



**QUEENSLAND HEALTH PAYROLL SYSTEM  
COMMISSION OF INQUIRY**

Statement of Witness

<i>Name of Witness</i>	Anthony Price
<i>Date of Birth</i>	Known to the Commission
<i>Address and contact details</i>	Known to the Commission
<i>Occupation</i>	Semi-retired
<i>Officer taking statement</i>	
<i>Date taken</i>	29 March 2013

I, **Anthony Price**, c/- Cooper Grace Ward Lawyers, 21 / 400 George Street Brisbane, in the State of Queensland, state as follows:

**Purpose of Statement**

1. On 15 March 2013, I was interviewed by Jonathon Horton of Counsel on behalf of the Queensland Health Payroll Commission of Inquiry ('the interview').
2. I was asked by the Commission to prepare a statement dealing with matters raised during the interview. This statement is not a complete summary of my involvement in the Queensland Health Enterprise Solutions Transition ('QHEST') or the Queensland Health Implementing Continuity ('QHIC') Project.

**Background**

3. I hold the following qualifications:
  - (a) Diploma in Applied Science (Diagnostic Radiography) from the Queensland Institute of Technology - 1978;
  - (b) Bachelor of Business (Public Administration) from the Queensland University of Technology – 1989; and

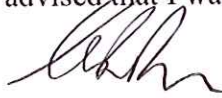
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- (c) Diploma in Project Management at the Global Institute for Learning and Development – 2001.

4. I worked for Queensland Health for 36 years.
5. I initially worked as a Cadet Radiographer at the Royal Brisbane Hospital ('RBH') progressing through clinical and then managerial roles. As part of my employment with Queensland Health, I was Project Manager of the Queensland Health Human Resource Management Information System Project (1997 to 2002). Whilst in that position, I was involved in the successful implementation of Lattice within the West Moreton, QEII Hospital and Princess Alexandra Hospital Districts and also Queensland Health Corporate Office.
6. In early 2008, I held the position of Manager of the District Systems Management Unit at the Royal Brisbane and Women's Hospital. In April 2008, I was offered the temporary position of Director of QHEST by Michael Kalimnios.
7. I understand that QHEST was formed to undertake and coordinate internal activities to ensure Queensland Health could implement the whole of government ERP program which was intended to introduce new systems for finance, human resources and procurement for whole of government. QHEST also provided project management and other services to other projects in all departments of Queensland Health Corporate Services. One of these projects was QHIC, the objective of which was to implement an interim payroll system to replace Lattice.
8. I started working in the role of Director of QHEST soon after Michael Kalimnios approached me in April 2008. I was formally appointed to the role after a selection process in around June 2008. The Director of QHEST reported to the Executive Director – Corporate Services who in turn reported to the Deputy Director General – Corporate Services.
9. I was the Director of QHEST until 28 June 2010.
10. On 28 June 2010, I was called to a meeting with Michael Reid and given a letter which, amongst other things, advised that I was being removed from my role and transferred to

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a position which was *'in no way associated with the implementation of the current or any future variations of Queensland Health payroll and rostering systems'*.

11. On 7 July 2010, I was called to a further meeting with Michael Walsh. I was made redundant from Queensland Health as of 13 August 2010.
12. I am now semi-retired.

**April 2008**

13. When I commenced in the role of Director of QHEST, the State of Queensland (CorpTech) and IBM had entered into a contract for the delivery of the interim payroll system for Queensland Health. To the best of my recollection, at that time the QHIC project go-live date was intended to be around August 2008.
14. I was briefed by Michael Kalimnios, Peter Douglas and Terry Burns (who had started working with QHEST around the same time as me) in relation to it. I also met with relevant internal stakeholders and was provided with written and oral background information. By way of example, this included an email from Paul Monaghan to me dated 10 April 2008. That email attached a briefing note that had been prepared by Janette Jones on around 26 March 2008.
15. From this information, amongst other things, I was aware that:
  - (a) vendor support for the Lattice payroll system was to cease in September 2008;
  - (b) whilst the Queensland Health Shared Services Partnership ('QHSSP') was working with CorpTech to provide an alternative support arrangement, it did not consider this to be acceptable as a system replacement;
  - (c) the QHIC project had been commissioned in partnership with IBM in response to what was considered an unacceptable business risk to the continuity of payroll services provided by QHSSP; and
  - (d) the QHIC project was to be a compressed implementation of the whole of government Human Resources solution of SAP HR and Workbrain.

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**Statement of Work 7 and 8A and Change Requests 60 and 61**

16. I have been asked about Statements of Work 7 and 8A and Change Requests 60 and 61.
17. Statement of Work 7 was done well before I started as the Director of QHEST. I have no direct knowledge of it and to the best of my recollection, I had not seen it.
18. I first became aware of an HR-FI integration issue on or about my first day as Director of QHEST. I believe this was at a meeting of the equivalent of the QHIC Board (it had a different name at that time). We went into a series of meetings and discussions with CorpTech and IBM to try to resolve the issue.
19. It was my understanding that the integration of Queensland Health's then existing payroll system was managed by a series of interfaces that had been built and managed by it, including the 'PAY-MAN' series. It became apparent around the time that I started as the Director of QHEST that the solution which had been proposed by IBM (SAP HR and Workbrain) was not going to work with those interfaces.
20. It was also my understanding at that time that Queensland Health could never have accepted a situation where its HR-FI systems were not fully integrated. By way of example, details of the \$250 million per fortnight pay to the employees had to go across to the ledger. The ledger had to then break it up into job codes and costs for the staff. This then needed to be reported and rolled up for Commonwealth funding.
21. In my view, this was the type of issue that should have been the subject of scoping for the contract.
22. I have been asked about a QHEST document entitled 'HR-FI Business Requirements'. I cannot comment on when the drafting of that document started. To the best of my recollection, I believe that it:
  - (a) is a document which was drafted by Queensland Health;
  - (b) deals with what Queensland Health thought its HR-FI integration issues were;
  - (c) was provided to IBM, around the time of Change Requests 60 and 61; and

