

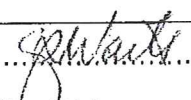
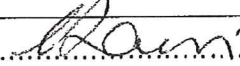
Health Payroll System Commission of Inquiry

STATEMENT OF GEOFFREY WAITE

I, **GEOFFREY ROY WAITE** of Crown Law, State Law Building state as follows:—

Background

- 1 I was Executive Director of CorpTech from the time of its establishment on 1 July 2003 to 30 June 2007. I took long service leave from 1 July 2007.
- 2 At the time I left CorpTech, my replacement as Executive Director had not yet been appointed, to my knowledge. I had no involvement in my successor's selection and had no subsequent dealing with her (Ms Barbara Perrott) in that capacity as Executive Director of CorpTech.
- 3 Upon leaving CorpTech, I took time off on Long Service Leave. I left the employment of the Queensland Government in around March 2008. From this point I established and ran a small business and later undertook contract and consulting work in management and IT. I presently work on a contract basis for Queensland Treasury.
- 4 At no stage after I left CorpTech in July 2007 did I have any involvement with the Queensland Health payroll system as a contractor or otherwise.
- 5 The model in which CorpTech operated had been previously approved by the Government in 2002, on the basis that a common approach to best practice processes and systems in both Human Resources/Payroll and Finance and savings from common infrastructure and licensing could drive savings and efficiencies for the Queensland Public Sector. On this basis, when CorpTech was established on 1 July 2003 it transferred staff administering finance and HR and payroll systems across Government, systems, hardware, software and licenses out of host departments and into CorpTech.

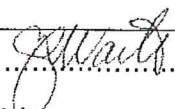
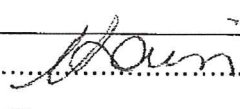
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Ultimately, the aim was for the delivery of a standard system across government. CorpTech then continued to administer these systems while building and implementing new finance and HR systems in QG departments, using a model which combined staff from CorpTech, from departments and from the implementation partners into project implementation teams.

- 6 I have been asked about a contract dated July 2005. I do not have an independent recollection of this particular contract but understand it may be the head terms negotiated as variation to the standard GITC by IBM. I cannot say for sure but I think it is the case that this agreement was not itself for the provision of services and it was entered into with the intention that an agreement would later be put into place.

30 November 2005 Contract

- 7 I have been shown a contract between the State and IBM dated 30 November 2005.
- 8 To the best of my recollection, this agreement was for the provision of software to support a standard approach for human resources across government. It arose after CorpTech had gone to the market seeking HR/Payroll software products and integration partners (if necessary). SAP was already chosen as a software system for Finance, however I recall that the Queensland Government had at that stage several HR/Payroll systems operating in various agencies, including SAP, Aurion, TSS and LATTICE.
- 9 CorpTech went to the market to seek products which could be delivered across government and meet government-wide needs for HR and Payroll. A separate tender was issued for implementation partners for both Finance and HR/Payroll. IBM was successful in being awarded the product contract for HR/Payroll. It had put together a consortium of products - SAP was used as the core, but the suite included WorkBrain for rostering arrangements, Recruit ASP for recruitment solutions and SABA for knowledge management. IBM was the integration partner under this contract to ensure

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that together these four products could be integrated and be used to meet the Queensland Government's requirements.

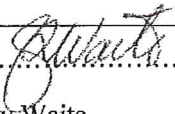
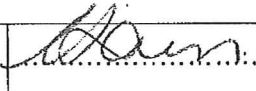
- 10 The November 2005 Contract was preceded by a tender process which took about six months. As part of another tender process, the Implementation Partners for Human Resources/Payroll appointed was Accenture. Accenture was the implementation partner used, in conjunction with the CorpTech team, to roll out the HR/Payroll solution in the then Department of Housing. IBM may also have been involved in that implementation if there were integration issues, but I cannot recall the nature of that involvement. Housing was a department with relatively straight forward requirements. There were normal issues with that roll-out as the first of the agency implementations using the standard system, but the implementation was completed and the system sent live. It is my understanding that this instance of SAP continues to be used in the Queensland Government.

WorkBrain

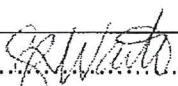
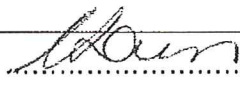
- 11 I have been asked about the origins of the choice of WorkBrain as rostering software. To the best of my recollection, no choice about WorkBrain had been made by the State before the November 2005 contract. As far as I am aware, it was IBM that proposed the use of WorkBrain in conjunction with SAP (and Recruit ASP and Saba) to deal with the rostering aspects of the products to be delivered. There were three key agencies involved in rostering – the (then) Department of Corrective Services, the (then) Department of Emergency Services and Queensland Health.

Terry Burns

- 12 I have been asked about when I met Mr Terry Burns. We met about March or April in 2007. I had a number of meetings with Terry Burns after he arrived but I cannot recall them specifically.

 Geoffrey Waite	 Witness
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- 13 His involvement came about because (to my recollection) the PPO suggested we get an independent set of eyes to look at the schedule and approach for delivery of financial and human resources products within government. CorpTech at that stage was delivering, but was behind schedule and over budget. CorpTech delivered over 10 implementations in this period up to June 2007. The CorpTech arrangements did take some time. We wanted to be specific about what we were prescribing. We did not have fixed price contracts. They were time and materials arrangements, but the projects were well defined by specifications we had first developed before entering into the contracts.
- 14 This was a time at which a view was gathering momentum that the model which then existed did not work. I did not feel that way, as CorpTech had a mandate from Government to be the central deliverer of government finance and HR/Payroll systems, with the Shared Services Providers in turn delivering transactional services. The view that the model did not work was held by those who advocated decisions being made about IT products being handled in individual agencies. These tensions were strong particularly as each implementation drew closer and agencies put the case for their product to be different to the standard offering.
- 15 I have been asked if Mr Burns was generally knowledgeable and competent. I did not believe the approach he was suggesting (namely, movement to a prime contractor model) was going to work, and that in spite of timing and cost issues the model in place was progressively becoming more reliable and successful.
- 16 In my personal view, government does not give away risk regardless of the implementation model. Government always retains risk by, principally, the doctrine of Ministerial responsibility. So, even if a company agrees to assume a risk, the Minister ends up with it if things go wrong. Ultimately, it comes back down to the Minister and


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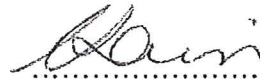
in my opinion retaining control of a project gives Government a closer insight into problems and risks being faced.

- 17 In my view, what Mr Burns proposed was a simplistic solution to a complex issue.
- 18 Mr Burns was engaged by Arena who was then a contractor to Government. Mr Burns may not have necessarily have had a previous association with Arena before that time. He may have been 'body-shopped' in by Arena or put forward by them. I am not aware of the circumstances of the engagement.
- 19 I have never heard of Cavendish Consulting.
- 20 At no time did I suspect from Mr Burns' approach that he wanted to see a particular contractor appointed. He did, however, make clear that he preferred a model in which there was one lead contractor.
- 21 I did have some engagement with Mr Burns from time to time. That was, in large part, discussions and board meetings where he put his views.
- 22 Mr Gary Uhlmann, to my knowledge, comprised Arena Consulting. He was engaged by PPO or SSIO, but not by me. I do not know whether Mr John Swinson of Mallesons had any association with Arena or Mr Burns at that time.

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

Dated 28th day of FEBRUARY, 2013 at BRISBANE in the State of Queensland.


Geoffrey Roy Waite


Witness