms?---Yes.

We'll go to some more documents. Then could I just take you on a bit to page 204 in that same volume and this document, Mr Price, is part of some changes which took effect as part of change request 184, which if you want to be put in context begins at page 128 of that bundle. So the document which I'm taking you to at page 204 seems to be, anyway, the changes to SOW8 which were effected as part of the change request 184?---This is on page 204? 50

Yes?---Payment schedule?---Yes.

24/4/13

PRICE, T. XN

I just wanted to show you there against the entry into user acceptance testing, about a third of the way down the page, in the third row down, "No severity 1 or severity 2 defects or as determined by the board, project board"?---Mm'hm.

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That seems to be a change from earlier criteria which had said that there must be no severity 1 or severity 2 defects to enter UAT?---So this document is a contractual document - - -

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Yes?---- - - which is something I don't understand - - -

Okay?---So I don't know what that would - - -

I understand. I wanted to see whether you were aware that in that document there's a change to the entry criteria for user acceptance testing?---It seems to be stating the purist - you have no sev 1's or sev 2's originally. That was the aim, but clearly that wasn't what happened. But as I said, I haven't ever seen this before ever seen this before.

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Yes. No, changes over time?---Yes.

Then can I take you please to volume 10, the next volume, page 78 please, 20 August project directorate meeting. Here is a reference to UAT exit criteria and one which has recently been altered, it seems, a criteria recently altered. You'll see that in the first line of that entry in the minutes?---Yes.

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Then it says: the "intent" of the wording as agreed and accepted by all. You were present at that meeting. Is that right? You seemed to be from the members present? ---If it says I was there, yes.

Do you recall what the recently altered criteria were? ---Certainly at this time these documents, the entry criteria and the exit criteria, were being developed and circulated continuously, you know, over weeks and people were changing things all the time. So to see that there would be the LATTICE change is nothing unusual, but I don't know what this particular change is.

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Yes. Why were they being debated and circulated when there was a LATTICE test criteria planned for entry and exit into UAT? Were you aware of that?---So in this case we're up to UAT 4.

Yes?---And so we're creating - each time we're creating bigger, better more complete entry and exit criteria.

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With respect, weaker and weaker entry and exit criteria? ---Well, that's how they - no. In terms of the actual document that's agreed and signed off, it was a different document than was used, for instance, for UAT 3.

24/4/13

PRICE, T. XN

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Yes. But the entry criteria was set originally by a test plan. I can take you to it, if you like, volume 5, and it's page - the test plan begins, Mr Price, at page 234, QHEST test plan. Do you recall ever seeing a copy of this document?---Yes.

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And the page I want to take you to which deals with user acceptance testing is page 247. The second dot point under Entry Criteria, "All severity 1 and severity 2 defects resolved from unit assisted testing." Fifth dot point under Exit Criteria, "All severity 1 and severity 2 defects from UAT or concurrently exiting the test phases have been resolved." What I'm really saying is: this is the test plan sent ahead of time - - -?---Yes.

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- - - but that it seems over time to have been a dilution of those criterion, or their application to permit parts of system - to permit the system to progress notwithstanding the existence of severity 2 defects, some of which were not disputed to be severity 2 defects?---Yes, certainly there was - due to the pressures of the schedule and the go live, that's what - one of the impacts was this.

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Can I take you to a document which might be, possible, the recently amended criteria or altered criteria?---All right.

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Exhibit 81, please, Madam Associate. Now, this is an email from Shaurin Shah who sent to, among a number of others, to you it seems?---Yes.

Attached is user acceptance testing end to end entry criteria?---Yep.

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It says at page 2 of 8, you're in the list, at least, head of the list of people who have reviewed the document, or asked to review the document?---Yep.

Does this look like what might be the recently altered criteria?---You mean the comment from the earlier document we looked at?

Yes?---Yeah, these two documents, the entry criteria and exit criteria, as you see here Shaurin is circulating, and there would have been numerous changes. So it's quite possible, without knowing exactly what that was in the other minute, that it was referring to these documents, yes.

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Thank you. Then could I take you back, if you've still got it, to volume 10, page 85?---Yep.