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- (d) is likely that the Director of Finance, Queensland Health would have signed this document before it was provided to IBM.
23. I have been asked about a sentence in Change Request 61 which reads '*the current proposed solution is acceptable to Queensland Health who bear the risk associated with this change from the original solution*'.
24. To the best of my recollection, Queensland Health was not generally involved in the drafting of contractual documents. These sorts of documents were drafted by CorpTech and IBM, usually after preliminary discussion that included Queensland Health.
25. Having now had the opportunity to consider Change Request 61, I believe that:
- (a) it highlighted work to be done on the legacy system in Queensland Health to accept the new interface, that is SAP, Finance (FAMMIS), DSS, IMS, T2; and
  - (b) the risk mentioned in that sentence was likely to be this work, for which Queensland Health was responsible.

**Letter to Barbara Perrott dated 15 August 2008**

26. I have been asked about a letter to Barbara Perrott from Michael Kalimnios dated 15 August 2008.
27. Peter Douglas provided Terry Burns and me with a copy of a letter that CorpTech had received from IBM providing notice of delay on 8 August 2008. He advised us that he and Michael Kalimnios had met with CorpTech representatives and had agreed that CorpTech would respond to the letter using information provided by Queensland Health. He also provided me with a document that he had started working on and asked me to get a draft of the letter.
28. I recall that there was a sense of frustration with the IBM delay notice because it sought to attribute the delay to Queensland Health and in particular, one of the reasons given was the HR-FI issue for which a Change Request had just been agreed.

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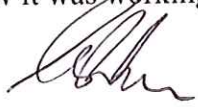


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29. I assembled the QHEST management team to discuss the delay notice and input into a draft letter to CorpTech, which also incorporated the information contained in the working document that I had received from Peter Douglas. I am the author of the letter dated 15 August 2008 in the sense that I signed off on it in my position as Director of QHEST but to the best of my recollection, it expresses the collective views of the team of people I assembled (including me), Peter Douglas and Michael Kalimnios at that time.
30. On the final page of the letter, we summarised what Queensland Health saw as the causes of delay. I have been asked about the comments in the letter relating to Workbrain. In the interview I was also referred to Schedule 46 of the contract and certain Change Requests. I am not familiar with Schedule 46 of the contract or the Change Requests, however I understood that:
- (a) the contractual aspects of the project were managed by CorpTech and Queensland Health was not directly involved in drafting contractual documentation; and
  - (b) Queensland Health was not directly involved with Workbrain as that part of the project was also being managed by CorpTech.
31. As far as I can recall, there were always opinions and views being expressed about the appropriateness of Workbrain and the delays, but Workbrain had been promoted by IBM as the awards engine for the whole of government ERP program, not just the QHIC project or Queensland Health.
32. To the best of my recollection, the QHIC project was effectively a pilot project for the whole of government ERP program. I understood at the time that SAP HR and WorkBrain had not been implemented together anywhere in the world in the way that had been proposed by IBM. In particular, I am referring to the use of Workbrain as the award interpreter. It was not just testing that IBM had to do; they actually had to develop the solution and then test it. At one point, I recall that the Project Directorate was told by IBM that Disneyland was running the systems together and a telephone hook-up to find out how it was working was arranged.

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33. In relation to the scalability of Workbrain, I recall from comments made to the Project Directorate and the QHIC Board that, as it came closer to go-live, CorpTech was conducting testing and raising concerns about the ability of Workbrain to handle the number of users required by the contract which, from memory, was about 3000. I also recall that the interface between SAP HR and Workbrain was a critical issue just after go-live and was contributing to delays in processing times.
34. I have identified, in my Queensland Health email system (access to which has been recently restored to me), a series of emails regarding the IBM delay notice as follows:
- (a) email from Peter Douglas to me sent at 2.24pm on 8 August 2008;
  - (b) email from Peter Douglas to Terry Burns and me sent at 4.13pm on 12 August 2008;
  - (c) email from me to Jack van der Zwan, Mark Porter, Amanda Doughty, Craig Vayo, Roger Peterson, Shaurin Shah and Terry Burns sent at 12.07 pm on 14 August 2008;
  - (d) email from me to Shaurin Shah sent at 12.09pm on 14 August 2008;
  - (e) email from me to Peter Douglas and Terry Burns sent at 5:06pm on 14 August 2008;
  - (f) email from Peter Douglas to me sent at 9.14am on 15 August 2008;
  - (g) email from me to Michael Miron sent at 11:34pm on 15 August 2008;
  - (h) email from the EDCS email address to me sent at 11.50 am on 15 August 2008;
  - (i) email from me to Jack van der Zwan, Mark Porter, Amanda Doughty, Craig Vayo, Roger Petersen and Shaurin Shah sent at 12:02pm on 15 August 2008;  
and
  - (j) email from Amanda Doughty to me and others sent at 12:52pm on 15 August 2008.

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**Queensland Health Briefing Note for Approval dated 28/29 August 2008**

35. I have been asked about a Queensland Health briefing note for approval to the Director General – Health dated 28 – 29 August 2008.
36. The note was written by Terry Burns, cleared by me and then cleared by Michael Kalimnios on around 28 August 2008. I believe that Michael Kalimnios is likely to have had some discussions with Michael Reid because of a handwritten annotation ‘*as discussed this morning*’ on the note.
37. By looking at the document, I believe that the note was ‘*noted*’ by Michael Reid.
38. The content of the note reflected the collective views of the QHEST team and Michael Kalimnios that the current arrangements were not working for Queensland Health and it contained a set of recommendations to change what Queensland Health was doing. To the best of my recollection, it was the solution quality and then the way that the QHIC project was being dealt with by IBM at that time that got our attention and caused us to want to change things.
39. We were having our own discussions and making our own enquiries about possible alternatives to the current arrangements. I have identified, in my Queensland Health email system (access to which has been recently restored to me), two documents which are examples of documents which evidence the preliminary discussions and enquiries that we were making as follows:
- (a) email sent at 3.15pm on 14 August 2008 from Amanda Doughty to Craig Vayo, Jack van der Zwan, Mark Porter, Roger Peterson and me; and
  - (b) email from Terry Burns to me sent at 9.28am on 4 September 2008 attaching a chain of email communications he had with Fujitsu. To the best of my recollection, this was a ‘bureau service’ option.
40. To the best of my recollection:
- (a) none of the proposed recommendations were taken further; and

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- (b) I never received anything back in writing about it, it was more of a verbal '*just proceed as you are*'.

41. I have also identified, in my Queensland Health email system (access to which has been recently restored to me), a series of emails regarding the briefing note as follows:

- (a) email from Peter Douglas to Amanda Doughty, Terry Burns and me sent at 12.13pm on 28 August 2008;
- (b) email from Terry Burns to me sent at 1.49pm on 28 August 2008;
- (c) email from me to Paul Monaghan sent at 2.22pm on 28 August 2008;
- (d) email from Terry Burns to Peter Douglas and me sent at 8.27am on 29 August 2008;
- (e) email from Terry Burns to Peter Douglas, Shaurin Shah and me sent at 8.29am on 29 August 2008;
- (f) email from me to Shaurin Shah, Paul Monaghan, Brigid Bourke, Michael Kalimnios, Peter Douglas, Russ Wilde, Amanda Doughty, Terry Burns and Janette Jones sent at 8.48am on 29 August 2008;
- (g) email from me to Shaurin Shah, Paul Monaghan, Brigid Bourke, Michael Kalimnios, Peter Douglas, Russ Wilde, Amanda Doughty, Terry Burns and Janette Jones sent at 11.47am on 29 August 2008;
- (h) email from Paul Monaghan to Shaurin Shah, Brigid Bourke, Archana Kishore, Michael Kalimnios, Peter Douglas, Russ Wilde, Amanda Doughty, Terry Burns and Janette Jones sent at 12.44pm on 29 August 2008;
- (i) email from Lianne Allison to me sent at 1.11pm on 29 August 2008; and
- (j) email from me to Shaurin Shah, Paul Monaghan, Brigid Bourke, Michael Kalimnios, Peter Douglas, Russ Wilde, Amanda Doughty, Terry Burns and Janette Jones at 1.56pm on 29 August 2008.

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**Queensland Health Briefing Note for Information dated 9 September 2008**

42. I have been asked about a Queensland Health briefing note for information to the Director-General – Health dated 9 September 2008. The note is not in final form.
43. Having now had the opportunity to review the note, it seems it addresses Queensland Health's involvement with a whole of government ERP program and other systems. Given the problems with the QHIC project, it recommended a series of steps to remove Queensland Health from the CorpTech whole of government program so that Queensland Health could progress on its own.
44. I do not now recall whether I cleared the note, whether it was passed to Michael Kalimnios or whether the recommendations were progressed.
45. I have identified, in my Queensland Health email system (access to which has been recently restored to me), two emails regarding the note as follows:
- (a) email from me to Lianne Allison at 1.37pm on 9 September 2008; and
  - (b) email from me to the EDCS email address sent at 3.15pm on 9 September 2008.

**Queensland Health Briefing Note for Information dated 16/29 September 2008**

46. I have been asked about a Queensland Health briefing note for information to the Director-General – Health dated 16 – 29 September 2008.
47. This note seems to have been written and cleared by Peter Douglas on 16 September 2008, cleared by Michael Kalimnios on 29 September 2008 and '*noted*' by the Director-General – Health on 30 September 2008.
48. I do not recall this note but it seems likely to have been prepared as an update to the 28 August 2008 note that I have discussed in paragraphs 35 - 41 above, the preparation of which I had been involved in.

**Memorandum of Understanding dated 18 September 2008**

49. I have been asked about a Memorandum of Understanding dated 18 September 2008.

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50. I do not recall this document.
51. Having now had the opportunity to review it, it seems to be a contractual document produced by CorpTech. It deals with the 'go/no go' gate that was agreed for the end of 2008. As outlined in paragraph 24 above, Queensland Health is unlikely to have been directly involved in the drafting of this document.

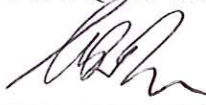
**Queensland Health Memorandum dated 18 September 2008**

52. I have been asked about a Queensland Health Memorandum to Barbara Perrott dated 18 September 2008.
53. Having now had the opportunity to review it, it seems that the memorandum deals with the 'way forward' for the whole of government project.
54. Although I recall the matters discussed in the document, I do not now recall taking an active part in drafting the document. It would, however, have been likely that some staff at QHEST would have had some input into this memorandum.