This is the entry criteria for UAT 4. The part I want to draw your attention to is the last row, version 1.3, on page 85, which says, "Item 3 has been changed as per the directorate meeting on 11 August," and it says what item 3 used to read as. The new item 3 seems to appear on page 88, and the difference, I want to suggest to you, is the deletion of the word "re-tested and scripts passed successfully"?---I'm not sure what you're getting at. The criteria 3 is different.

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Yes, I'm suggesting it's another watering down of the criteria by removing the requirement for IBM to re-test and have scripts pass successfully, because the change which this document seems to be making is removing that requirement?

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---So it's all saying they're resolved and system tested, but you're saying something has been left off.

Yes, those words "re-tested and passed successfully". Do you recall how it was that, that change came about?---No, not really. I'm still trying to think whether it's just a wording thing, whether the intent is still the same or not.

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Yes?---But you're saying the intent is different.

I'm suggesting to you that one wouldn't trouble one's self with brining into existence a new version of the entry criteria if the effect of the words were the same, there's

obviously been thought that the words - - -?---As I said, these documents were circulated endlessly for all sorts of minor changes that may or may not have been significant. But for the point of view of getting a group agreement, it would have been put through.

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Thank you. And then to finalise this, I don't think I need to take you to it, but there was a change request ultimately made and agreed, change request 208 which then changes the exit criteria completely so that one can exit UAT with severity 2 defects provided there is a comprehensive management plan for them. Is that your understanding?---I don't know anything about the change request as such, but certainly, yes, having a comprehensive defect - a system defect management plan was part of the final agreement, yes.

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The next related topic was you mentioned in your statement about reclassification of defects, and you've mentioned how some of them were in dispute as defects, some of them were in dispute because of the category into which they should fall?---Yes.

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Was there a course had to the definition provided in the master test plan for the severity of defects in the criteria by which they should be allocated?---I don't recall exactly what criteria they were using at the start of these UATs, I only became more involved in it as it became more contentious so I don't really know what the starting point was.

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Can I show you something, for example, in exhibit 81? Do you still have that exhibit there?---Yes.

At the back of that document is a document called "Defect Classification Guidelines"?---Yes.

Do you remember seeing a document like this?---Yes, and this is quite - sorry, this is the end part, not the start part. I thought you were questioning the start of the defect definition. To me, this is the end product of the whole months and months of negotiations and discussions.

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But always has existed a hierarchy of defects, 1, 2, 3 and 4?---Yes.

And there's always existed criteria by which each is to be allotted?---Yes, although I'm unaware of what they were at the start. Yes.

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Do you remember seeing these classification guidelines that I've taken you to?---Yes, this was a document circulated at the same time as the entry and exit criteria and it formed part of the entry criteria.

And these are rows in place because of disputes which had arisen between the state and IBM regarding whether a severity 2 defect could arise for reasons other than its effect on their pay?---Yes. **1**

And IBM's view expressed, perhaps most directly by Mr Doak, was that a severity 2 should only be allocated where it affected net pay?---Yes.

Now, these classification guidelines, to your knowledge, do they apply only to net pay?---No, they apply to a whole range of financial items as well from item 15 onwards. **10**

And so was it agreed with IBM by this stage that defects could be within severity 2 even if they didn't affect net pay?---Yes. That's what this is; this is the signed off agreement to that factor.

Yes. And this was given effect to?---Yes. **20**

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What then happened with defects which did affect that pay, were all of them then within severity 2 or were they allocated differently?---I'm not sure if there was any still. You would think not but I don't know the facts.

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Now, could I take you finally on the topic to 76 of your statement, paragraph 76. I'm interested in the reference you make to the new agreed definitions, which became the business agreed definitions and which you say are independent of the contract?---Yes. So when I made that statement at the interview and that's what I remembered at the time, around about that time, July, I was thinking in my mind of this list, this guidelines document, that's what I was referring to, and it's only been in the last couple of days that I've actually seen these things again that it's all fitted together, so what I was referring to - and in fact in 75 I say that, I think, I'm talking about the defects that have been documented in UAT interest criteria for UAT 4. So that business agreed definitions is that list.