**Email from Paul Monaghan dated 23 December 2008**

55. I have been asked about an email that Paul Monaghan sent to Michael Kalimnios at 5.47pm on 23 December 2008.
56. To the best of my recollection, at around this time Michael Kalimnios wanted to brief the Director-General – Health about further delays to the QHIC project.
57. I have identified, in my Queensland Health email system (access to which has been recently restored to me), an email that I sent to Michael Kalimnios at 5.09pm on 23 December 2008 regarding these matters. It seems likely that the email from Paul Monaghan was his contribution to the message that was to be communicated at that time. To the best of my recollection, these issues were taken on board by Michael Kalimnios and me.
58. I was asked about the first line in the email and whether I was at the meeting. The first line of the email referred to a QHIC Steering Committee which I was at, but which the

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Director-General - Health was not at. It also referred to the need to brief the Director-General - Health. That was not a reference to a meeting before that time, but there was a meeting after this email on 24 December 2008, which I attended with Michael Kalimnios and the Director-General - Health.

**Email from Bill Doak dated 18 February 2009**

59. I have been asked about an email from Bill Doak sent at 11.12am on 18 February 2009.
60. The email seems to relate to a meeting with Michael Kalimnios, Adrian Shea, Margaret Berenyi and Bill Doak. As part of this, the issue of cost allocation (which is a subset of an HR-FI issue) was discussed.
61. To the best of my recollection, the context of this email was that IBM was having difficulty achieving the cost allocation functionality within the timeframe required for the go-live date being worked towards at the time.
62. At some point, I cannot now recall whether it was at this point in time, cost allocation was de-scoped and Queensland Health took on the role of creating a workaround for it. At that point, cost allocation would have become a functionality that would have to be fixed after go-live.
63. To the best of my recollection, this was the first of three or four other financial issues that IBM could not do in time because they were seeking to go-live as quickly as they possibly could. Of course, everyone wanted to go-live as quickly as possible, but it seemed to me to have been a particular driving factor for CorpTech and IBM. From my perspective, Queensland Health was also saying '*it has to function, we need all the things to be in place*'.

**Decision to engage KJ Ross & Associates to perform User Acceptance Testing ('UAT')**

64. I have been asked about Queensland Health's decision to engage KJ Ross & Associates to perform UAT.
65. It was my understanding that UAT was a Queensland Health responsibility under the contract. The document entitled 'QUEST Test Plan QHIC Lattice and ESP

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Replacement Solution User Acceptance Testing' is an example of a document which sets out Queensland Health's and IBM's responsibilities for testing. This document provides, in part, to the following effect:

- (a) IBM was required to undertake unit testing, system testing, system integration testing, performance and volume testing and testing of the interface between SAP and Workbrain; and
  - (b) Queensland Health was required to test scenarios from an end user perspective including testing various interfaces, Human Resources and customer service solution support process test scenarios, accuracy and performance of business processes and functionality as it applied to Queensland Health processes and ensuring users could perform the required roles.
66. Whilst I cannot now recall exactly who engaged KJ Ross & Associates, to the best of my recollection KJ Ross & Associates were a specialist testing company which had previously done work for Queensland Health. I have a recollection that KJ Ross & Associates were undertaking reviews for QHEST on aspects of QHIC testing. I do not have a current recollection of when that started but I have seen at least one email which suggests that by at least late 2008 they seemed to have been performing that role.
67. I have identified in my Queensland Health email system (access to which has recently been restored to me), a series of emails relating to the engagement of KJ Ross & Associates for their role as manager of UAT3 and UAT4 as follows:
- (a) email from Terry Burns to me sent at 10.23am on 3 March 2009;
  - (b) email from Terry Burns to Todd Pasley copied to me sent at 2.00pm on 3 March 2009;
  - (c) email from me to Roger Peterson sent at 5.29pm on 3 March 2009;
  - (d) email from Roger Peterson to me sent at 9.11am on 11 March 2009;
  - (e) email from me to Terry Burns sent at 9.02am on 16 March 2009;

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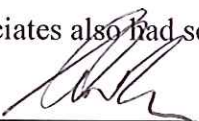
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- (f) email from Scott Asmus to Roger Peterson sent at 4.45pm on 16 March 2009;
- (g) email from me to Jack van der Zwan, Amanda Doughty and Terry Burns sent at 6.00pm on 16 March 2009;
- (h) email from me to Amanda Doughty and Terry Burns sent at 9.44am on 17 March 2009;
- (i) email from Terry Burns to Amanda Doughty and me sent at 3.19pm on 17 March 2009;
- (j) email from Mark Pedersen to Amanda Doughty and me sent at 9.07am on 18 March 2009;
- (k) email from Mark Pedersen to Amanda Doughty, Terry Burns and me sent at 10.23am on 18 March 2009;
- (l) email from Mark Pedersen to Terry@cav-risk.com, Amanda Doughty and me sent at 10.24am on 18 March 2009;
- (m) email from Terry Burns to Amanda Doughty, Pierre Pienaar, Roger Peterson and me sent 11.43am 18 March 2009;
- (n) email from Roger Peterson to Terry Burns, copied to me sent at 1.03pm on 19 March 2009;
- (o) email from Scott Asmus to Roger Peterson, Terry Burns and me sent at 5.04pm on 23 March 2009; and
- (p) email from Scott Asmus to Roger Peterson, Terry Burns, Amanda Doughty and me sent at 11.00pm on 24 March 2009.

68. Having looked at these documents and to the best of my recollection, KJ Ross & Associates had not performed a management role for UAT1 and UAT2. What these emails show is that KJ Ross & Associates supplied us with a UAT Manager to run the UAT3 and UAT4 on Queensland Health's behalf, supported by Queensland Health staff. KJ Ross & Associates also had someone else come in and undertake regular

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reviews of the UAT3 and UAT4. We had meetings with KJ Ross & Associates' representatives to receive progress reviews and we received written reports, the frequency of which depended upon the stage of the QHIC project.

69. I have been asked about a KJ Ross & Associates memo to Naomi du Plessis and me dated 14 October 2009. To the best of my recollection, this is an example of the sort of project report that Queensland Health received from KJ Ross & Associates. Having now had an opportunity to look at the document, it is my understanding that it:
- (a) was completed at the end of UAT4; and
  - (b) contained a recommendation that as the UAT exit criteria would not be met, the QHIC project should not go-live at that time.

**CorpTech Meeting Minute QHIC – Entrance to UAT dated 27 April 2009**

70. I have been asked about a CorpTech document entitled 'QHIC – Entrance to UAT' dated 27 April 2009 and in particular, item 3 of the document which reads '*Tony Price advised the group that the meeting this afternoon would be split into two sessions. The first session would focus on UAT and consist of the combined Board and Steering Committee. The next session's focus would be on outstanding contract issues and would comprise the Board members only*'.
71. The minutes show that the meeting was split due to the need to discuss contractual issues. The first part focused on UAT (at the time this would have been entry to UAT3). The second part was the QHIC Board only discussing the contract. To the best of my recollection, there was nothing unusual about splitting the meeting into two sessions.
72. I have been asked about a reference in the document to the severity 2 and severity 3 defects. To the best of my recollection, the issue around defects at this time was in relation to whether a software problem was firstly to be considered a defect at all and then its severity. The main dispute at this time was whether a problem was properly classified as a defect or a Change Request (scope/schedule/cost).

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**Re-classification of severity 2 defects to severity3**

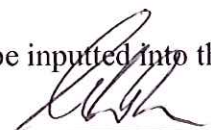
73. I have been asked about the re-classification of severity 2 defects to severity 3 defects.
74. As far as I can recall, the issue about re-classifying defects from severity 2 to severity 3 with associated workarounds was a different topic which came up in June – July 2009 in the lead up to the entry to UAT4. At that time, a dispute arose between Queensland Health and IBM as to what constituted a severity 2 or severity 3 defect for the purposes of entering UAT4. To the best of my recollection, the IBM position was that a severity 2 defect was a ‘pay only’ defect. The Queensland Health position was that a severity 2 defect also included others, such as certain defects affecting the ledger.
75. Whilst some defects changed from severity 2 to severity 3 based on new agreed definitions (which I believe may have been documented in the UAT entrance criteria for UAT4), this did not mean that the defect was ignored before go-live. Where a defect was re-classified from a severity 2 to a severity 3 defect, Queensland Health staff had to develop a manual workaround which needed to be documented, tested and checked by auditors before go-live. IBM was often required to have input into the technical aspects of the manual workaround that needed to be developed as part of that process. The newly re-classified severity 3 defect was then included in an IBM Defect Management Plan, which documented defects that IBM needed to fix after go-live.
76. To the best of my recollection, around the end of July 2009 the QHIC Board signed off on the new agreed definitions which became the ‘business agreed’ definitions and were independent of the contract.

**QHEST Meeting Minutes dated 9 July 2009**

77. I have been asked about the QHEST meeting minutes dated 9 July 2009 and about a note that I ‘*instructed the group that if we were to enter UAT with known defects we would need to schedule another regression*’. Whilst I do not now have an independent recollection of this, I believe that what I meant was that if a defect was found:

- (a) IBM was required to fix it;
- (b) the fix would be inputted into the system; and

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(c) there was then a need to test the fix within the system.

78. This was to check that the original defect had been fixed and to check that no further problems had been created by the 'new' fix. The creation of the fix was, therefore, only part of the process of achieving a solution. This regression testing needed to be allowed for in the schedule and would extend the finish date.

**Queensland Health Brief for Noting to Deputy Premier and Minister for Health dated 6 July 2009**

79. I have been asked about a briefing note to the Deputy Premier and Minister for Health dated 6 July 2009.

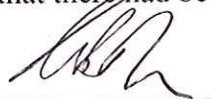
80. I cannot recall a specific trigger for the drafting of the briefing note. To the best of my recollection, it was a cumulative effect of all the problems with the QHIC project. I recall Michael Kalimnios saying to me that we needed to try again to extract Queensland Health from the current arrangements and that we needed to produce a document that explicitly set out the issues at that time. Adrian Shea was also involved in that process.

81. Following my discussions with Michael Kalimnios, I assembled the QHEST management team to bring together all of the issues and to then document them. We circulated a series of drafts and, at one point, sent the draft to Michael Kalimnios and Adrian Shea for their input. Adrian Shea suggested that it be amended so as not be so critical of CorpTech. Once the briefing note was complete, I cleared it and it was sent to the DDGCS Correspondence email address.

82. To the best of my recollection, the briefing note represented the combined views of the group of people who prepared it. I agreed with the content of the briefing note at the time it was written.

83. I do not believe that the briefing note dated 6 July 2009 was sent beyond Adrian Shea and/or Michael Kalimnios at that time. The only copy that I have ever seen is the one that I have signed. I recall being told by Michael Kalimnios at one stage when I followed up with him that there had been a 'rethink' and a decision to take the message

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forward verbally. I do not recall receiving anything in writing advising that the briefing note was not sent beyond Michael Kalimnios and/or Adrian Shea or the reasons for this. I understood, however, from my discussion with Michael Kalimnios set out above that the issues documented in the briefing note would be escalated in another way.