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Thank you. But you seem to accept by saying they're independent of the contract, you're talking about reference to what had previously been in place for the caterisation or classification of defects?---Well, I think what I'm reflecting there is the view that was put to us a few times in the directorate level, at least, was that we needed to be clear that what we were defining were defects for the point of view of implementation and that the defects as they applied after go live would be a different thing. So - and again, I don't - I have no view of the contract, but why it was put to me, I think, from memory, was that the contract and warranty provisions and so on applied after go live, and that anything that we as the directorate or the board in fact decided and signed off on here, didn't in any way impact on the actual definitions and warranty provisions in the contract. That was the idea.

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Yes. I think you referred to schedule 26 as something the warranties which - - -?---Again, I've never seen them - I just recall that being put to us quite often in the directorate.

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Yes. And you didn't think that the risk of doing this was that defects which were major were being permitted or being lived with even though earlier criteria had, in effect, said: you shouldn't go to the next gate, next stage of the project unless these are resolved?---There's two things. The definitions are clearer in this document than they'd been for. Also, UAT, the entrance criteria, if we look at it - I forget which number it is, number 3 or 4 of the entrance criteria sets out that severity 3, priority 2 - sorry, priority 0 and priority 1 definitions need to be fixed by the end of UAT. So I understand what you're saying about, yes, it's a lessening of the original, you know, perfectionist technical stance but due to the reasons

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that we've talked about the scheduling impacts and so on over time, it was accepted that we would start UAT on proviso, of course, that you'd finish them before we go live, before we exit UAT originally. And so there's a criteria that says that, everyone agrees to do that. Whether that was actually achieved or not is another question.

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Well, then it seems that UAT 4 is exited with severity 2 defects?---That became then the defect management plan.

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Exactly?---Mm.

Whereas, had one of the original criteria, I really mean the pre-change request 280 criteria - - -?---Yes.

- - - one would have been saying, "No exit UAT - - -?---
Yep.

- - - there exists severity 2"?---Yep.

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Can I take you, please, to page 89 of your statement. In a way the same topic but now dealing with the management response to the KJ Ross UAT report?---Yep.

Now, KJ Ross, Mr Cowan had prepared a report as part of the phase 4 of user acceptance testing?---Mm'hm.

Had you seen a copy of that? I think you say you can't specifically recall it, but - - -?---Have I seen a copy of the final report, is that what you're saying?

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Yes?---Well, I would have seen it, I believe.

Yes. And then a management response was prepared. Is that right - - -?---That's right, yeah.

- - - to it?---Yep.

What was your impression from that report when you read it about whether the system could proceed to a go live?---I mean, I can't recall exactly how I reacted to the report at the time. It wasn't a surprise, I don't think, given anything that had happened. So we weren't surprised by what they said.

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Were you involved in the preparation of the management response to KJ Ross?---In the sense that I was going to be one of the endorsers of it. It was, again, one of those circulated documents, so the key people were the four defect people and I believe Naomi would have been the actual drafter.

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Yes?---So I didn't know. I wasn't actually putting the words together, but - - -

No, but distribution Tony Price, director, QHEST - - -? 1
---Yes.

- - - and endorses against your name?---Yes.

I'll take you to it; it's page 380 of that - of, sorry, 10
volume 14. Just before we go, would you say at paragraph
91 that Queensland Health, CorpTech and IBM were not able
to reach agreement about the response document?---Yes.

Was that this document that there couldn't be agreement
about?---What we're talking about is the KJ Ross final
report that couldn't be agreed in the sense that we wanted
to produce a response that was all together - - -

Yes?--- - - - but it couldn't be achieved, so despite of
the usual round of discussions, negotiations, we had to
actually put in two separate views, if you like.

Yes. And did IBM communicate its view to you or was IBM's 20
view communicated to you about those matters?---In the
document, so I believe, for instance, Mark Dymock would
have put his view and created his half of the matrix.

Yes. Thank you. So that's why we see at page 384, for
example - - -?---384 of?

Of that volume. It should be in red, these page numbers? 30
---Yes.

That's where we see, for example, on page 384, in effect,
the state response and then the IBM response?---Yes.