84. I have identified, in my Queensland Health email system (access to which has been recently restored to me), a series of emails regarding the briefing note as follows:
- (a) email sent at 3.15pm on 19 June 2009 from Andrea Sams to Amanda Doughty, Craig Vayo, Shaurin Shah and me;
  - (b) email sent at 10.10am on 23 June 2009 from Andrea Sams to Amanda Doughty, Craig Vayo and Shaurin Shah, copied to me;
  - (c) email sent at 7.33pm on 23 June 2009 from Andrea Sams to Amanda Doughty, Craig Vayo, Shaurin Shah and me;
  - (d) email sent at 8.48am on 24 June 2009 from Shaurin Shah to Amanda Doughty, Andrea Sams, Craig Vayo and me;
  - (e) email sent at 17.23pm on 26 June 2009 from me to Michael Kalimnios and Adrian Shea;
  - (f) email sent at 2.08pm on 30 June 2009 from Andrea Sams to Amanda Doughty, Craig Vayo, Shaurin Shah and me;
  - (g) email sent at 3.51pm on 30 June 2009 from Andrea Sams to Craig Vayo, Shaurin Shah, Amanda Doughty, copied to Terry Burns and me;
  - (h) email sent at 4.47pm on 30 June 2009 from Andrea Sams to Craig Vayo and me;
  - (i) email sent at 8.35pm on 30 June 2009 from Adrian Shea to Michael Kalimnios, DDGCS correspondence and me;
  - (j) email sent at 7.43am on 1 July 2009 from me to Andrea Sams and Craig Vayo;

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- (k) email sent at 12.17pm on 1 July 2009 from Andrea Sams to Amanda Doughty, Craig Vayo, Shaurin Shah, Terry Burns and me;
- (l) email sent at 2.56pm on 1 July 2009 from Terry Burns to Andrea Sams, copied to Craig Vayo, Shaurin Shah and me;
- (m) email sent at 3.23pm on 1 July 2009 from me to Andrea Sams and Terry Burns copied to Amanda Doughty, Craig Vayo and Shaurin Shah;
- (n) email sent at 4.37pm on 1 July 2009 from Andrea Sams to Amanda Doughty, Craig Vayo, Shaurin Shah, Terry Burns and me;
- (o) email sent at 4.45pm on 1 July 2009 from Shaurin Shah to Andrea Sams and me;
- (p) email sent at 9.33am on 3 July 2009 from Andrea Sams to Amanda Doughty, Craig Vayo, Shaurin Shah, Terry Burns and me; and
- (q) email sent at 9.47am on 6 July 2009 from the QHEST general email address to DDGCS Correspondenc' email address copied to Andrea and me.

**Queensland Health Brief for Noting dated 26 October 2009**

- 85. I have been asked about a Queensland Health briefing note dated 26 October 2009.
- 86. To the best of my recollection, this briefing note was drafted by the QHEST team under my supervision to advise on further delays to the QHIC project. The content of this briefing note closely reflect the contents of a subsequent briefing note drafted in November 2009 by the QHEST team under Roger Peterson's supervision whilst he was acting in my role. I cleared that second briefing note on 30 November 2009.
- 87. I have identified, in my Queensland Health email system (access to which has been recently restored to me), a series of emails regarding the two briefing notes as follows:
  - (a) email sent at 10.26am on 28 October 2009 from the QHEST general email address to the DDGCS correspondence email address attaching an email at 10.23am on 28 October 2009 from DDGCS correspondence email address and

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- (b) an email at 2.34pm on 26 October 2009 from QHEST general email address;
- (c) email sent at 10.01am on 13 November 2009 from Exec Support to the DDGCS correspondence email address;
- (d) email sent at 4.28pm on 16 November 2009 from me to Roger Peterson;
- (e) email sent at 9.37am on 17 November 2009 from the QHEST general email address to the DDGCS correspondence email address;
- (f) email sent at 1.52pm on 19 November 2009 from DDGCS correspondence email address to the QHEST general email address;
- (g) email sent at 3.01pm on 19 November 2009 from the DDGCS correspondence email address to Exec Support;
- (h) email sent at 3.05pm on 19 November 2009 from Exec Support to the DDGCS correspondence email address;
- (i) email sent at 8.41am on 20 November 2009 from the DDGCS correspondence email address to the QHEST general email address;
- (j) email sent at 8.53am on 20 November 2009 from the QHEST general email address to the DDGCS correspondence email address;
- (k) email sent at 9.01am on 20 November 2009 from the DDGCS correspondence email address to Exec Support;
- (l) email sent at 10.23am on 20 November 2009 from me to the QHEST general email address;
- (m) email sent at 10.45am on 20 November 2009 from the DDGCS correspondence email address to the QHEST general email address;
- (n) email sent at 11.18am on 27 November 2009 from the DDGCS correspondence email address to the EDCS admin email address attaching emails from the DDGCS correspondence email address sent at 9.44am on 27 November 2009

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and email from the QHEST general email address sent at 10.52am on 27 November 2009;

- (o) email sent at 11.04am on 1 December 2009 from the DDGCS correspondence email address to the EDCS admin email address;
- (p) email sent at 2.20pm on 2 December 2009 from the DDGCS correspondence email address to the QHEST general email address;
- (q) email sent at 3.47pm on 3 December 2009 from the QHEST general email address to the DDGCS correspondence email address attaching email from the DDGCS correspondence email address sent at 1.37pm on 3 December 2009 and email from the DDGCS correspondence email address sent at 2.20pm on 2 December 2009;
- (r) email sent at 8.25am on 4 December 2009 from the QHEST general email address to the DDGCS correspondence email address;
- (s) email sent at 10.07am on 4 December 2009 from EDCS admin to the DDGCS correspondence email address;
- (t) email sent at 1.05pm on 21 December 2009 from the DDGCS correspondence email address;
- (u) email at 2.55pm on 21 December 2009 from the QHEST general email address to EDCS admin, Roger Peterson and me; and
- (v) email at 10.43am on 24 December 2009 from the QHEST general email address to the DDGCS correspondence email address, copied to Roger Peterson, Heidi Morse and me.

88. The emails show, amongst other things, that a copy of the 6 July 2009 briefing note was forwarded to the DDGCS correspondence email address at this time. I do not know what happened to the 6 July 2009 briefing note beyond that point.

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**KJ Ross & Associates QHIC UAT Test Completion Report dated 27 January 2010**

89. I have been asked about the KJ Ross & Associates UAT Test Completion Report dated 27 January 2010. This report was the final report in the series of reports that KJ Ross produced in respect of UAT3 and UAT4.
90. A final version of the report was provided to Queensland Health by email sent at 4.20pm on 29 January 2010 at the completion of UAT4. At page 1, the report provided two options open to the project in the wake of the UAT4 results. They were:
- (a) delay the rollout of the system into production until a full system and integration test was conducted, accepting that the risk inherent in this option was the appetite of the government for delay but that the risk of system issues in production would be greatly reduced; or
  - (b) accept the risk that the functional scenarios not touched by the UAT would not perform as expected and that defects discovered would need to be fixed in production, accepting that the risk inherent in this option was that the defects discovered might be so many and/or so complex that they could not be appropriately managed in a timely manner in production.
91. After the KJ Ross & Associates UAT Test Completion Report was delivered, a document was prepared in response. At the Project Directorate level, Queensland Health/CorpTech and IBM were unable to reach agreement about the response document. The final version of it, therefore, has a matrix split – here is what Queensland Health/CorpTech think and here is what IBM thinks. It was promoted up to the QHIC Board to consider with the KJ Ross & Associates' Test Completion Report.

**Continuation of Lattice**

92. I understood that the QHIC project was a risk mitigation strategy for the failure of Lattice.

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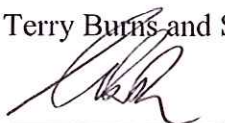


93. I knew that within CorpTech there was a committee known as 'PJ30' which had been tasked with developing improved strategies for Lattice support post 30 June 2008. I was aware that the PJ30 committee did things such as seeking to hire staff already familiar with Lattice and upskilling and training existing CorpTech staff.
94. Whilst I knew that this was going on, to the best of my recollection, I do not believe I was told that:
- (a) it was or might be possible to re-negotiate with Lattice for continued vendor support; or
  - (b) the PJ30 committee's work removed concern about Lattice's ability to cope with requirements such as the imminent Enterprise Bargaining changes.
95. In the lead up to the go-live decision, I was also aware that Lattice was having all sorts of difficulties including, for example, going down and not coming up for 12 hours.
96. To the best of my recollection, the Project Directorate had the view that the go-live decision was based on that risk vs. risk assessment. By this time, Queensland Health had been corralled and pushed down this track and had two choices – either stick on Lattice and risk that 70,000 people would not be paid if Lattice failed or accept the risk that had been identified by KJ Ross & Associates and others, and go-live.

#### **QHEST QHIC Final Solution Risk Assessment Report**

97. I have been asked about the QHEST QHIC Final Solution Risk Assessment Report presented by Terry Burns and Shaurin Shah.
98. The report was initially presented to Queensland Health as an internal confidential document. I am aware that the document went through various drafts between late February 2010 and very early March 2010. To the best of my recollection, the final version of the document was emailed to me in early March 2010.
99. By that time, Terry Burns was working in a quality assurance role for Queensland Health. He undertook reporting for Queensland Health every week or fortnight. I understood that what Terry Burns and Shaurin Shah were presenting here was the end

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of the go-live decision process because, in my view, the go-live decision was not made at a single point in time. In my mind, the go-live decision was a structured decision process. For example it went as far back as when we created the criteria for the various UATs and involved decision points at entry and exit to UAT4 and when we entered cut-over. At each of those stages, when the criteria which had been put in place were met, we moved on.

100. At this point in time, the vast majority of criteria had been ticked off and despite any concerns or misgivings that we may have had about the project more generally, we had reached a point where we could not say 'no' anymore. By this I mean that we did not have a basis upon which we could say 'no' to going live by reference to the established criteria because either:

- (a) the criteria had been met; or
- (b) where criteria had not been met, any associated risk had been mitigated.

101. It is my recollection that this Final Solution Risk Assessment Report came to a similar conclusion regarding the Lattice risk vs. the SAP risk that I have referred to in paragraph 96 above. To the best of my recollection, the key thing from the report was that when all criteria had been met and CorpTech assured Queensland Health that it could manage the new system and QHSSP assured Queensland Health that they could manage the new process and workarounds, the choice came down to the risk of Lattice failing vs. the residual risk of problems from the new system.

102. It was my understanding that the report advised that the Lattice risk was extreme and it was better to move to the new solution.

**Queensland Health QHIC Project Board Meeting Briefs for Noting dated 10 February, 24 February and 1 March 2010**

103. I have been asked about three Queensland Health QHIC Project Board Meeting Briefs for Noting that were prepared on behalf of the Project Directorate on 10 February 2010, 24 February 2010 and 1 March 2010.