Now, under the heading "Queensland Health and CorpTech
Management Response", you noted that IBM had the
responsibility for system testing before the system was
handed over for UAT testing?---Yes.

And there seems to be concerns raised that the system 40
testing may not have been adequate in the course of the
defects discovered in UAT. Is that your understanding?
---That's what KJ Ross were telling us, yes.

Was that a view you held as a result of the KJ Ross
advice?---Yes, yes. It was not just KJ Ross; other people,
you know, having UAT tests for 14 months and hundreds and
hundreds of defects is not the expected thing to occur.

And what inquiries, to your knowledge, were made of IBM 50
about the system testing which it had conducted?---I can
never recall really seeing too many - having too many
discussions about their system testing, which would happen
on a much earlier stage, so they would have completed
system tests in the middle, late 2008. there must be a
system test final report somewhere but I don't recall

seeing it and it wasn't something that was reported very often, we didn't - but in contrast to UAT, we provided a report every single day what was happening. All the other testing was happening behind the wall, if you like.

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Yes. And then it's said in the third paragraph under the Queensland Health CorpTech response that that system testing is not visible to the client. Does that mean it was done by IBM and you hadn't had any involvement in it?--
-Yes. That's what we're saying here that IBM - they're telling us that they've done all the testing. They're telling us that everything is fine, but that isn't visible to us is what the statement there was saying.

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Over the next page, page 385, IBM under the heading System Test, et cetera, seems to make a response to those suggestions?---Yes. 1

And, "It's been reviewed externally numerous times"?---Mm'hm.

Do you remember that occurring?---I know that Queensland audit had people looking at testing and also we did have KJ Ross before they took on UAT, they were looking at the broader testing, yes. 10

Thank you. Can I just take you down to page 386 to the last row, "Concerns expressed," on the left-hand side, "A large number of open defects at the end of UAT 4." Do you remember that being a concern?---Yes.

Then if one goes down, "63 open severity 2 defects"?---Yes.

That means unresolved defects, does it, if they're open? ---Yes. 20

And ordinarily one would expect no severity 2 defects moving into the exit from UAT. Is that - - - ?---Yes. The ideal situation is that all defects are resolved before you exit.

Yes. And then a bit further down that page on 382 there's reference to a defect solutions management plan?---Mm'hm. 30

Do you remember seeing a copy of that plan at the time? ---It was a living document being developed all the time. I dare say I did see it, yes.

But still under development at this stage, was it?---Well, because it was growing every day it had to be - every time something was found it had to be included in that defect management plan. Yes.

If severity 2's were to be dealt with after go live by reference to a management plan or workaround, how was it possible to form a view at this stage about the practicability of those arrangements if those documents hadn't been finalised?---Well, I'm not sure at what stage the defect management plan was at at this particular time. 40

It wasn't final, though, it seems?---Yes. I'm not sure. I can't recall exactly when it was finalised, but in terms of the workaround aspect, people had already been looking at that beforehand and the defect management plan set out the times based on an assessment of priority and an impact about when that defect had to be fixed by, so there would be some fixed, you know, just after go live before the first pay and so on. 50

Can I take you to page 388, please? This time it's the third paragraph under the Queensland Health column against the entry, "Total time frame and duration of UAT." The second paragraph starts, "At the end of UAT 3 a number of defects were downgraded from severity 2 to severity 3." Then there's reference to the project board reconfirming the severity definition for severity 2. Is that the document which we've just seen in exhibit 81?---Yes. So at the end of UAT 3, which is the start of UAT 4, which is when that document was put in place. Yes.

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Then there's reference to aligning the severity defects correctly with the definition. So were things taken from severity 2 into severity 3 on that basis?---Yes. They were reclassified based on the agreed definitions.

But wouldn't those definitions have operated the other way around, taken things which affected net pay back into severity 2?---Yes. I'm not commenting on which way they went. I'm just saying that the definitions were applied. The impact of that may have been, you know, twos to threes more than the other way.

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This seems to be suggesting in fact it's two to three, it's saying?---Yes. At this point.

Downgrading of severities not an upgrading?---Yes. Based on the workaround part of it.

And, finally here, page 389, last row, "KJ Ross' concern is there's a risk that a significant number of functional defects remain in the system." Do you see that on the left-hand side?---Yes.

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And in the middle box, "There are 127 defects unresolved as at 5 February but they've all been included in the management plan." Did you form a view at this stage that they could be practicably managed in the defects management plan?---That was the view accepted by the directorate, yes, that it could be managed.

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Can I take you please finally to volume 9 and I'm going to take you now to your memo which you wrote in July 2009? ---Yes.

Before I do that, could I just see if this is the document you referred to earlier regarding scalability, volume 13? ---13?

I'm sorry to interrupt you. Page 225, performance validation report and I think the page that might help you to recollect is page 241 within that document?---Yes. Yes. This is a Gary Palmer document. Yes. And 227, it also shows the same thing, yes. This is the document I was thinking of.

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Yes. So this is the document you say shows that Workbrain didn't pass the scalability test - - - ?---Yes; and then - yes. It was performance validation, that's why - I was trying to think of the other name before. 1

Thank you. I'm sorry. If I could take you now to volume 9 and your memorandum is at page 240, Mr Price?---Yes.

Now I think you say in your statement you were asked to prepare material of this kind by your managers?---Yes. 10

Who, in particular, asked you to prepare - - - ?
---Michael Kalimnios.

What was the request made to you about that?---As I said in the statement, I can't recall the particular trigger event that may have set it off, but I believe it was just a culmination of things happening that Michael believed it was time to try and change things again and he asked me to prepare a document that put all our issues, all our problems down in one document so that he could take it forward. 20

Who assisted you in preparing this memo?---There were about half a dozen people in QHEST who I went back and then engaged them to explain what we had to do and they all went away and did their bit. I had one person doing the actual scribing, putting it altogether. She compiled it all and then we would circulate drafts and so on. 30

Who was the compiler?---The actual writer?

Yes?---It was Andrea Sams.

Yes.

COMMISSIONER: Who?---Andrea Sams.

MR HORTON: And did you yourself have an input into this? ---Yes, yes. I was obviously looking at all the drafts, adding input, changing, having meetings with the group. It went over, I don't know, at least a week, maybe two weeks in preparation. 40

Yes. You in the end sign this brief for noting?---Yes, but before that I sent it to Michael and Adrian as a draft for their comments as well and Adrian responded to the draft and actually made some amendments and they were then taken on board, these final amendments, and then I signed it and sent it through to their correspondence box on those dates and then it was walked over to them as well. 50

So it seems you having signed it, you had formally despatched, so far as your line of reporting was concerned, the brief for noting?---Yes.

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And was it your intention then subject to your managers that it reach the ultimate destination the deputy premier and minister for health?---That was our hope, yes.

And had you been asked to prepare a note for the minister's consideration?---It was always intended to go to the deputy premier, yes.

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And is that Mr Kalimnios had asked for?---Oh, yes, yes.

Is that the last you know of what happened to this memo or do you know what was its ultimate destination?---I never received anything back formally in writing and I don't believe it was actually sent on as a document but I believe - I remember talking to Michael Kalimnios about it. He - and I forget the exact words but he told me in some way that the content had been communicated forward and upward.

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Yes. And did he tell you who forward and upward was as a person?---I don't believe he told me at the time, no, but from his point of view he's the deputy DG, there's only one more step up, so at the very least he was taking this to the DG of Health.

Yes. Thank you?---And I had hoped he was also then taking it further.

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Yes. Mr Commissioner, I'm about to go into the detail; is that a convenient time?

COMMISSIONER: Yes, very well. Mr Price, we aren't sitting on Friday, so you'll have to come back on Monday, I'm afraid. Is that inconvenient?---How much - I'd prefer to keep going, I'd just prefer to do it all now, but if you want to come back on Monday, I guess that's up to you.

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Well, we've got a long day and it is the usual time to adjourn, so we can adjourn?---I understand.

So we'll adjourn until 10 o'clock on Monday.

(THE WITNESS WITHDREW)

THE COMMISSION ADJOURNED AT 4.33 PM UNTIL MONDAY, 29 APRIL 2013

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