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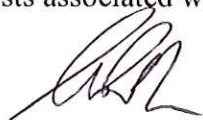


104. To the best of my recollection, around this time there was a whole series of notes produced for the QHIC Board because, as the go-live date was getting closer, there was a need for formal signoff on various matters by the QHIC Board.
105. The notes about which I have been asked were prepared by Naomi du Plessis.
106. In my interview I said that my name appeared on the notes because my secretary produced them and I was, in effect, checking the spelling. What I meant by this was that I was not the final sign-off on the documents. To the best of my recollection, the briefing notes were being approved by the Chairperson of the Project Directorate, who at that time was James Brown.
107. Once the briefing notes had been drafted by Naomi du Plessis, I would have ensured that they were factually accurate as well as in the proper format and language for a government brief prior to them being sent to James Brown. Having had the opportunity to review the notes, it seems that the notes dated 10 and 24 February 2010 are highlighting risk with the then current approach to go-live. To the best of my recollection, we had a specific workshop to highlight risks and look at strategies to mitigate. We also had a risk register and an issues register that the Project Directorate reviewed and managed.
108. It seems that the note dated 10 March 2010 was recommending to the QHIC Board that it agree to move into business cutover because the necessary criteria had been met.

**Queensland Health Brief for Decision dated 26 February 2010 and Letter from Queensland Health to CorpTech dated 16 March 2010**

109. I have been asked about a briefing note dated 26 February 2010.
110. This is an example of an internal Queensland Health to CorpTech discussion about funding which appears to have been associated with a particular Change Request. To the best of my recollection, Change Requests were funded by Queensland Health.
111. I recall that around this time, CorpTech were seeking Queensland Health's agreement to fund the additional costs associated with the QHIC Board's decision to defer go-live

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until March 2010. Our recommendation to the Director-General – Health was to:

- (a) agree to fund additional costs associated with re-scoping which was necessary to account for, for example, Enterprise Bargaining agreements; and
- (b) decline to fund CorpTech's additional costs.

112. In this case, we prepared a letter to CorpTech which was sent by the Director-General - Health on 16 March 2010.

113. I cannot now recall what agreement Queensland Health ultimately reached with CorpTech in relation to the matters discussed above.

**Queensland Health Brief for Noting to Deputy Premier and Minister for Health dated 10 March 2010 and 17 March 2010**

114. I have been asked about two Queensland Health briefing notes dated 10 March 2010 and 17 March 2010.


115. To the best of my recollection, these notes form part of a series of notes written in relation to a right to information ('RTI') application that had been made by the Leader of the Opposition.

116. Upon receipt of the RTI application, we would have been asked to identify documents and we would have provided documents to Queensland Health's internal RTI team. That team would then have checked with CorpTech and IBM before deciding on the release of the documents.

117. Amongst other things, these notes highlight that the RTI included the 6 July 2009 briefing note and the possible impact of that. The main difference between the 10 March 2010 and the 17 March 2010 briefing notes is that one was written before the decision was made to go-live and the second was written after that time.

118. I have identified, in my Queensland Health email system (access to which has recently been restored to me), what I believe are some examples of internal emails dealing with the RTI request and the 6 July 2009 briefing note as follows:

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- (a) email sent at 9.50am on 24 December 2009 from me to Roger Petersen;
- (b) email sent at 1.32pm and 3.40pm on 21 January 2010 from Adrian Shea to the Legal Unit;
- (c) email sent at 11.02am on 28 January 2010 from Roger Peterson to me;
- (d) email sent at 5.11pm on 28 January 2010 from Legal Unit to Roger Peterson;
- (e) email sent at 8.50pm on 29 January 2010 from Roger Peterson to Legal Unit, copied to Adrian Shea and me;
- (f) email sent at 9.30am on 4 March 2010 from Michael Kalimnios to the QHEST general email address;
- (g) email sent at 11.52am on 17 March 2010 from the QHEST general email address to Adrian Shea and me;
- (h) email sent at 6.11pm on 17 March 2010 from Sarah Charlwood to Adrian Shea;
- (i) email sent at 9.15am on 18 March 2010 from me to Heidi Coleman;
- (j) email sent at 3.34pm on 19 March 2010 from the DDGCS correspondence email address to SSQH; and
- (k) email sent at 4.02pm on 19 March 2010 from SSQH to me.

### Improper pressure

119. I have been asked whether there was any pressure 'from above' to go-live. There was always a general pressure that would be in any project to progress and go-live and meet the schedule. To the best of my recollection, some of the CorpTech and IBM views about a range of issues were very much pressured about going ahead and going live as opposed to solution quality and business outcomes. I was always trying to balance those two.

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120. I have also been asked whether there was any improper pressure applied to me during the project. I saw the pressures associated with the project as being people doing what they saw as their jobs. IBM and CorpTech were pushing what they saw they had to do. Queensland Health was pushing back saying '*we've got to get the business aspects right*'. We were holding off as long as we could.
121. I did not consider that pressure to be in any way improper.
122. I have not been offered any inducement for making the statement, nor have I made it in the presence of any threat.
123. I have carefully read this statement and acknowledge that the statement accurately records my knowledge of the matters recorded within. I have had the opportunity to correct the statement and have done so where necessary, initialling any corrections.

**Declaration**

This written statement by me Anthony Price dated 29<sup>th</sup> March 2013 and contained in the pages numbered 1 to 28 is true and correct to the best of my knowledge and belief



-----Signature

Signed at Brisbane this 29<sup>th</sup> day of March 2013

Witnessed



-----Signature ----- KATE BETTS -----Name

Signature:



Witness signature:

