



# **LEGISLATIVE COUNCIL**

## **BUDGET AND FINANCE COMMITTEE**

Old Parliament House Chamber, Old Parliament House , Adelaide

Tuesday, 25 August 2020 at 10:05am

BY AUTHORITY OF THE LEGISLATIVE COUNCIL



**WITNESSES**

ALFORD, ANNE, Executive Director, South Australian Public Transport Authority,  
Department for Infrastructure and Transport .....1403

BRAXTON-SMITH, TONY, Chief Executive,  
Department for Infrastructure and Transport .....1403

BROWN, GRAEME, Acting Executive Director, Public Affairs,  
Department for Infrastructure and Transport .....1403

GAMMIE, FERGUS, Project Director,  
Department for Infrastructure and Transport [via videoconferencing] .....1403

MCPHAIL, RITA, Director, Customer, South Australian Public Transport Authority,  
Department for Infrastructure and Transport .....1403



## MEMBERS:

Hon. K.J. Maher MLC (Chairperson)  
Hon. N.J. Centofanti MLC  
Hon. J.A. Darley MLC  
Hon. J.E. Hanson MLC  
Hon. J.S. Lee MLC  
Hon. F. Pangallo MLC  
Hon. C.M. Scriven MLC

## WITNESSES:

BRAXTON-SMITH, TONY, Chief Executive, Department for Infrastructure and Transport

ALFORD, ANNE, Executive Director, South Australian Public Transport Authority, Department for Infrastructure and Transport

BROWN, GRAEME, Acting Executive Director, Public Affairs, Department for Infrastructure and Transport

GAMMIE, FERGUS, Project Director, Department for Infrastructure and Transport *[via videoconferencing]*

MCPHAIL, RITA, Director, Customer, South Australian Public Transport Authority, Department for Infrastructure and Transport

11723 The CHAIRPERSON: Welcome to the meeting. The Legislative Council has given authority for this committee to hold public meetings. However, due to the current situation concerning the COVID-19 pandemic, the committee is operating a little bit differently. The transcript of your evidence today will be forwarded to you for examination for any clerical corrections. The uncorrected transcript of your evidence today will be published immediately on receipt from Hansard, but the corrected transcript, once received from you, will replace the uncorrected one.

I advised today that your evidence is being broadcast via the Parliament of South Australia website. Should you at any time wish to present confidential evidence to the committee, please indicate and the committee will consider that request. Parliamentary privilege is accorded to all evidence presented to a select committee. However, witnesses and members should be aware that that privilege does not extend to statements made outside this committee meeting. All persons, including members of the media, are reminded that the same rules apply to this committee as in the reporting of parliament.

I acknowledge that we meet today on the traditional lands of the Kurna people and that the traditions and spiritual beliefs of the Kurna people are as important today as they have been in the past.

I will quickly introduce the members of the committee. On my left, closest to you, are the Hon. Frank Pangallo, the Hon. John Darley—welcome back, John—the Hon. Justin Hanson, the Hon. Nicola Centofanti and the Hon. Jing Lee. I am Kyam Maher, the Chair of this committee. Mr Braxton-Smith, can you introduce those you have with you here today and also, in triplicate, on the big screens. I will give you an opportunity, if you wish to, for a very brief opening statement.

Mr BRAXTON-SMITH: Thank you, Mr Maher. I will make a brief opening statement in a moment but, first, I will introduce my colleagues. To my left is Anne Alford, who is the Executive Director of the South Australian Public Transport Authority. To my right is Graeme Brown, who is the Acting Executive Director for Public Affairs. Behind me is Rita McPhail, who is our Director, Customer

and Transformation, in the Public Transport Authority, and on the screen is Mr Fergus Gammie, who is the Project Director for the Adelaide Rail Transformation Program and the outsourcing of the rail operations. I also have one of my administrative assistants with me, Elicea Tomlinson, who is here with additional information that I might call on for the purpose of being able to provide you with evidence in relation to questions that might arise.

In turning to an opening statement, first of all, I understand the committee has invited us to present evidence in relation to public affairs functions and on matters connected with public transport, so I would like to provide a brief statement on each of these that might assist.

The department recently announced that we are taking steps to realign and strengthen the management of the functions of community consultation and engagement, stakeholder relations, customer engagement, media management and public communications. Collectively, we now refer to those as public affairs.

There have been a number of instances in recent times where we could have done better in engaging and communicating with affected parties clearly about our proposals and responding to issues of interest to them in a timely manner, with carefully considered advice. This is not just the big things like bus network changes; it's also about matters of keen interest to local communities, such as the residents of Prosser Avenue, who Mr Pangallo highlighted at my last appearance had some issues with the way we were going about something and a matter that I since intervened in to provide clear communication with them.

As with a number of public affairs matters escalated to me in the last year, I have intervened and made sure there is a clear response. However, having reflected on this and other matters that required my personal intervention, I formed the opinion that we need to lift our performance with better systems and an improved organisational approach for public affairs. I am also mindful that we now have ahead of us a portfolio of projects to deliver that will be the biggest ever, and we need to ensure that we are as well organised as possible to engage and communicate in the way that the community expects of us.

By way of illustration, in 2016 there was around \$200 million invested in project delivery, whilst in the coming financial year there will be more than five times that sum. Notwithstanding that, we have a similar number of people in communications and engagement in our team now as we did in 2016 and using systems that were developed at the start of the last decade. As we come to the biggest build ever, it is vital that we are better organised and resourced to manage the communications and engagement task ahead of us.

To date, public affairs matters have been managed as a corporate service, along with accounting, finance, information technology, human resources, procurement and safety, and risk and assurance. However, unlike those internally-focused corporate functions, public affairs by their very nature focus outward and require a range of interactions with many South Australian citizens, enterprises and communities every day on matters that are of vital interest to them. Hence, to enable a change in these activities, we will establish a separate public affairs division reporting directly to me, as chief executive, with a program that is designed to improve the way that the department manages its public affairs as it goes about its business. The new organisational arrangements are in development, as are measures that will ensure that we better meet the expectations of the community we serve in the way that we communicate and engage.

Turning now to public transport, the department is progressing with the implementation of the government's policy to transition to outsourced rail operations. Trams transitioned seamlessly to the new outsourced services provider on 5 July this year. The procurement process for the trains remains in progress and a contract award is yet to be made. Section 39 of the Passenger Transport Act requires the department to prepare a report on the procurement process and the contract and to provide that to parliament and the Auditor-General 14 days after contract award. The act then requires the Auditor-General to examine the probity of the process that led up to the award of the contract and the contract itself.

As the Auditor-General has made abundantly clear to us in his recent audit of the award of contracts for buses and trams, there are very strict probity and confidentiality requirements for the procurement process that arise out of the State Procurement Act. Accordingly, today, we will take on notice any question that goes to the procurement process or to commercial arrangements or

any other matters that are currently the subject of the procurement for the outsourced rail operations. We will be pleased to provide the answer then to those questions on the release of the report.

We have previously attended the Economic and Finance Committee hearing in relation to the report we provided previously on this, but naturally we would be prepared and quite pleased to appear again before this committee to answer any further questions it may have after we have provided the answers to you. However, at present, we are duty bound to strictly respect the probity and confidentiality requirements of the procurement process.

Turning now to Mr Fergus Gammie, who was engaged by the department as project director for outsourcing of rail services as part of the Adelaide rail transformation program, I want to make a few comments about his appointment. I will first start by pointing out that this is the first major reform in South Australian passenger transport services of this nature in decades, and a very specialised task indeed.

Mr Gammie has extensive experience leading programs to deliver transport reforms, service improvements and outsourcing programs in Australia and New Zealand. At around the same time that Mr Gammie was appointed here, he was also appointed to a role on the South Australian Public Transport Authority's advisory board. This board meets once a quarter, discusses public transport matters that the department is undertaking and provides advice directly to the minister on them. He does not receive any remuneration for his role on the board.

In relation to his paid role as program director, about a year before his appointment in 2018 the department conducted a market-based procurement for a project director for another major outsourcing program. That process was unsuccessful, as the suppliers who responded were unable to provide a dedicated project director with the specialised skills and experience to support the department's procurement process in that program.

When government made its policy decision in 2019 to outsource the rail operations, I identified Mr Gammie as one of a handful of people in the country who has the expertise and the prior experience in similar projects and he was subsequently engaged through a single source procurement. This decision was based on the urgency in responding to a government policy directive and the need to ensure that we did the job well.

It was conducted in accordance with the relevant procurement requirements and took into account information gathered in the previously unsuccessful market-based process. In particular, that earlier process provided the department with benchmark prices that were used by our procurement officers to determine that Mr Gammie's proposal represented value for money.

The approved contract for Mr Gammie is for a body of work for a period of time, with a payment dependent upon the time taken to complete that task. The sum that we disclosed in the Tenders SA website is the maximum contract amount that could be paid. It is not what actually will be paid, which will be determined by the amount of time that is worked to achieve the outcome.

The specified rates themselves are commercial-in-confidence, but what I can say is that when compared with similar offers from suitable experienced organisations and individuals the rate was more than competitive and significantly below what the state might otherwise have had to pay had it chosen to engage a firm with the relevant experience for an equivalent task.

Furthermore, Mr Gammie has been able to commit to the project full time, as opposed to offers in the previous process and generally what is the experience when dealing with firms, where the most experienced person in the firm might only be able to commit less than half their time to the project and would otherwise rely on more junior and less experienced people who would be assigned to the project to work at their direction.

This means we didn't need to contract for a team of people who are working, in some cases, part time, with multiple projects competing for their attention. Rather, we secured an extremely experienced resource who would commit full time to the project, giving a greater level of certainty of meeting government's time frames and ensuring that an important task is in very experienced hands.

Finally, there has been an amount of recent comment in relation to the practice of bid cost reimbursement. This practice is not new. In principle, it is used in instances where the state

asks proponents in a competitive tender process to incur significant cost in developing a concept plan in response to a sizeable and complex set of requirements.

In return for a contribution, a state contribution to bid costs for unsuccessful proponents at a capped amount, the state obtains all rights to the intellectual property in the concept plans that have been put to the state and is then free to use any aspect of it. Some recent examples of this practice of bid cost reimbursement include the South Road Superway, the O-Bahn city access project, the Northern Connector, the Torrens rail junction and the Darlington upgrade project, where the bid cost reimbursement was of the order of \$2 million. Thank you for the opportunity to place this information on record. I would now welcome the opportunity to take questions.

11724 The CHAIRPERSON: Thank you, Mr Braxton-Smith. There is a lot to get through and just in the opening statement there's a lot to talk about. You were at this committee on 22 July last year and you talked about meetings that were held between then minister Knoll, yourself and various transport companies, particularly Keolis Downer. A year ago, you told this committee that you had urged minister Knoll to meet Keolis Downer at a meeting in Newcastle. You also told this committee in July last year, that you couldn't recall any probity advice being sought regarding this visit to Newcastle. Do you stand by those comments?

Mr BRAXTON-SMITH: I urged minister Knoll to visit Newcastle to see the transformation that light rail had made to that city. The light rail system is operated by Keolis Downer but I did not urge minister Knoll to meet with Keolis Downer.

11725 The CHAIRPERSON: Just to be clear, you did not urge minister Knoll to meet with Keolis Downer.

Mr BRAXTON-SMITH: I urged minister Knoll to visit Newcastle to see the transformation that had been undertaken there as a result of the building of a light rail project.

11726 The CHAIRPERSON: And to be clear once more, was there any advice sought or received on the probity of minister Knoll or yourself meeting with Keolis Downer or, indeed, visiting Newcastle to look at Keolis Downer operations?

Mr BRAXTON-SMITH: For that particular trip, no.

11727 The CHAIRPERSON: There was no probity advice?

Mr BRAXTON-SMITH: Not for that particular trip.

11728 The CHAIRPERSON: Was there any probity advice that was sought or received about meeting Keolis Downer during the tender process for rail privatisation?

Mr BRAXTON-SMITH: As the Auditor-General's Report will show, there was a piece of probity advice that was signed through by me to the minister for a meeting in December 2018.

11729 The CHAIRPERSON: How many meetings did you or the minister have with anybody who was a proponent for the rail privatisation project?

Mr BRAXTON-SMITH: Sorry, for the rail?

11730 The CHAIRPERSON: Privatisation project.

Mr BRAXTON-SMITH: Sorry, it's the rail outsourcing project. Is that the one you are referring to?

11731 The CHAIRPERSON: The project to have private companies run a public service, being the rail. How many meetings were held between you or the minister and how many involved both you and the minister?

Mr BRAXTON-SMITH: Subsequent to the government's policy announcement, I cannot recall any meetings that the minister and I attended with participants in the outsourced rail operations.

11732 The CHAIRPERSON: When you met with Keolis Downer in Newcastle, was there—

Mr BRAXTON-SMITH: When was that? That was July. So let me correct the record.

11733 The CHAIRPERSON: If it helps, there was not just rail but there was the bus outsourcing privatisation.

Mr BRAXTON-SMITH: Correct, there was, and that's why I am checking the dates. We were having a look at tram services and it may have been in July and I think I have just realised that the government made its policy announcement in relation to the train services in early July.

11734 The CHAIRPERSON: At the end of July 2019, you were quite clear with the committee that not only had you urged the minister to travel to Newcastle, and the meeting took place with Keolis Downer, but you were quite certain there wasn't any probity advice received or sought as to the probity of that meeting taking place.

Mr BRAXTON-SMITH: As to the trip to Newcastle, there was not. That I am clear on.

11735 The CHAIRPERSON: So the probity advice you mentioned came through, which you signed through to the minister, what was that in relation to?

Mr BRAXTON-SMITH: That was provided the year before and it was in relation to the bus and tram contract.

11736 The CHAIRPERSON: To be clear on that, that was the year before when there was probity advice provided for the minister not to have a particular meeting, and who was that meeting with?

Mr BRAXTON-SMITH: Keolis Downer.

11737 The CHAIRPERSON: And the probity advice was that the meeting should not go ahead?

Mr BRAXTON-SMITH: The probity advice was that the meeting should not occur for the purpose of discussing certain matters to do with the procurement process. I don't have the precise wording of the probity advice with me, but the minister accepted the advice but chose to proceed with the meeting.

11738 The CHAIRPERSON: What was your advice to the minister?

Mr BRAXTON-SMITH: It was that if the minister was determined to meet with them, then I should attend the meeting as well, which I did.

11739 The CHAIRPERSON: Was your advice that it would be better if the minister not attend that meeting?

Mr BRAXTON-SMITH: The written advice that the department provided was to the effect that it would be preferable not to meet with them for the purpose of discussing anything in connection with—

11740 The CHAIRPERSON: Are you able to provide a copy of that advice for the benefit of the committee?

Mr BRAXTON-SMITH: Yes, I believe we could. Let me take that question on notice.

11741 The CHAIRPERSON: How many other meetings did you as chief executive advise the minister that it would be better he didn't attend but he still chose to attend anyway?

Mr BRAXTON-SMITH: That was the only one.

11742 The CHAIRPERSON: Why did you suggest he not attend that meeting?

Mr BRAXTON-SMITH: The probity advice that was prepared was prepared by officers of the department and signed through by me approximately five or six weeks after the procurement process had commenced. As a general principle, it's better to minimise contact with proponents during a procurement process and to manage it very carefully, and it was on that basis that I put to the minister that he should exercise caution.

11743 The CHAIRPERSON: So how do you reconcile that with your recommendation that the minister should travel to Newcastle, where Keolis Downer run public transport, during the time that a bus and tram tender was out?

Mr BRAXTON-SMITH: The purpose was to discuss and examine light rail and the effect that light rail has in terms of urban development. Around the time, there was a lot of talk about a proposal called AdelINK and indeed other governments had been suggesting that there ought be significant levels of investment in light rail in Adelaide. My point to the minister was that he should look very carefully at why you invest in light rail, because the purpose of it is to drive urban uplift and densification, as has occurred in Parramatta where we visited in November/December in 2018. I was very keen for him to see what had happened in Newcastle because it was informing policy discussions that were occurring about transport investments.

11744 The CHAIRPERSON: Did you suggest that the minister not take a meeting with Keolis Downer as part of that Newcastle trip?

Mr BRAXTON-SMITH: I don't recall.

11745 The CHAIRPERSON: Are you able to check on that and provide to the committee any written advice that was provided in relation to that?

Mr BRAXTON-SMITH: I didn't provide any written advice.

11746 The CHAIRPERSON: I am just wondering, if you had provided written advice not to meet with Keolis Downer during the rail privatisation project because they might be a bidder, why you wouldn't provide similar advice about meeting Keolis Downer during the bus and tram privatisation. Why would you not provide—

Mr BRAXTON-SMITH: Sorry, could you repeat the question?

11747 The CHAIRPERSON: You provided written advice to the minister, is your evidence today, not to meet with Keolis Downer during the rail privatisation project but, when there was the bus and tram privatisation project, you don't remember if you provided similar advice. Why is that?

Mr BRAXTON-SMITH: I'm sorry, your question is a little confusing. If I answer it in two parts, in relation to bus and tram, shortly after I joined the department a note was drafted to the minister, which I signed through, advising not to meet with Keolis Downer for the purpose of discussing matters connected with the tram and bus procurement. That was signed through in December of 2018.

The minister subsequently chose to proceed with the meeting, and I attended the meeting to ensure that no matters were discussed that could cause issues for the process of procurement. As the Auditor-General has since helpfully pointed out to me, notwithstanding that that practice is adequate in New South Wales where I had worked for seven years, here the Auditor-General's preference is that there is a written record kept at the meeting.

In relation then to the visit to Newcastle, I had urged the minister to go and look at Newcastle for the purpose that I have explained previously. On that occasion, it was to look at the Newcastle control room for tram and bus operations—to look at an integrated control room—as well as to visit the alignment and have a look at the urban development and, I might add, as I think I said at the time, we met with the mayor to talk about how urban uplift had been managed in association with light rail development.

On that occasion, no written advice was provided. On that occasion, I stayed with the minister at all times using the practice which, at the time, I understood to be the appropriate practice, which was to ensure that there was no conversation that occurred in relation to any procurement process that the state might be undertaking. I did keep handwritten notes in a notebook, which I have since shown the Auditor-General, which very clearly demonstrate that, in true transport nerd fashion, I was keeping notes about the operation of the transport system in Newcastle during the course of the conversation, which was the substance of the conversation we had.

11748 The CHAIRPERSON: Are you able to provide those notes also to the committee, the ones you provided to the Auditor-General?

Mr BRAXTON-SMITH: I am very happy to provide you with the notes and seek to decode them for you, because they are written in abbreviations that you might have difficulty with.

11749 The CHAIRPERSON: That would be great. A translation with the notes would be most helpful. The Auditor-General's Report on page 74, I think it is section 11.3.3, talks about one

meeting with a potential proponent where only one state representative attended the meeting. Who was the state representative who attended the meeting outlined on page 74 of the report?

Mr BRAXTON-SMITH: My understanding is that that is a reference to the meetings that I attended with the minister. For some curious reason, that I don't understand, the Auditor-General would seem to have not counted the minister as a state representative.

11750 The CHAIRPERSON: Who was that meeting with that you recall being with the minister at, because the Auditor-General is very clear that there was only one state representative?

Mr BRAXTON-SMITH: I will have to take that question on notice. I know that there were several meetings. My memory of each of them is not complete.

11751 The CHAIRPERSON: Have you read that section on page 74 of this report before?

Mr BRAXTON-SMITH: Yes I have.

11752 The CHAIRPERSON: Have you turned your mind as to what the Auditor-General might be speaking about in that section?

Mr BRAXTON-SMITH: Well, I have read the entirety of the Auditor-General's draft and provided feedback to him on the draft and I have read the entirety of his report and assisted in the preparation of our responses.

11753 The CHAIRPERSON: So having read the entirety provided—

Mr BRAXTON-SMITH: So as you will know there are I think 100 pages in the document and quite extensive commentary and recommendations. I just don't remember the facts surrounding the one particular meeting that you are talking about, but I am happy to take the question on notice, identify which meeting the Auditor-General is referring to and provide you with that information.

11754 The CHAIRPERSON: Okay, because I think it says on that same section that 'our inquiries were corroborated with key information from the department'. So is your evidence that you have no knowledge of a meeting where only one state representative attended with a potential proponent?

Mr BRAXTON-SMITH: I cannot recall which meeting to which they are referring, and perhaps I am confused in my response to it, but it was my impression that the Auditor-General was of the view that, where there is a minister, at least two state representatives should attend, whereas in my understanding the minister is a representative of the state and therefore if the minister and a department representative attends then we satisfy what the Auditor-General is recommending. What I am not clear on is if there was one of those meetings which the Auditor-General has examined where there was only perhaps me in attendance.

11755 The CHAIRPERSON: Will you take that away and provide us with an answer, reasonably quickly, upon consulting the records?

Mr BRAXTON-SMITH: Yes.

11756 The CHAIRPERSON: Maybe a question to, seeing that we have gone to all the effort of getting the video link up—Mr Gammie, are you with us at the moment?

Mr GAMMIE: Yes I am.

11757 The CHAIRPERSON: Welcome Mr Gammie. Thank you for being here today. We appreciate you taking the time this morning. Is that a virtual background or a real background that we are seeing behind you?

Mr GAMMIE: It's a virtual background.

11758 The CHAIRPERSON: How do you know Mr Braxton-Smith, the head of the transport department in South Australia?

Mr GAMMIE: We both worked for Transport New South Wales for three or so years, at the same time.

Mr BRAXTON-SMITH: In Mr Gammie's case three years and in my case seven years.

11759 The CHAIRPERSON: And were you working in the same area or at the same level and were you appointed at approximately the same time to the New South Wales transport department?

Mr GAMMIE: Yes, we were appointed in 2011, 2012.

11760 The CHAIRPERSON: And what roles did you respectively hold when you were first at the department?

Mr GAMMIE: My first role was Deputy Director-General Customer Services.

Mr BRAXTON-SMITH: And my first role was Deputy Director-General Customer Experience.

11761 The CHAIRPERSON: And how far apart in time were you both appointed to those positions, can you remember?

Mr BRAXTON-SMITH: I started in November 2011. Fergus, it's my memory that you started afterwards.

Mr GAMMIE: Yes.

11762 The CHAIRPERSON: Mr Gammie, would you consider Mr Braxton-Smith a personal friend as well as a colleague in the transport sector?

Mr GAMMIE: Mr Braxton-Smith is a professional colleague of mine and it was at Transport for New South Wales that we worked together.

11763 The CHAIRPERSON: Would you consider him a personal friend as well as a colleague?

Mr GAMMIE: I would consider him a professional colleague.

11764 The CHAIRPERSON: But there is no personal friendship as well as the professional relationship?

Mr GAMMIE: I have many professional relationships which could be considered friendships of some type, but they are professional relationships.

11765 The CHAIRPERSON: So once Mr Braxton-Smith started as the chief executive of the SA department, did you have any communication with him after he took over that role?

Mr GAMMIE: Certainly not for some time, no.

11766 The CHAIRPERSON: How did you come to be appointed to the contract that, as we heard from the opening statement, is worth up to \$1.4 million? Who approached you about that?

Mr GAMMIE: From memory, Mr Braxton-Smith approached me in, I think, around May 2019.

11767 The CHAIRPERSON: So the approach to take on this \$1.4 million contract was made personally from Mr Braxton-Smith to you; is that right, Mr Gammie?

Mr GAMMIE: Yes, I think so. I should say—and Mr Braxton-Smith mentioned it—that of course there was actually a formal process that I had to go through, which I was approached by the procurement people of the department and submitted a proposal, etc.

11768 The CHAIRPERSON: Just so I am clear: so your former colleague in New South Wales, Mr Braxton-Smith, approaches you about taking on a role with South Australia; when was the amount of \$1.4 million first discussed with Mr Braxton-Smith?

Mr GAMMIE: I didn't ever discuss that with Mr Braxton-Smith. I submitted a proposal through the DPTI procurement process which set out a plan to implement the government's policy within the time frame that they were seeking, and I indicated a daily rate and left it with the department to work that through.

11769 The CHAIRPERSON: I am not sure if you heard, Mr Gammie, but Mr Braxton-Smith outlined earlier a public tender process for similar services that was conducted in South Australia. What amount did you tender for that earlier tender process in South Australia?

Mr Gammie: I did not tender for that process earlier.

11770 The CHAIRPERSON: If you're one of the leading experts in Australia on these sorts of areas, why would you not have tendered for this earlier proposal then?

Mr Gammie: I would not have been available at that time. I was available in 2019.

11771 The CHAIRPERSON: Were you aware of that earlier tender, Mr Gammie?

Mr Gammie: No, I was not.

11772 The CHAIRPERSON: You weren't aware of that earlier tender. Because I think the evidence we heard from Mr Braxton-Smith is that there was no-one available in Australia who could do that, but if you weren't aware of that obviously it excluded you. So Mr Braxton-Smith didn't contact you for this earlier tender process and say, 'Hey, Fergus, would you consider putting in a tender as part of this public tender?' I am gathering that didn't happen. The first that you were asked to tender was when it was a selective tender where you might have been the only person applying; is that right?

Mr Gammie: I think in terms of how the department ran the process you need to ask them. I am really not aware of what was happening on the department side of this.

11773 The CHAIRPERSON: If it's an up to \$1.4 million contract, Mr Gammie, is there an effective hourly rate at which you are being paid by the South Australian taxpayer?

Mr Gammie: As I believe Mr Braxton-Smith did say, clearly there is a rate which I am paid and it is commercial-in-confidence.

11774 The CHAIRPERSON: So you can let us know what the taxpayer is paying you as a contractor who was selected as a preferred bidder without going to tender, even though there was a public tender previously that you didn't participate in?

Mr Gammie: I think I've already answered the question. It was a commercial-in-confidence proposal.

11775 The CHAIRPERSON: Mr Braxton-Smith, we have heard that you contacted your former colleague Mr Gammie and asked him would he be prepared to do this work, and then there was a process that went on in the department.

Mr Braxton-Smith: No, to correct the point, I contacted him to ascertain if he was available.

11776 The CHAIRPERSON: And he told you he was available?

Mr Braxton-Smith: Correct.

11777 The CHAIRPERSON: And then did you instruct your department to start negotiating with your former colleague from New South Wales?

Mr Braxton-Smith: I directed the department to prepare some documentation and to undertake a sole source procurement.

11778 The CHAIRPERSON: Who signed off on that eventual contract once it was finalised?

Mr Braxton-Smith: Let me take that question on notice. I don't know whose signature is on the contract.

11779 The CHAIRPERSON: You don't remember signing off on the contract?

Mr Braxton-Smith: I sign a lot of documents, but I can't recall for a fact as to whether it was my signature or someone else's signature.

11780 The CHAIRPERSON: Who signed off on the PR100, the authorisation to not go to public tender for a contract with \$1.4 million?

Mr BRAXTON-SMITH: I'll take that question on notice. I don't remember the administrative detail. Unless you have the documents there—I don't have them with me.

11781 The CHAIRPERSON: Would that usually be something you sign off on—not going to a public tender for \$1.4 million—or with that rest with someone below you in the department usually?

Mr BRAXTON-SMITH: It would proceed in accordance with the delegations. I believe the delegations are mine, but I would need to check to be able to provide you with an evidence-based answer.

11782 The CHAIRPERSON: Just to be very clear, your evidence is that you don't recall authorising this not going to public tender.

Mr BRAXTON-SMITH: I do recall authorising that we do a sole source procurement process.

11783 The CHAIRPERSON: So did you sign—

Mr BRAXTON-SMITH: Very definitely. Exactly the documentation that is associated with that, as I say there's a lot of documentation that comes across my desk every day. I sign a lot of documents. I may well have signed those too, but the decision was mine.

11784 The CHAIRPERSON: Can you understand how the public might be wondering how a chief executive calls a former colleague in New South Wales, ask them if they are available and then is the decision-maker about hiring them in the end? Do you see any potential conflict there?

Mr BRAXTON-SMITH: Let me provide you with information that will help members of the public understand, which was I think your question. For this particular task, there is a very limited field of people who have the requisite skills and experience. In fact, making a quick list, I can name 12, all of whom I have worked with in the past decade at some time, and a number of them actually now would not be available or would not have been available at the time or were deep within other projects.

For example, Hector McKenzie and Ross Alexander, who ran the Melbourne outsourcing of rail, Hector is now part time only and working with Transport for NSW on their procurement program, and Ross Alexander with Deloitte. Jim Betts runs Infrastructure New South Wales; he has now moved to something else. You then have people who have worked in Sydney on procurement processes: Robert Williams, David LaRocca, Tony Canavan, Ernst Young, PwC; Simon Barrett and John Metcalfe from L.E.K.; Tim Poole, who outsourced the light rail in Parramatta and, previous to that, Gold Coast; and Tim Parker and John McLuckie, who headed up the procurement process for the Sydney Metro.

These are the groups of people in Australia that have the requisite skills and experience. I know most of them. There are probably two or three others that have the skills and experience to lead a project of this scale and magnitude in the way that the government expects it to be done. I am well aware of those that were available, what they were working on. I chose, after making some inquiries, and conscious of the urgency of government's decision and their requirement for me to get it right, to seek to understand if Mr Gammie was available. The rest, as you've noted, we went into a procurement process, which was in accordance with my delegations of authority, and the decision to appoint, irrespective of who signed the documents, was mine.

11785 The CHAIRPERSON: Mr Braxton-Smith, in the first public tender process that I think you said at the start you didn't get any suitable responses to, did you encourage Mr Gammie to participate in it?

Mr BRAXTON-SMITH: That was a department-run public tender process which predated my appointment to the role. At the time, which I think was in mid-2018, I was still Deputy Secretary, Customer Services, at Transport for New South Wales and I believe Mr Gammie was, at the time, Chief Executive of the New Zealand Transport Agency. So, when I accepted my appointment and commenced my role in late October 2018 here, that process had already been completed.

11786 The CHAIRPERSON: So that was a department-run process as opposed to the process to appoint Mr Gammie. How would you describe that? Is that a chief executive-run process?

Mr BRAXTON-SMITH: That was also a department-run process but, unlike the previous department-run process, it was a successful process because we secured the services of a highly experienced professional in transport reform, service improvement and outsourcing of transport services to work full time on a project that the government had made a policy decision on.

11787 The CHAIRPERSON: I might just refer back to Mr Gammie. Mr Gammie, I note your virtual background but, just for the benefit of the committee, are you based in Adelaide at the moment?

Mr GAMMIE: Again, I'm based in Sydney at the moment [inaudible].

11788 The CHAIRPERSON: We've got a bit of a problem with the audio at our end. We can't quite understand. Mr Braxton-Smith, do you know whether Mr Gammie is based in Sydney or Adelaide? Do you have knowledge of this?

Mr BRAXTON-SMITH: Mr Gammie is presently a resident in Sydney but, as he was saying, he has spent a considerable amount of time in Adelaide from the point in time of his appointment through until the outbreak of COVID-19.

11789 The CHAIRPERSON: Last year, when planning was still in your department, there was discussion at this committee about the appointment of Mr Ray Partridge to do work.

Mr BRAXTON-SMITH: Correct.

11790 The CHAIRPERSON: Was he a colleague of yours in New South Wales?

Mr BRAXTON-SMITH: Mr Partridge did some work for me in Transport for New South Wales in the implementation of a customer relations management system to support property acquisition.

11791 The CHAIRPERSON: Up until planning was hived off from your department, was Mr Partridge still providing services to what was then DPTI?

Mr BRAXTON-SMITH: Yes.

11792 The CHAIRPERSON: Was he based in Adelaide?

Mr BRAXTON-SMITH: Again, I think Mr Partridge was spending a considerable amount of time in Adelaide until the outbreak of COVID-19 and the travel restrictions that then precluded the continuation of his previous working arrangement.

11793 The CHAIRPERSON: Are you aware whether your department is currently engaging a Mr Peter Andrews to provide services to your department?

Mr BRAXTON-SMITH: I am.

11794 The CHAIRPERSON: Is Mr Peter Andrews based in Adelaide?

Mr BRAXTON-SMITH: Mr Peter Andrews is a resident of New South Wales who again conducted the procurement of the bus and tram services contract and, during that time, spent materially the majority of his working week in Adelaide managing the procurement process.

11795 The CHAIRPERSON: Is he still engaged by your department?

Mr BRAXTON-SMITH: He is assisting with the transition. Yes, he is.

11796 The CHAIRPERSON: Do you know today where he is working from?

Mr BRAXTON-SMITH: He would be working from Sydney.

11797 The CHAIRPERSON: I will read you a quote, and you may wish to comment on it, from now Treasurer Rob Lucas, who said, 'Having someone who flees, going back home each weekend, just isn't good enough for South Australia.' What do you reckon about that?

Mr BRAXTON-SMITH: That's a question you would need to direct to the Treasurer.

11798 The CHAIRPERSON: Mr Andrews is providing services on privatisation issues or on outsourcing?

Mr BRAXTON-SMITH: No, incorrect. Mr Andrews was the program director for the outsourcing of the bus contracts. As you might recall, the bus contracts were previously signed in 2015, and before that, previously signed in 2011, and prior to that in 2005, by the former government. Those contracts had expired and were required to be tendered, so that was Mr Andrews' task.

11799 The CHAIRPERSON: Is Mr Andrews a former colleague of yours from Transport for New South Wales?

Mr BRAXTON-SMITH: Mr Andrews worked as a contractor for Transport for New South Wales in the outsourcing of bus services most recently, previously Region 6 in Sydney, which is Sydney's largest single region where there are bus services where there are materially a similar number of buses, I think, to Adelaide.

11800 The CHAIRPERSON: So do I take that as a yes?

Mr BRAXTON-SMITH: Sorry?

11801 The CHAIRPERSON: Yes you worked with him at Transport New South Wales?

Mr BRAXTON-SMITH: He worked in that capacity in another part of Transport for New South Wales. That area was not my responsibility, but I was aware of his work and sat on government's committee with oversight of his work.

11802 The CHAIRPERSON: I would suggest, Mr Braxton-Smith, you were well aware of his work. You have been speakers together at forums, haven't you, with Mr Peter Andrews in the past?

Mr BRAXTON-SMITH: I can't recall. Which forum are you referring to?

11803 The CHAIRPERSON: November 2016, On-demand transport program, perhaps?

Mr BRAXTON-SMITH: Yes, he ran the procurement for that as well.

11804 The CHAIRPERSON: So Mr Peter Andrews—at \$1.075million is his engagement with the department; does that sound about right?

Mr BRAXTON-SMITH: I will take it on notice as to the correct amount, but that sounds to be of the order of the amount that's on the Tenders SA website.

11805 The CHAIRPERSON: How many other tenderers were there in this public tender process for the engagement of Mr Andrews?

Mr BRAXTON-SMITH: Again, as I explained previously, there was a tender process which was not successful, where six parties bid but no-one was able to provide the requisite skills and experience for a program director on a full-time basis in accordance with the department's requirements. That occurred before I arrived. I subsequently identified Mr Andrews as a suitable candidate.

11806 The CHAIRPERSON: Just to check: like Mr Gammie, did you make the approach to Mr Andrews?

Mr BRAXTON-SMITH: It was a sole source. I ascertained if Mr Andrews was available and then I subsequently made arrangements through the department to procure his services.

11807 The CHAIRPERSON: And Mr Partridge, how many other people tendered for the services he eventually provided to what was then part of your department?

Mr BRAXTON-SMITH: Mr Partridge did some initial work for me directly on Service SA because he had previous experience with Service New South Wales. Subsequently, the executive director of the planning division, Sally Smith, made contact with him, referred to by another one of her colleagues, and came to an arrangement with him for him to work on the planning program.

11808 The CHAIRPERSON: Can you remember what the possible payment for Mr Partridge was?

Mr BRAXTON-SMITH: No.

11809 The CHAIRPERSON: Was it around a million dollars?

Mr BRAXTON-SMITH: No, I can't remember. Sorry, I'm not privy to that. I had—

11810 The CHAIRPERSON: So we have our former colleague Mr Partridge being employed working from Sydney, We have Mr Andrews employed at a contract worth up to a million dollars, a former colleague of yours working from Sydney, and now we have Mr Gammie on a contract of up to \$1.4 million, a former colleague of yours working from Sydney. Is that all correct?

Mr BRAXTON-SMITH: Each highly skilled individuals, providing their skills and experiences for work where there is no-one in the state with a similar level of skill and experience.

11811 The CHAIRPERSON: Could you understand South Australians wondering how they can possibly get a look-in at doing work for the transport department when all these contracts seem to be going to people who work from Sydney, who also have the added benefit of having worked with you, Mr Braxton-Smith, in the past?

Mr BRAXTON-SMITH: Would you repeat the question, please.

11812 The CHAIRPERSON: Do you think it's a good look?

Mr BRAXTON-SMITH: I think the state expects us to find the right people to do the job and do the job well, and that falls to me. In certain instances, much to South Australia's detriment, because of the economic conditions over the last 20 years a lot of talent has gone interstate, a lot of talent that can't find jobs here. People are looking to come back and we need to find opportunities for them to come back. I myself, an adopted South Australian, was looking for an opportunity to return to South Australia and was fortunate enough to get this role.

In terms of the contracts for the work that's to be performed in the three projects that you refer to, there is no-one that's been found through a market-based process locally that has the skills and experience in outsourcing of contracts for the sorts of services in public transport where the form of contract and the nature of the outsourcing exercise is highly specialised. There is a small group of people on the eastern seaboard who work between jurisdictions on projects of this nature as they arise.

Likewise, in the development and delivery of software, the local talent pool was not up to the task. We had to find someone at short notice who had experience with complex program delivery inside of government that required both software development, very complex software development, as well as reform. I didn't actually make the decision to appoint Mr Partridge. That decision was made by Sally Smith who is the executive director of planning and land use services. But I can see why she would go in that direction, having had some challenges with previous people in that role.

11813 The CHAIRPERSON: You mentioned in your opening statement the new public affairs unit within DPTI. Does that have someone to head it up yet?

Mr BRAXTON-SMITH: Graeme Brown is the acting executive director. But we are going through a process where we will define what the size, roles and functions are of the organisation and what the requirements are for a permanent executive director, and then the job will be advertised.

11814 The CHAIRPERSON: Have any other staff been appointed to that new public affairs unit?

Mr BRAXTON-SMITH: I have made one appointment.

11815 The CHAIRPERSON: Who is that?

Mr BRAXTON-SMITH: A gentleman by the name of Andrew Ockenden, who is a South Australian, who was fortunate enough to have three years of experience on WestConnex, which is Australia's biggest road infrastructure project, in community consultation and communications and engagement.

11816 The CHAIRPERSON: Who made that appointment?

Mr BRAXTON-SMITH: Me.

11817 The CHAIRPERSON: Where was this position advertised?

Mr BRAXTON-SMITH: No, it was a direct appointment in accordance with the provisions of the South Australian executive service act.

11818 The CHAIRPERSON: What sort of level is this position at? Are any positions advertised within Transport?

Mr BRAXTON-SMITH: Positions are frequently advertised in accordance with the requirements of the Public Sector Act—

11819 The CHAIRPERSON: Except all the ones we have been talking about today.

Mr BRAXTON-SMITH: —and other relevant practices and principles. The appointment of Mr Andrew Ockenden to the role of director of communications and engagement for infrastructure and transport projects was made in accordance with section 42 of the Public Sector Act which applies to executive employment in the department. It was determined that a merit-based selection process was not required for the appointment, as available under the Public Sector Regulations to me, on the basis that Mr Ockenden possesses the relevant skills, background and knowledge to undertake the role. It is a temporary short-term appointment for a duration of up to 12 months.

11820 The CHAIRPERSON: Did anyone from the Premier's office or the new Minister for Transport's office discuss with you that particular appointment?

Mr BRAXTON-SMITH: No.

11821 The CHAIRPERSON: So no-one from the Premier's office—

Mr BRAXTON-SMITH: I discussed it with them.

11822 The CHAIRPERSON: You discussed it with them. Who did you discuss it with and what was the nature of the conversation?

Mr BRAXTON-SMITH: I advised the minister's office subsequent to the appointment that I had appointed Mr Ockenden.

11823 The CHAIRPERSON: Just to be clear, because if someone discusses something with you I think you take a different view as to whether that has been discussed, prior to the appointment—

Mr BRAXTON-SMITH: What was that point?

11824 The CHAIRPERSON: Prior to the appointment, did you have any discussion or did anyone have a discussion with you—written, verbal, sign language—about the appointment of that individual to that position?

Mr BRAXTON-SMITH: No.

11825 The CHAIRPERSON: How did you know about this individual and the skills they possess to carry out the duties that would be required?

Mr BRAXTON-SMITH: Mr Ockenden was working in WestConnex from 2017 to 2019 and WestConnex was within the Transport for New South Wales portfolio. We reported to the then Minister for WestConnex, Stuart Ayres. We had a shared responsibility for communication, so in my area of responsibility in Transport for New South Wales, we produced all the major communications programs and the framework around which Mr Ockenden then conducted the stakeholder communications, community consultation and engagement on the WestConnex project.

11826 The CHAIRPERSON: And what level—

Mr BRAXTON-SMITH: So my team worked closely with him. I knew him. He made contact with me because he is a South Australian. He wanted to come back and he was seeking employment here. I was so unable to offer him anything at the time but he made me aware that he was interested, I think in mid-2018 somewhere around there.

11827 The CHAIRPERSON: What level is the engagement of this position at?

Mr BRAXTON-SMITH: Senior Executive Service level 1.

11828 The CHAIRPERSON: What sort of salary range does that entail?

Mr BRAXTON-SMITH: Those are published on the relevant website.

11829 The CHAIRPERSON: There might be one of your colleagues who can help you with that.

Mr BRAXTON-SMITH: Sorry?

11830 The CHAIRPERSON: One of your colleagues might have those to front of mind if you don't.

Mr BRAXTON-SMITH: Senior Executive Service 1B?

11831 The CHAIRPERSON: How much?

Mr BRAXTON-SMITH: I don't know.

11832 The CHAIRPERSON: None of your officials have any idea how much?

Mr BRAXTON-SMITH: Well, none of them are from the human resources department and not many of us carry around that entire salary band table from the senior executive service, so the answer to your question is no, we don't have that information to hand. We will take the question on notice.

11833 The CHAIRPERSON: Going back to Mr Andrews, Mr Gammie, Mr Partridge—all of your former colleagues from New South Wales—is there a provision to pay them to travel to Adelaide?

Mr BRAXTON-SMITH: No.

11834 The CHAIRPERSON: So there is no provision to pay them to travel to Adelaide. Is that why we see them so rarely in South Australia, do you think?

Mr BRAXTON-SMITH: The reason that they are not here is because of the restrictions on travel associated with COVID. We have a remote working arrangement. We also have a COVID-safe plan where, when they are required here, they act in accordance with that plan. Preparations are made for each of those individuals to be here at key times when it is required for the program.

11835 The CHAIRPERSON: Just jumping back to Mr Ockenden, what was the date of the appointment that you decided to make?

Mr BRAXTON-SMITH: I will take the question on notice.

11836 The CHAIRPERSON: Can you remember roughly when it was?

Mr BRAXTON-SMITH: About two weeks ago.

11837 The CHAIRPERSON: Approximately two weeks ago.

Mr BRAXTON-SMITH: Approximately two weeks ago.

11838 The Hon. J.A. DARLEY: Mr Braxton-Smith, are any of your colleagues here today on that same salary level, SES1B?

Mr BRAXTON-SMITH: No.

11839 The Hon. J.A. DARLEY: Would \$160,000 a year be around about the mark?

Mr BRAXTON-SMITH: My memory is it's in the late \$100,000s to the low \$200,000s.

11840 The Hon. J.A. DARLEY: In connection to the people from New South Wales in the million dollar class, in your experience, what would that roughly amount to in terms of an hourly rate?

Mr BRAXTON-SMITH: I wouldn't like to guess that. I understand the characterisation, but you have to be aware of the period of time. So, if we are talking about a period of kind of 18 months to two years, it's a different proposition to if you are talking about something where you have a consultant on hourly rates for a short-term assignment. But even on longer-term assignments, the sorts of rates that I have heard from consulting firms would double or triple the amount of money for the equivalent task.

11841 The Hon. J.A. DARLEY: Yes, but on the basis of what you suggest—18 months to two years—what do you think that would be?

Mr BRAXTON-SMITH: I think it's speculation and I'm not into speculating. The department has conducted a procurement process at my direction, which was a sole-source procurement. Department officers have benchmarked it to other equivalent rates and have found that it is value for money. I am sure, in due course, the Auditor-General will examine that and reach his own conclusions.

11842 The CHAIRPERSON: Just going on from that, I think as the Hon. John Darley referred to, your million dollar club of your former New South Wales colleagues are now working from Sydney, providing services to you in South Australia. You mentioned Mr Gammie's experience in New Zealand. Do you recall how his term in New Zealand ended?

Mr BRAXTON-SMITH: That would be a question you could direct to Mr Gammie.

11843 The CHAIRPERSON: Given that you are the one who made the approach and you asked your department to appoint Mr Gammie and do the paperwork, were you aware of the concern over wrongly warranting safety issues in New Zealand that led to the death of a motorist through a faulty seatbelt, shortly after which Mr Gammie resigned in New Zealand?

Mr BRAXTON-SMITH: I think you could equally ask me if I am aware of the fact that Mr Gammie successfully project directed the reconstruction of the roads and rail system on the South Island of New Zealand following a massive earthquake. Neither are relevant to this conversation. What's relevant is that Mr Gammie has 30 years of experience with outsourcing of rail services, train services, bus services, ferry services.

11844 The CHAIRPERSON: I am reading headlines from New Zealand in 2018: 'Wrongly warranted car crash causes death', 'NZTA shares blame'. Much of the transport industry were critical of the restructure moves that Mr Gammie introduced, that they blamed for the gutting of the agency expertise, leading to lax enforcement of transport regulations. And also reports of staff painting a picture of demoralisation and chaos within that department. Were you aware of any of these reports when you approached and then got your department to appoint Mr Gammie?

Mr BRAXTON-SMITH: As I have said to you, clearly I don't read the New Zealand newspapers. And as I said to you, what was relevant to me was a very strong track record of successfully managing project directing, outsourcing projects. In relation to Mr Gammie's departure from New Zealand, I am aware that he was accountable for resolving a longstanding issue, a longstanding regulatory issue, and he went about doing that in accordance with his responsibilities. But ultimately his board of governance chose to make a decision that resulted in Mr Gammie resigning. So you can talk to Mr Gammie about that if your purpose here is to try and—

11845 The CHAIRPERSON: My purposes is to ask you if you were aware of these issues when you made the decision to make the appointment.

Mr BRAXTON-SMITH: I was not aware of any of the details of the matter that led to Mr Gammie's resignation, simply that he had returned to Australia and I was curious to understand as to what work he was doing. I had heard, on making inquiries, that he was back in Australia, and potentially looking for an assignment, which was what led me to make the call and check if he was available, and he was.

11846 The CHAIRPERSON: To be very clear, Mr Braxton-Smith, you have said you were not aware, and did anyone bring any of these issues to your attention during the process where you asked for him to be appointed to the position?

Mr BRAXTON-SMITH: Not that I recall.

11847 The CHAIRPERSON: Can you check to see if anyone made you aware?

Mr BRAXTON-SMITH: Yes I will check, and I will take your question on notice.

11848 The CHAIRPERSON: Can I just check: when will we be announcing Keolis Downer as the successful bidder for the train network?

Mr BRAXTON-SMITH: When the government makes a decision on the contract award the government will announce who is the successful provider.

11849 The CHAIRPERSON: Where is the process up to now?

Mr BRAXTON-SMITH: It is still in process. I refer you to my opening statement.

11850 The CHAIRPERSON: Indeed. So without going into the involvement of particular parties, has a recommendation yet been made to the minister?

Mr BRAXTON-SMITH: It's still in the process.

11851 The CHAIRPERSON: Had a recommendation been made to the former minister Stephan Knoll?

Mr BRAXTON-SMITH: I refer you to my opening statement. I am happy to take your question on notice and will provide the answer to you when we publish the report.

11852 The CHAIRPERSON: Now, this is a rather important question: has the department sought to insert provisions into a contract that would attempt to frustrate any attempts to unwind the contract?

Mr BRAXTON-SMITH: I will take the question on notice.

11853 The CHAIRPERSON: I want to be clear here. You would probably be aware of the Labor opposition's announcement that, should Labor form government, Labor will institute a commission of inquiry, with judicial powers, to look at all aspects of the contract and to return the operation of rail to government hands. I just want to be very clear, because this will form an important part, should we go down that process: are you aware of any particular elements of the contract that would seek penalty clauses or otherwise frustrate the unwinding of a contract that is not in other contracts of its type?

Mr BRAXTON-SMITH: I am not aware of anything of the nature you describe that's not in other contracts of its type, by which I refer specifically to contracts which have been used for the procurement of bus services for a number of years.

11854 The CHAIRPERSON: And to be absolutely clear: have you had any discussions within the department or with the minister or former minister about the possibility of putting such penalty clauses, or break clauses, specifically into the rail privatisation contract?

Mr BRAXTON-SMITH: There is no rail privatisation contract.

11855 The CHAIRPERSON: The rail outsourcing contract, as you characterise it.

Mr BRAXTON-SMITH: No.

11856 The CHAIRPERSON: You have had no discussions and no-one's had any discussions with you either?

Mr BRAXTON-SMITH: Would you repeat the question in its entirety so I can provide you with an accurate answer.

11857 The CHAIRPERSON: Have you held any discussions, whether initiated by you or that you have been a part of or that you are aware of that involve inserting into this rail contract any provisions that would provide penalties or otherwise frustrate the winding back of the contract?

Mr BRAXTON-SMITH: There have been no conversations of the nature you describe that I am aware of.

11858 The CHAIRPERSON: Can you check your records and please provide to the committee if there is any advice to the contrary? This is important because, as I say, if the opposition wins government there will be a commission of inquiry that will look very, very closely at these issues and at any behaviour of individuals or anything that was done to try to insert those sorts of things in that would not be in the interests of the state. I think you understand the gravity of the question.

Mr BRAXTON-SMITH: I understand entirely your question. I refer you to my opening statement. We will provide specific answers on the various matters you raise. I refer you to my previous answer. I am not aware of any discussions about the insertion of particular provisions into the outsourced rail operations contract for the nature or of the purpose you described. There is nothing been inserted of the nature you describe and there has been no discussion of it.

11859 The CHAIRPERSON: Obviously that can be judged against previous contracts and what provisions have been provided in those.

Mr BRAXTON-SMITH: When the documents are released you will have the opportunity to examine these documents and compare them to contract documents that were previously entered into for other outsourcing of public transport services during the last decade.

11860 The CHAIRPERSON: Very soon after this rail project started in March 2020, did any of the proponents attempt to pull out of the process?

Mr BRAXTON-SMITH: We will take your question on notice and provide you the answer at the conclusion of the process, as I outlined to you in my opening remarks.

11861 The CHAIRPERSON: Can you then take on notice and provide if, in March 2020, Keolis Downer and Trainco informed the government they were intending to pull out of the process, and can you take on notice and inform at the appropriate time whether a month later, in April 2020, the same two potential tenderers, Keolis Downer and Trainco, again attempted to pull out of the process? Are you able to answer now, because you raised it in your opening statement—I think it has been described as the lose fee of \$1 million; how did that come about and was that always part of the tender process?

Mr BRAXTON-SMITH: I will take your questions on notice and provide the answers at the appropriate time after the publication of the report.

11862 The CHAIRPERSON: Can you take on notice and provide an answer to: was it Keolis Downer specifically that requested the \$1 million lose fee?

Mr BRAXTON-SMITH: I will take your question on notice.

11863 The CHAIRPERSON: Can you also take on notice who it was that Keolis Downer specifically lobbied to include the \$1 million lose fee?

Mr BRAXTON-SMITH: I will take your question on notice.

11864 The CHAIRPERSON: Can you take on notice also: did all three potential bidders submit a final bid?

Mr BRAXTON-SMITH: I will take your question on notice.

11865 The CHAIRPERSON: Specifically, can you take on notice, did Trainco submit a final bid and, if they didn't, what reason did Trainco state for not submitting a final bid?

Mr BRAXTON-SMITH: I will take your question on notice.

11866 The CHAIRPERSON: Can you also take on notice: did Keolis Downer in their bid have a significant reduction in the workforce?

Mr BRAXTON-SMITH: I will take your question on notice.

11867 The CHAIRPERSON: This is one for now rather than on notice: is there any guarantee that people will not lose their jobs as part of this rail process?

Mr BRAXTON-SMITH: We are currently in consultation with the current employees of the Rail Commissioner about the options that they will have available to them after we have appointed the outsourced rail operator. The outsourced rail operator will be setting out the positions it requires and our employees, on the basis of how we currently have an understanding, will then express their interest for those roles.

If those employees are unsuccessful in securing any of those roles then they will have continued employment and their future employment will be managed in accordance with the government's triple R process and in particular in accordance with the terms of the relevant enterprise agreement.

11868 The CHAIRPERSON: I take it from that that anyone working in the rail system, which is in public hands at the moment, is not guaranteed a job working in the rail system once there is this new rail contract?

Mr BRAXTON-SMITH: The new contractor will set out their requirements for a workforce. Those who seek to continue to work in it will be able to express interest in the roles that are available. If they don't secure a role that is available, then they will be in the redeployment process.

11869 The CHAIRPERSON: Is there any guarantee that one single person who is currently employed will retain their job?

Mr BRAXTON-SMITH: I would anticipate that there will be substantial work on offer from the outsourced rail operator.

11870 The CHAIRPERSON: Have you had a figure of 400 people less needed under a privatised system?

Mr BRAXTON-SMITH: Again, that is a question that goes to the commercial arrangements between us and the proponents, so I will take your question on notice.

11871 The CHAIRPERSON: Do you expect there to be a reasonable reduction in the workforce in order to make the savings that you talked about to this committee last year?

Mr BRAXTON-SMITH: I will take your question on notice.

11872 The CHAIRPERSON: How big a part does price play in the determining of this contract?

Mr BRAXTON-SMITH: I will take that question on notice. In accordance with my previous statement, under section 39 (2) of the Passenger Transport Act, all that information will be included in a report to parliament published 14 days after contract award and a copy provided to the Auditor-General.

11873 The CHAIRPERSON: You mentioned that we will be able to see for ourselves if there have been any unusual clauses inserted in the contract in terms of the end of contract or break fees or termination fees.

Mr BRAXTON-SMITH: It's my understanding that contract documents are subsequently published.

11874 The CHAIRPERSON: Will you make that commitment to provide to this committee the contract document once it is properly signed?

Mr BRAXTON-SMITH: The documents will be published in accordance with normal government practice.

11875 The CHAIRPERSON: This is the problem we have. Your earlier evidence was that we will be able to see from the contract whether there are any clauses there. Are you now retreating from that commitment?

Mr BRAXTON-SMITH: I'm answering two separate questions. You are asking me about an inquiry, I think.

11876 The CHAIRPERSON: Yes.

Mr BRAXTON-SMITH: Right, so that's a separate question. That's a question about an inquiry, not a question about the publishing of a contract. I'm now answering your question about the publishing of a contract. The publishing of the contract will be in accordance with government practice.

11877 The CHAIRPERSON: So do you anticipate that you will publish the contract?

Mr BRAXTON-SMITH: I anticipate that we will publish the details of the contract in accordance with the way that government customarily publishes those details.

11878 The CHAIRPERSON: In terms of the maintenance of the rail stock, is that part of the contract?

Mr BRAXTON-SMITH: Yes.

11879 The CHAIRPERSON: Who currently maintains the rail stock in South Australia?

Mr BRAXTON-SMITH: Rolling stock is maintained by an outsourced provider by the name of Bombardier.

11880 The CHAIRPERSON: Where they one of the bidders for this process?

Mr BRAXTON-SMITH: My understanding is they were a participant in one of the consortia that was short-listed.

11881 The CHAIRPERSON: They are publicly available, the short list of consortia, aren't they?

Mr BRAXTON-SMITH: Correct. There was a report published and tabled in parliament.

11882 The CHAIRPERSON: Which one is Bombardier a part of?

Mr BRAXTON-SMITH: Fergus, do you have that in your mind?

Mr GAMMIE: Yes, Bombardier was part of the Adelaide Next consortium.

11883 The CHAIRPERSON: Who manufactured the stock we currently have in South Australia, the most recent stock?

Mr BRAXTON-SMITH: Some of the rolling stock is Bombardier manufactured and some of the rolling stock—do we know who supplied the DMUs?

Ms ALFORD: They're 30 years old.

Mr BRAXTON-SMITH: They're 30 years old.

11884 The CHAIRPERSON: Do you have any idea how many people are employed by or through Bombardier for stock maintenance at the moment?

Mr BRAXTON-SMITH: Do I know how many?

11885 The CHAIRPERSON: Yes.

Mr BRAXTON-SMITH: No.

11886 The CHAIRPERSON: No idea?

Mr BRAXTON-SMITH: They are an outsourced service provider. They employ the people they need to meet the requirements of the contract. We don't have details of—

11887 The CHAIRPERSON: So the service provider does report on the number of South Australians they employ to the department that provides the money for them to do so?

Mr BRAXTON-SMITH: I'm unaware of any particular reporting requirements and the Industry Participation Program, but they all are South Australian residents who work out at Dry Creek, to my knowledge.

11888 The CHAIRPERSON: Will whoever wins this rail contract at the moment be required to report on how many South Australians they employ?

Mr BRAXTON-SMITH: There is an industry participation plan that has been prepared in accordance with the requirements of government policy. The successful outsourced rail services operator will be required to report in accordance with it.

11889 The CHAIRPERSON: Frank, do you have some questions on this or other matters?

11890 The Hon. F. PANGALLO: Just going by a glance of all the appointments that tend to be done by DPTI, South Australians could well be suffering from an inferiority complex, Mr Braxton-Smith. Not many jobs seem to be going to South Australian companies when it comes to the schools upgrade program. What is the status of that at the moment?

Mr BRAXTON-SMITH: The schools upgrade program? There are about—

11891 The Hon. F. PANGALLO: How many schools are we talking about?

Mr BRAXTON-SMITH: There are 100 schools. DPTI is responsible for the delivery of 70 of those upgrade projects and, on those 70, we are working very closely with the Master

Builders association and the local industry to maximise opportunity for the local industry. The Department for Education is procuring a number of others.

11892 The Hon. F. PANGALLO: What, 30?

Mr BRAXTON-SMITH: I would suggest that you direct your question to them in relation to the manner in which they are procuring their modular solution for those schools.

11893 The Hon. F. PANGALLO: But your department actually was responsible for the delivery of the overall program, wasn't it?

Mr BRAXTON-SMITH: There is a cabinet decision which provides our department with the responsibility for the delivery of the 70 or so projects where there are building works to be performed in accordance with the traditional program management and delivery approach. There is a decision for some of the schools to use a modular approach to construction and to seek to trial a different approach to delivery, and that is being managed directly by the Department for Education.

11894 The Hon. F. PANGALLO: Why did the Department for Education, or DECD, go and appoint a Victorian company to oversee the delivery of at least 17 of these schools? Why did they not leave it to DPTI to do that?

Mr BRAXTON-SMITH: That is a question best directed to the chief executive of the Department for Education.

11895 The Hon. F. PANGALLO: You wouldn't have asked, 'Why would you go'—

Mr BRAXTON-SMITH: The Department for Education, like every other government department, is our client. They give us a scope and we go about delivering it. It is their decision as to how that scope is allocated. They made a proposal to cabinet, cabinet approved it, and they are acting in accordance with it.

11896 The Hon. F. PANGALLO: Do you think they lost patience with DPTI in the delivery of this project? I think the last time you appeared before our committee we asked you some questions in relation to some of those projects that were running behind schedule.

Mr BRAXTON-SMITH: I don't recall saying anything was running behind schedule.

11897 The Hon. F. PANGALLO: I pointed out that there were projects—I think I mentioned Aberfoyle school was one example where there were delays in the design.

Mr BRAXTON-SMITH: I am pleased to assure you that, on the present program, all school projects that are being delivered by the Department for Infrastructure and Transport are on schedule to be delivered in time for the start of the 2022 school year.

11898 The Hon. F. PANGALLO: And on budget?

Mr BRAXTON-SMITH: I have answered your previous question. In relation to the financial position, I do not have the detail.

11899 The Hon. F. PANGALLO: The Department for Education has, by direct negotiation, a contract with Sensum. Are they going to be used by your department in any of these projects?

Mr BRAXTON-SMITH: I'm not aware if Sensum are registered with us. At the present time, I don't believe that we have let any contracts to that organisation, and I don't know much about them.

11900 The Hon. F. PANGALLO: You don't?

Mr BRAXTON-SMITH: No. They are a contractor to another government department.

11901 The Hon. F. PANGALLO: Can I take you to an area that I have had an interest in, which is the Barossa rail line, of which you would no doubt be aware. When the government called for expressions of interest for the use of this line, why wasn't there any disclosure that the line was going to be ripped up for the roundabout at Kroemer's Crossing?

Mr BRAXTON-SMITH: No, there wasn't a decision, a definite decision, at that point in time.

11902 The Hon. F. PANGALLO: There wasn't a decision. Why wasn't that disclosed in the initial tender?

Mr BRAXTON-SMITH: There wasn't a definite decision at that point in time, to answer your question. Government wanted to understand what the alternative uses might be and to have us provide advice on their viability before it made a final decision in relation to the Kroemer's Crossing project.

11903 The Hon. F. PANGALLO: Did you discuss that with the council and other interested parties that put in an expression of interest?

Mr BRAXTON-SMITH: There was a procurement process that was run. I didn't have any discussions with them myself.

11904 The Hon. F. PANGALLO: Or your department?

Mr BRAXTON-SMITH: I will have to take the question on notice because I can't recall if in the EOJ process there were any interviews conducted.

11905 The Hon. F. PANGALLO: The initial tender said that the value of this project would be about \$3.2 million with the rail line intact. Why did this suddenly change?

Mr BRAXTON-SMITH: I'm not aware of the details, so I'm not aware of that announcement.

11906 The Hon. F. PANGALLO: How much will that crossing now cost? I have seen some figures being bandied around, from the \$3.2 million to between \$4.5 million and \$6.1 million. What is it going to cost?

Mr BRAXTON-SMITH: I will need to take your question on notice because I don't have the knowledge of it. I would observe that if the project were over \$4 million, and I am happy to be corrected, but my understanding is that if it was to be over \$4 million it would go to the Public Works Committee. I'm not quite sure, though, if it has or hasn't gone, but I will take your question on notice as to the project costs as announced and I will establish how the final cost will be reported, because undoubtedly it will, if nowhere else then in budget papers.

11907 The Hon. F. PANGALLO: Why did the work go to an interstate company for that project?

Mr BRAXTON-SMITH: I beg your pardon?

11908 The Hon. F. PANGALLO: I believe it's a Sydney company, isn't it?

Mr BRAXTON-SMITH: Not to my knowledge, but it may well—I'm unaware of the ownership of each of the proponents, but they will have had an industry participation plan, so there will be local employment. There's a very strict procurement framework that sits around procurement. Industry participation is weighted and assessed by virtue of its local content and the local contribution to the economy that is made and local employment it provides.

11909 The Hon. F. PANGALLO: I have asked you this one before, and it again goes to the regional rail network. The One Rail contract that now has been entered into, what responsibilities will they have in maintaining those regional rail lines that are falling into disrepair?

Mr BRAXTON-SMITH: They are required to maintain something in the contract that is termed 'linear continuity'. So if a rail line is not used they can't use it for another purpose and in maintaining linear continuity they must maintain it in a safe condition. Exactly how you interpret 'safe' is a matter of interpretation and application of a standard, and we are working with them to establish what is, we say, a reasonable standard for the maintenance of a safe condition that attaches to the linear continuity requirements of the contract.

11910 The Hon. F. PANGALLO: Trees growing through the sleepers and that, is that an acceptable standard?

Mr BRAXTON-SMITH: If it's safe.

11911 The Hon. F. PANGALLO: Safe for what?

Mr BRAXTON-SMITH: If it's safe in terms of it represents no risk to the public.

11912 The Hon. F. PANGALLO: No risk to the public. What about the usage of that line? Isn't one of the terms of the contract that, if required, they need to be maintained to a standard that stock could be rolled onto it within a specified period of time? Isn't that correct?

Mr BRAXTON-SMITH: My understanding is that was the initial requirement of the contract, but is not—

11913 The Hon. F. PANGALLO: Initial?

Mr BRAXTON-SMITH: —the current requirement.

11914 The Hon. F. PANGALLO: What is the current one then?

Mr BRAXTON-SMITH: As I explained, it goes to linear continuity. It goes back to the period during which the transition was made. As I understand it, it was previously owned and operated by the commonwealth and the commonwealth constructed a set of contracts and handed the contracts and the ownership of the underlying land back to government on a set of terms.

Those terms, from 1997, required the maintenance of what was known as 'dormant condition' for a period of time, which is, as you describe, able to be opened within a two-week period to traffic, but the requirement for dormant condition, as I understand it and as I have been advised, has lapsed and now there is a requirement for what is known as linear continuity, which is maintaining it as a corridor in which at some future point, should the state so desire, rail operations can be started, but not with any deadline and not with any threshold as to the specific requirements, beyond that it is maintained in a safe condition.

11915 The Hon. F. PANGALLO: Can I just go to infrastructure? Infrastructure Australia recently released a list of major national priorities. There wasn't one from South Australia.

Mr BRAXTON-SMITH: There wasn't one new one.

11916 The Hon. F. PANGALLO: Why wasn't there?

Mr BRAXTON-SMITH: That's a question you would best direct to Infrastructure South Australia because Infrastructure South Australia is responsible for providing advice to government on the future infrastructure pipeline and what this government ought prioritise. What I can tell you is the Strzelecki Track is on the initiative list and we are advancing with the first 50 kilometres of that.

11917 The Hon. F. PANGALLO: Road maintenance contracts: again, I think 60 per cent of those contracts are going to a specific group of companies such as DM Roads, Fulton Hogan, Lendlease and Boral.

Mr BRAXTON-SMITH: That is 100 per cent of the contracts. There are four regions and, of the successful proponents you have described, DM Roads has two regions, Fulton Hogan has one, and the Boral joint venture has one.

11918 The Hon. F. PANGALLO: Are there any jobs that are tied to your department that will go because of this contract?

Mr BRAXTON-SMITH: We are currently consulting with the workforce we have, who currently provide maintenance services in some of the regions, about the future employment opportunities that they will have with the incoming contractors or, alternatively, the options for them should they choose to stay with the department.

11919 The Hon. F. PANGALLO: So you are negotiating as to whether they—

Mr BRAXTON-SMITH: Consulting. By virtue of the nature of the transaction, anyone who accepts a role with the incoming operator will have their current enterprise agreement copied over. They will retain their entitlement to participation in the superannuation SA scheme. All of their current entitlements will be handed over, transferred to the operator. They will have an employment guarantee for a three-year period.

11920 The Hon. F. PANGALLO: How many people are we talking about?

Mr BRAXTON-SMITH: I don't have the numbers with me. For those employees who express interest and then are offered and accept a role, that will be what happens for them. For those

who, for one reason or another, do not take a role with one of the incoming service providers, they will remain with government and will be subject to the triple R provisions.

The one important thing that hasn't been touched on is the fact that a number of those areas were already outsourced. The road maintenance was already partly outsourced. The previous government signed a contract. I can't remember exactly when; maybe Graeme does. What has happened now is the remaining areas that were performed by government are now going to be performed by specialist operators contracted from the private sector.

11921 The Hon. F. PANGALLO: Have those companies indicated to you how many of those government employees they would—

Mr BRAXTON-SMITH: They have provided information and our human resources team has communicated that to the workforce, but I don't have the information myself.

11922 The Hon. F. PANGALLO: You don't have numbers? Is it likely that all of them—

Mr BRAXTON-SMITH: Not me, but I am happy to take the question on notice as to how many positions are being offered. I can give you a couple of examples from areas I can remember. For example, we have 17 employees who do electrical maintenance in the suburban area—traffic lights, etc.—and I believe the incoming contractor will require 17 employees. But our employees have the choice of expressing interest and then stepping through a process or they have the choice of remaining with government and then subjecting themselves to triple R.

11923 The Hon. F. PANGALLO: I imagine this is something that your new spin department will probably be quite interested in: violence on public transport, Mr Braxton-Smith. We have had drivers who are being attacked, passengers being attacked physically, racially abused. It's actually been an ongoing issue even before your term here.

Mr BRAXTON-SMITH: Yes, some despicable behaviour.

11924 The Hon. F. PANGALLO: How is it going to be addressed?

Mr BRAXTON-SMITH: Well, there are already provisions in place.

11925 The Hon. F. PANGALLO: Such as? They don't seem to be working.

Mr BRAXTON-SMITH: Unfortunately and regrettably, behaviour of this nature is not new. Our statistics show that, over the medium term, it's about the same level as it has been, but obviously it's getting a lot of attention at the moment. We have physical measures on the buses, including alarms and CCTV cameras. They are not only on the buses but at key stations and locations. We have a privately contracted security provider who provides guards at fixed locations and mobile patrols which are deployed to higher-risk locations.

We also, after a long process of consultation with drivers, installed security screens on each of the buses, and that installation has just finished. Interestingly, I believe that that consultation dates back to pre-2017 when there was a driver survey taken to examine the preferences with respect to the design of the screen. We got a range of responses: no screen, full screen, partial screen, and indeed a cage.

The general consensus was that the drivers at the time did not like the cage design. Following recommendations from the TWU in February 2017 to the previous government, the previous government made the commitment to install three-quarter screens, which at the time everyone agreed was the most appropriate option. What has been done recently is we have accelerated the completion of that task, so that task is now complete.

11926 The Hon. F. PANGALLO: In I think one of the most recent ones, I think the driver reported that they had actually called for help and nobody turned up. Are you saying to me that all the buses, trams and trains have this security alarm system? Are they all fitted with those?

Mr BRAXTON-SMITH: I am not aware of the particular incident, but there are two emergency call buttons, one which sounds an audible alarm and displays an emergency 'call police' sign on the external destination signboard, and a silent alarm, which is your second alarm, which allows the radio control room to listen in and enables them to provide specific information to Wilson Security and the police.

If, as the event occurred, there was an issue with response, then that's a question best directed to the police. We've got one more button which actually allows the driver to mark the time on the CCTV system so that we can more quickly recover the footage. So there are significant security provisions on board buses already and the challenge we are dealing with is a broader issue of behaviour in the community.

11927 The CHAIRPERSON: Can security officers on public transport contact the police directly themselves?

Mr BRAXTON-SMITH: Security officers can, yes.

11928 The CHAIRPERSON: They can?

Mr BRAXTON-SMITH: Security officers can, absolutely.

11929 The CHAIRPERSON: They don't have to use the central model going through the phases you are talking about?

Mr BRAXTON-SMITH: I think there might be a bit of confusion. I think you might be referring to bus drivers.

11930 The CHAIRPERSON: Can bus drivers contact police themselves?

Mr BRAXTON-SMITH: Bus drivers under duress need to take one of the following actions: pressing buttons or call their operational control room.

11931 The CHAIRPERSON: So bus drivers can't contact the police directly?

Mr BRAXTON-SMITH: Having engaged about this with the operators, for whom the bus drivers work, they have operational protocols which they advise us are a better response to an emergency. They advise us it is a better response to an emergency where a driver is under duress precisely because the driver is under duress and, therefore, is unable to pick up the phone and dial 131 444 or 000 and answer a whole bundle of questions.

So, in the same way that, if I was under attack personally, I would say to my colleague, 'Help, quick, call the police,' my colleague would call the police whilst I was dealing with the duress situation that I was experiencing. My understanding is that that is in effect the operational arrangement that is in place between the companies that operate the bus services and their employees, and that is the typical protocol within the Australian industry.

11932 The CHAIRPERSON: Can bus drivers call police directly or would that be a breach of protocol? What is your understanding?

Mr BRAXTON-SMITH: A bus driver is always able to call police.

11933 The CHAIRPERSON: They are?

Mr BRAXTON-SMITH: Anyone can call the police at any time, but they have an operational protocol which is, to my knowledge, an industry standard where the control room calls the police. One of the reasons the control room calls the police is because they have GPS positioning data which tells the police precisely where the bus is, where a driver under duress is hardly likely to be able to look for the nearest street sign and say where his or her bus is.

11934 The CHAIRPERSON: Can security guards on public transport remove disruptive or violent passengers?

Mr BRAXTON-SMITH: Security guards have limited powers. They work very closely with the police, but the South Australian police have a police transport command and they have a deployment by which they deal with violent offenders.

11935 The CHAIRPERSON: Has there been a reduction in police on public transport in favour of private security operators?

Mr BRAXTON-SMITH: That would be a question to direct to the police commissioner.

11936 The CHAIRPERSON: Are you able to take it on notice and find this answer for us? I am sure it would be in your records somewhere.

Mr BRAXTON-SMITH: No, because I think that's a question you need to direct to the police commissioner. The police commissioner is responsible for the marshalling and direction of his forces and not me.

11937 The CHAIRPERSON: Just to be clear, can private security operators remove someone from public transport?

Mr BRAXTON-SMITH: Sorry, you want me to take on notice—

11938 The CHAIRPERSON: I gather the answer to that is no.

Mr BRAXTON-SMITH: I can't provide answers on behalf of the police commissioner, but maybe I have misunderstood your question.

11939 The CHAIRPERSON: Can private security operators who operate on public transport to keep people safe remove people who are being disruptive or violent towards others?

Mr BRAXTON-SMITH: I will take your question on notice.

11940 The CHAIRPERSON: Has this issue been raised with you before?

Mr BRAXTON-SMITH: Not directly in the manner which you have put to me, no.

11941 The CHAIRPERSON: But the issue in general, has it been raised with you before?

Mr BRAXTON-SMITH: We have had some discussions about appropriate security arrangements on board public transport.

11942 The CHAIRPERSON: Just quickly, for clarification, the Hon. Mr Pangallo asked quite a detailed series of questions on the—

Mr BRAXTON-SMITH: Sorry, just in relation to your previous question, could I just hand briefly to Anne, who I think can provide the evidence that you are seeking.

Ms ALFORD: It's my understanding that Wilson Security can remove passengers, particularly from rail services.

11943 The CHAIRPERSON: They can?

Ms ALFORD: Yes, if they are being disruptive.

11944 The CHAIRPERSON: In terms of the questions the Hon. Frank Pangallo asked on the rail line at the Barossa, are you aware, as part of that expression of interest that the Hon. Mr Pangallo asked about earlier to identify the best use of the rail corridor, did that include rail or other uses? Was that the original expression of interest that went out?

Mr BRAXTON-SMITH: That's my recall of it, yes.

11945 The CHAIRPERSON: So specifically asked about the use of rail as that expression of interest?

Mr BRAXTON-SMITH: Rail or other uses, in that there were some—

11946 The CHAIRPERSON: Why weren't any of those expressions of interest successful?

Mr BRAXTON-SMITH: None of them represented a sufficiently attractive or feasible proposal to the state for the use of the corridor.

11947 The CHAIRPERSON: Were there any that did not require further state money to be invested?

Mr BRAXTON-SMITH: The proposals were not specific in relation to the quantum of state money required, but it could be reasonably interpreted from each of them that some amount of spend would be required by the state in order to deliver the outcomes which the proponent had sought to put to the state for consideration.

11948 The CHAIRPERSON: Was that advice your department provided to the minister? Because I think the minister made a comment at the time that substantial amounts of state money would be required with each of the proposals.

Mr BRAXTON-SMITH: That was our assessment of what was being proposed, yes.

11949 The CHAIRPERSON: Are you able to provide to the committee then that advice that was provided to the minister and the basis on which it was formed?

Mr BRAXTON-SMITH: I will take the question on notice as to what is appropriate to provide, having regard for the probity of the process and the confidentiality of the proponents' proposals.

11950 The Hon. J.A. DARLEY: Didn't Chateau Yaldara offer a substantial amount of money?

Mr BRAXTON-SMITH: Not to my knowledge.

11951 The Hon. F. PANGALLO: It's Chateau Tanunda, Mr Darley. In fact, all they asked for was—basically the terms of that contract on the rail corridor—that it be brought up to a standard for a heritage railway, and they were prepared to kick in the rest.

11952 The CHAIRPERSON: Are you aware of that proposal?

Mr BRAXTON-SMITH: My response to that would be that that would require a substantial investment of state money.

11953 The CHAIRPERSON: I think you talked about Genesee & Wyoming being responsible to maintain lines.

Mr BRAXTON-SMITH: Incorrect. They are now responsible to maintain linear continuity.

11954 The CHAIRPERSON: Have you had any discussions yourself with any of the proponents from that expression of interest?

Mr BRAXTON-SMITH: I had subsequent representations from Mr Geber, who is I believe the owner of Chateau Tanunda, and those representations probably both predate and postdate that. Mr Geber was unhappy and subsequently sought to take the department to court to press his case. The Supreme Court found against Mr Geber, dismissed his case and awarded costs against him in government's favour.

11955 The CHAIRPERSON: Just to be clear, you will attempt to provide to the committee the advice that was provided stating that all these proposals would have substantial amounts of taxpayer funds attached to them.

Mr BRAXTON-SMITH: I will seek advice as to what is appropriate to release, and I will provide that information to the committee as a question on notice.

11956 The CHAIRPERSON: Were you disappointed that a use couldn't be found for the rail assets in the Barossa?

Mr BRAXTON-SMITH: I think that's an unusual question. I was not surprised.

11957 The CHAIRPERSON: Do they do these sorts of things anywhere else in Australia—a tourism offering with rail lines—that you are aware of?

Mr BRAXTON-SMITH: Well, Mr Geber makes much of an operation in the far north of New South Wales, in Byron Bay, where there's a solar-powered train, but I know nothing of the detail of that and was not at all involved in it during my time at Transport for NSW.

11958 The CHAIRPERSON: Did anyone from the department seek to clarify how that would work if it was being put as—

Mr BRAXTON-SMITH: Well, it wasn't the proposal that was put to us.

11959 The Hon. N.J. CENTOFANTI: Thanks, Mr Braxton-Smith, for your time this morning. I understand that the majority of our public transport services are already outsourced. Can you please provide some details about how long the provision of bus services has been outsourced, when those contracts were signed and also perhaps provide an update on the recent outsourcing of tram services in July and how they've gone?

Mr BRAXTON-SMITH: Thank you for the question. To my knowledge, there was during the 1990s a trial of the outsourcing of bus services which led to a decision to outsource the entire metropolitan bus network in around the year 2000. There was a paper that is well known in public transport circles, known as the Thredbo Series, which analyses that in great detail and finds that it produced for the state great benefits in terms of savings achieved, efficiency of network, a better deal for the taxpayer by any measure.

Those contracts were renewed, to my knowledge, in 2005 and 2011. They were then extended in 2015 before we proceeded with the procurement process in late 2018, beginning of 2019. The procurement process, again this is something that has been well established and has worked well and no-one has sought to undo or change, so in the latest round we took the opportunity to further refine the settings, particularly the contractual settings, because the contractual settings in 2011 had produced some very perverse outcomes with the way that the network was being managed.

In particular, they inserted a very strong KPI framework around penalties that applied for late running, which produced the perverse behaviour that bus operators would slow the network to operate all day round as if it were a traffic jam—sorry, not a traffic jam, as if it were peak traffic and, if they were running ahead of schedule, they would park outside the boundary of the city for several minutes so that they didn't arrive early because they were going to be penalised for it.

We managed to remove that and insert a different performance regime that encourages the bus operators, particularly during peaks, to run as quickly as reasonably practicable to get people to work but still encourages on-time performance when required.

As was recently announced, we actually already have tightened up the bus timetables by a matter of minutes here and there. Of course, some people say that it's only a minute here or there, but in transport minutes matter—every minute matters—and that's how economically you monetise any transport benefits. We have already, from the new contracts, provided benefits in terms of minutes saved to our customers on the new bus network. As I previously said in my opening remarks, we have transitioned seamlessly to the new outsourced rail operator for the tram services, and that occurred on 5 July.

11960 The Hon. N.J. CENTOFANTI: Just in regard to the lose-fee payments, are you able to take on notice and bring back to the committee any lose-fee payments made to unsuccessful bidders over the last 10 years?

Mr BRAXTON-SMITH: I can certainly take it on notice. I think we prefer to refer to them as bid-cost contributions. It is a standard practice in the industry for all manner of procurements, not just infrastructure; it's also for service contracts, and particularly on the eastern seaboard it is used a number of times to assist bidders with a very heavy impost that government places on them, of putting many months of time and effort and resource into putting forward a concept for the state to consider.

The state always purchases the intellectual property that's been put forward by the unsuccessful proponent and therefore can utilise that intellectual property to the benefit of the state. So, bid-cost reimbursement, partial bid-cost reimbursement, as I said in my opening remarks—up to \$2 million on Darlington, for instance, when that contract was let in 2015. They have provided me with a list, but I will provide the full list on notice as to the various projects where there has been purchase of intellectual property from an unsuccessful tenderer.

11961 The Hon. N.J. CENTOFANTI: Just finally with respect to the north-south corridor, how much, if any, planning work had been done on the Torrens to Darlington section prior to you coming into your role?

Mr BRAXTON-SMITH: To my knowledge, between 2011 and 2014 the then government spent over \$50 million on desktop studies, planning studies, that used available information to them to look at various options for the completion of different parts of the corridor. Within that, there was a concept plan for Torrens River to Darlington, so three years to develop a concept plan, but to my knowledge nothing further was done. Indeed, when we were asked by government to examine options, we went back to the reference case, that initial concept plan, and when we ran it through traffic modelling we found that it didn't function, and we needed to modify the concept plan for it to function as a reference case for an at-grade motorway.

The answer to your question is: at least three years, and possibly my understanding is that there were a couple of years before that where some studies were being done as well. But, as I say, when we inherited that and when we opened it up and had a look at it, it wasn't a feasible traffic solution. On traffic modelling, it provided significant disbenefits.

11962 The Hon. J.S. LEE: Thank you, Mr Braxton-Smith. In your opening statement you spoke about South Australia embarking on the biggest spend in infrastructure projects. Progress is really important, particularly during this COVID pandemic. Can you outline some examples of the quantum and the scope of upcoming projects over the next 12 months compared with what had happened in 2016?

Mr BRAXTON-SMITH: Thank you for your question, Ms Lee. There is an extraordinary range of projects that we are in various stages of readiness for delivery. Having secured the funding I think in about May last year, we have been doing a lot of planning work behind the scenes, but in the next 12 months we have already started the procurement and we will be full on into delivery come next year.

Just to give you an outline, there are 10 metro intersections where we will be performing congestion busting works, intersection upgrades. We have already announced, for example, at Ovingham level crossing the contract has been awarded, and there are a number of other key intersections around Adelaide suburban corridors, key suburban corridors.

On the rural road corridors we have the Victor Harbor Road, the duplication of Main South Road stage 1, where we will be going to market shortly, and Flagstaff Hill Road, where we are currently in market. We also have a separate package called Safe Country Roads, which is, again, Victor Harbor Road, Long Valley Road, the Lincoln Highway and Riddoch Highway. There are overtaking lanes being installed and shoulder sealing to be done. There are eight country roads where government made a commitment to increase the speed limits and we are well advanced in that work, one of them is, I think, already or just about to be opened, but Andamooka Road, Browns Well Highway, Carpenter Rocks Road and others.

We have some substantial enhancements to our key regional and rural corridors, both for productivity and safety, including on Eyre Peninsula, the Princess Highway, the Barrier Highway, the Sturt Highway, the Horrocks Highway and Kroemer's Crossing. Then, we have some focused localised works. Kroemer's Crossing is currently in construction. The Penola northern bypass recently finished. The Nairne intersection is about to go to the next stage, and Woodside.

We are in the APY lands, where the department has been for some period of time, but I am pleased to report that we are accelerating the delivery now of the remaining roads works in the APY lands. Then, of course, we have Port Wakefield bypass and at Port Augusta the Joy Baluch Bridge duplication.

In addition to that, earlier this year government announced some stimulus projects. We have some improvements to make to the Heysen Tunnels and some other works on the South Eastern Freeway. We are upgrading the north-south freight corridor around the back of the Hills to accept heavier vehicles. We have regional roads packages of works, all of which have to be completed in this financial year, which will include pavement repair, vegetation clearing and line marking on sections of the Stuart Highway, the Dukes Highway, the Riddoch Highway, the Yorke Highway, the Copper Coast Highway, the Victor Harbor Road again, the Thiele Highway, the Minlaton Road, the Spencer Highway and the Maitland Road. There are going to be works in each of those locations in the next 12 months.

We are just about through sealing The Adventure Way. The government has announced that we are actually going to be starting the works on the first 50 kilometres of the Strzelecki Track, which again we will be doing this financial year. I think I have already mentioned Long Valley Road, we got some additional stimulus funds for that and some money for the Dukes Highway.

We have a range of targeted safety treatments that we will be doing principally on regional roads, to do with audio tactile line markings to prevent run-off roads, or reduce the risk of run-off road crashes. We are improving road lighting at key regional roads and rural intersections, roadside barrier systems and at key safety blackspots that have yet to be funded we are installing

some variable speed limit signs, and that is us in our own right as the Department of Planning, Transport and Infrastructure.

That is the works program that we have ahead of us in the next 12 months. That is where we will be going to lots of different localities, lots of different communities where we will be digging up the road and doing roadworks. I know they will be vitally interested in what's going on, what the benefits are and they will want to let us know what their concerns and interests are and make sure that we address them.

That is why I have set up our public affairs unit and why I have put someone focused specifically on building a team that deals with those infrastructure and transport projects, because it is going to be bigger than it's ever been before for South Australia.

11963 The Hon. J.A. DARLEY: Could you elaborate on two areas? First of all, the section of the South Eastern Freeway between Crafers and Stirling, what is happening there? It's my concern for the long-suffering Hills residents, whenever I go through that area on the way to Victor Harbor, that not much is happening at all.

Mr BRAXTON-SMITH: On the South Eastern Freeway?

11964 The Hon. J.A. DARLEY: Yes.

Mr BRAXTON-SMITH: The South Eastern Freeway is a very important arterial route because it's also on the National Land Transport Network, which means that any works we do there must be done in a way that minimises the impact on the freight task, both for South Australia and nationally. At the moment, we are undertaking a project which is known as a managed motorways project.

In essence, it's a process that's been used in other jurisdictions around Australia where you use the existing road, that is the shoulder lane or the emergency lane, and you upgrade the pavement standard to be that of the main road—of the principal operating lanes—and then you install technology called ITS (intelligent transport systems), which give you variable speed signs and other controls to open and close lanes. What that does in effect is reduce congestion and improve the capacity for flow, particularly in high-demand periods, so it makes better use of the existing road surface.

11965 The Hon. J.A. DARLEY: What about the Victor Harbor Road?

Mr BRAXTON-SMITH: On the Victor Harbor Road, we are about to go to procurement for that in a month or two's time and we are about to commence community consultation. This is the Victor Harbor Road duplication through to McLaren Vale from the turn-off. It's proceeding in accordance with the government's announced schedule. Community consultation will be soon.

We have done a lot of design work and options analysis as to the key intersections along there and how best to treat them. If you remember going along there, there are some quite sharp grades and drop-offs—for instance, Quarry Road and Robinson Road—and that takes some design to be able to widen the road, minimise the impact on the community and provide motorists with the benefit of a freer flowing road with a higher speed.

11966 The Hon. J.A. DARLEY: There is nothing between Willunga Hill and Victor Harbor.

Mr BRAXTON-SMITH: Between Willunga Hill and Victor Harbor there is an extensive number of passing lanes already and, at this stage, nothing further committed because the focus and the priority has been on duplicating from the existing turn-off through to McLaren Vale.

11967 The Hon. J.A. DARLEY: In terms of the Horrocks Highway, is it true that the department has approved a massive roundabout in the middle of a major freight route to the north just before Roseworthy—

Mr BRAXTON-SMITH: A roundabout at Roseworthy?

11968 The Hon. J.A. DARLEY: —on technical grounds but not on planning grounds?

Mr BRAXTON-SMITH: Not to my knowledge. I don't have any awareness of the particular issue but let me take the question on notice.

11969 The CHAIRPERSON: Are there any other final questions or questions on notice?

11970 The Hon. F. PANGALLO: I will put some questions on notice to Mr Braxton-Smith. I think I have asked you this one before and I don't think we have received an answer. Regarding Portrush Road, does the department have modelling that shows it will deliver \$600 million to \$700 million in benefits to the state? Have all the acquisitions been completed on that?

The Northern Connector expressway: there have been complaints about the noise level on a particular stretch of that expressway between Waterloo Corner Road and Bolivar Road by a number of residents who were promised soundproofing and didn't get much. I understand the department has conducted sound monitoring on that. Can DPTI provide the committee with the results of that monitoring?

Mr BRAXTON-SMITH: I will take the questions on notice. My recall is that we did take some questions on notice and I thought that we had provided the responses previously, but let me go back and I will confirm to you and answer the outstanding questions. I would point out, in relation to the residents on the Northern Connector, they were offered a choice of treatments and the treatments were by the residents' choice.

11971 The Hon. F. PANGALLO: They will dispute that, Mr Braxton-Smith, and I wouldn't think that a Colourbond fence constitutes soundproofing or a cyclone fence. Perhaps I can suggest that your new spin department go out there and see for themselves. I have been out there twice and experienced excruciating noise levels. You can't even hear yourself talking to somebody when traffic is going past at 110 km/h. I understand that your department has conducted recent noise monitoring there but those residents will dispute the level of soundproofing that was offered to them.

Mr BRAXTON-SMITH: Thank you for escalating the matter to me, Mr Pangallo. I will take an interest in it.

11972 The Hon. F. PANGALLO: Thank you for taking our questions today. Finally, on Kroemer Crossing, can you clarify what the cost is going to be? I am just going through some documentation here on the initial tender documents that state—and this was on 25 February—that the tender price was \$3.233 million and what it is now.

Mr BRAXTON-SMITH: Subsequent to the letting of the contract, there was a delay in the commencement of works by reason of the ultimately unsuccessful court action taken by Mr Geber and his interests. As a consequence of that, the state has faced additional claims for costs and that may well be a contributing factor.

11973 The Hon. F. PANGALLO: \$3 million?

Mr BRAXTON-SMITH: I don't have the number, but I will provide you with the additional information.

11974 The Hon. F. PANGALLO: According to Mr Knoll and the statement he made a month after this, the crossing was going to cost \$6 million. This was before even the court action.

Mr BRAXTON-SMITH: I will take the question on notice.

11975 The Hon. F. PANGALLO: Okay, thank you.

11976 The CHAIRPERSON: As we are finishing up, Mr Braxton-Smith, will you be able to supply copies, for the benefit of the committee, of all the briefings that the incoming minister received as new-minister briefings?

Mr BRAXTON-SMITH: That's an unusual request, isn't it, Mr Maher?

11977 The CHAIRPERSON: No, not at all. These requests are often made. Will you take that on notice and, if you can't supply them, let us know why you think you can't?

Mr BRAXTON-SMITH: I will take the question on notice.

11978 The CHAIRPERSON: Have we missed any other New South Wales consultants? Are there any more members of the \$1 million Sydneyside boys club of your former colleagues that we haven't canvassed today?

Mr BRAXTON-SMITH: Mr Maher, that's a rather derogatory statement to make. Would you like to rephrase your question?

11979 The CHAIRPERSON: Can you supply to the committee perhaps copies of all the documentation for any further single-source procurements initiated or approved by you and any details of any knowledge or past working or other relationships you have with those individuals?

Mr BRAXTON-SMITH: So you are seeking—

11980 The CHAIRPERSON: Single-source procurements.

Mr BRAXTON-SMITH: —other single-source procurements that have been conducted by the department at my authorisation?

11981 The CHAIRPERSON: Initiated or approved by you.

Mr BRAXTON-SMITH: Initiated or approved by me, that involve a person who was formerly a colleague or just—

11982 The CHAIRPERSON: We will just cut it at initiated or approved by you, full stop.

Mr BRAXTON-SMITH: A former colleague or everyone?

11983 The CHAIRPERSON: Everyone.

Mr BRAXTON-SMITH: Okay.

11984 The CHAIRPERSON: And then, if they are a former colleague, that would be a useful annotation to make on the information you supply to us. There being no further questions and no further requests for things to be taken on notice, thank you for being here today. It is always illuminating to have the transport department here. It is a very big department and provides essential services to this state, so we thank you for your time. As I stated, a transcript of your evidence will be forwarded to you for any corrections, and once that's received it will replace the copy that goes up on our website. With that, thank you again for being here today.

Mr BRAXTON-SMITH: Thank you.

THE WITNESSES WITHDREW



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Ms Leslie Guy  
Secretary to the Committee  
Budget and Finance Committee  
Legislative Council  
Parliament House  
North Terrace  
ADELAIDE SA 5000

Dear Ms Guy

I write in relation to my appearance before the Budget and Finance Committee on Tuesday 25 August 2020. As requested at the hearing, I provide the attached responses to questions taken on notice.

At paragraph 11850 to 11872 questions were taken on notice in relation to the Adelaide Rail Transformation Program. We refer to my opening remarks.

*'The procurement process for the trains remains in progress and a contract award is yet to be made. Section 39 of the Passenger Transport Act requires the department to prepare a report on the procurement process and the contract and to provide that to parliament and the Auditor-General 14 days after contract award. The Act then requires the Auditor-General to examine the probity of the process that led up to the award of the contract and the contract itself. As the Auditor-General has made abundantly clear to us in his recent audit of the award of contracts for buses and trams, there are very strict probity and confidentiality requirements for the procurement process that arise out of the State Procurement Act. Accordingly, today, we will take on notice any question that goes to the procurement process or to commercial arrangements or any other matters that are currently the subject of the procurement for the outsourced rail operations. We will be pleased to provide the answer then to those questions on the release of the report.'*

Responses to those remaining questions will be provided accordingly.

Yours sincerely

Tony Braxton-Smith  
Chief Executive

15 September 2020

Enc

**DEPARTMENT FOR INFRASTRUCTURE AND TRANSPORT**

**LEGISLATIVE COUNCIL BUDGET AND FINANCE COMMITTEE**

**25 AUGUST 2020 HEARING QUESTIONS ON NOTICE**

**BUS AND TRAM CONTRACT – AUDITOR-GENERAL’S REPORT**

Refer draft HANSARD page 1407 to 1421, number 11739 to 11872

In reply to the **Hon K J Maher MLC** who asked the following:

11739 *Was your advice that it would be better if the minister not attend that meeting?*

*MR BRAXTON-SMITH: The written advice that the department provided was to the effect that it would be preferable not to meet with them for the purpose of discussing anything in connection with -*

11740 *Are you able to provide a copy of that advice for the benefit of the committee?*

Answer: As per page 73 of the Auditor-General’s Report – Passenger transport service contracts: Bus and light rail, I confirm my recommendation to the Minister was to note the information provided and consider cancelling the meeting due to the increased probity risk resulting from the imminent tender for Adelaide metropolitan bus service contracts.

11747 *The CHAIRPERSON: You provided written advice to the minister, is your evidence today, not to meet with Keolis Downer during the rail privatisation project but, when there was the bus and tram privatisation project, you don't remember if you provided similar advice. Why is that?*

*Mr BRAXTON-SMITH: I'm sorry, your question is a little confusing. If I answer it in two parts, in relation to bus and tram, shortly after I joined the department a note was drafted to the minister, which I signed through, advising not to meet with Keolis Downer for the purpose of discussing matters connected with the tram and bus procurement. That was signed through in December of 2018. The minister subsequently chose to proceed with the meeting, and I attended the meeting to ensure that no matters were discussed that could cause issues for the process of procurement. As the Auditor-General has since helpfully pointed out to me, notwithstanding that that practice is adequate in New South Wales where I had worked for seven years, here the Auditor-General's preference is that there is a written record kept at the meeting. In relation then to the visit to Newcastle, I had urged the minister to go and look at Newcastle for the purpose that I have explained previously. On that occasion, it was to look at the Newcastle control room for tram and bus operations—to look at an integrated control room—as well as to visit the alignment and have a look at the urban development and, I might add, as I think I said at the time, we met with the mayor to talk about how urban uplift had been managed in association with light rail and development. On that occasion, no written advice was provided. On that occasion, I stayed with the minister at all times using the practice which, at the time, I understood to be the appropriate practice, which was to ensure that there was no conversation that occurred in relation to any procurement process that the state might be undertaking. I did keep handwritten notes in a*

*notebook, which I have since shown the Auditor-General, which very clearly demonstrates that, in true transport nerd fashion, I was keeping notes about the operation of the transport system in Newcastle during the course of the conversation, which was the substance of the conversation we had.*

11748 *Are you able to provide those notes also to the committee, the ones you provided to the Auditor-General?*

Answer: My hand-written notes, along with a typed-up translation, are attached.

11749 *The CHAIRPERSON: That would be great. A translation with the notes would be most helpful. The Auditor-General's Report on page 74, I think it is section 11.3.3, talks about one meeting with a potential proponent where only one state representative attended the meeting. Who was the state representative who attended the meeting outlined on page 74 of the report?*

*Mr BRAXTON-SMITH: My understanding is that that is a reference to the meetings that I attended with the minister. For some curious reason, that I don't understand, the Auditor-General would seem to have not counted the minister as a state representative.*

11750 *Who was that meeting with that you recall being with the minister at, because the Auditor-General is very clear that there was only one state representative?*

Answer: The meeting to which the Auditor-General refers was on 21 November 2018 between myself and Rene Lalande, who was at the time the CEO, Transdev.

25.06.19

NEWCASTLE

FERRIES & LIGHT RAIL (6 WITS); 105 BUSES;  
ON DEMAND TRAIL NOW SUBSTITUTING FOR FIXED ROUTE

JULY 17: STRIP; JAN 18'S PROPOSED NETWORK;  
JULY 18: RECEIVED NETWORK; FEB-19 LR START.  
4,000 OPD ON LIGHT RAIL; 4 INFRA; 1 MTS SPACE;  
7.5 MIN FREQUENCY.

TWEEKLY ROUTE PATTERN + TIT'S FOR CONNECTIONS  
WITH TRAIN; FERRY.

ON DEMAND: LOW PATRONAGE ON 1 HOUR  
FREQUENCY; REDUCED TRIPS IN INTERPEAK.

BB 0512 10-15 MINS COACH-CORNER  
ON DEMAND @ \$3.20. ISSUES ON VEHICLE'S  
DDA COMPLIANCE; P2P LEVIT, BUS STOP USE,  
DRIVER DEPLOYMENT, BOM DSO, RIM  
FOR OPERATION OF DAIL (STEVE FORD)

~~TRAIN CONNECTION~~

AV CAN BE TO OPERATE AS SHUTTLE; FROM LT. DAIL  
TEAMING TO BEACH. NASHA

2,300 BUS STOPS; DESIGN NETWORK WITH

25.06.19

MORE DIRECT ROUTES; FASTER JOURNEY TIME.  
3 ROUTE CATEGORY: FREQUENT, STANDARD  
AND TAILORED. SIMPLIFIED TO MAKE IT  
EASIER TO UNDERSTAND.

STANDARD 7-10 AM 30-60  
TAILORED " " 1-12  
FREQUENT 5-1 AM 15-30

'TRAVEL CONCERNS' -> TO ASSIST WITH  
TRANSIT-TRIP PERIOD.

185 BUSES; 22 ROUTES; 142 20m N-S;  
45 mins E-W; RUNNING 140 STOPS/TRAIPS  
PLD BY OUTSIDE OF NETWORK;

25.06.19

Newcastle

Ferries; Light Rail (6 units); 185 Buses; On Demand trial now substituting for fixed route.

July 17 – start; Jan 18 – redesigned network; July 18 – Refined network; Feb 19 – Light Rail start.

4,000 persons per day on light rail; 4 in peak; 1 hot spare; 7.5 minute frequency.

Tweaking route pattern and T/Ts (timetables) for connecting with train, ferry.

On Demand: low patronage services on 1 hour frequency, reduced trips in interpeak.

On Demand avail 10-15 mins corner to corner.

On Demand at \$3.20. Issues on vehicle: DDA compliance, Point to Point Levy, bus stop use, driver deployment.

Both RSO (Rail Services Operator) and RIM (Rail Infrastructure Manager) for operation of light rail (Steve Ford)

AV going to operate as shuttle; from light rail. Terminus to beach. Navya.

2,300 bus stops, design network with

25.06.19

more direct routes, faster journey time.

3 route category: frequent, standard and tailored. Simplified to make it easier to understand.

Standard	7 – 10pm	30 – 60 mins
Tailored	7 – 10pm	1 hour
Frequent	5 – 1am	15 – 30 mins

‘Travel concierge’ – to assist with transition period.

185 buses; 22 routes; 1 hour 20 min north-south; 45 mins east-west; running 140 scheduled trips per day outside of public transport network.

**DEPARTMENT FOR INFRASTRUCTURE AND TRANSPORT**  
**LEGISLATIVE COUNCIL BUDGET AND FINANCE COMMITTEE**  
**25 AUGUST 2020 HEARING QUESTIONS ON NOTICE**

**REFORM PROGRAMS - EXECUTIVE EMPLOYMENT**

11775 *Mr Braxton-Smith, we have heard that you contacted your former colleague Mr Gammie and asked him would he be prepared to do this work, and then there was a process that went on in the department.*

*Mr BRAXTON-SMITH: No, to correct the point, I contacted him to ascertain if he was available.*

11776 *The CHAIRPERSON: And he told you he was available?*

*Mr BRAXTON-SMITH: Correct.*

11777 *The CHAIRPERSON: And then did you instruct your department to start negotiating with your former colleague from New South Wales?*

*Mr BRAXTON-SMITH: I directed the department to prepare some documentation and to undertake a sole source procurement.*

11778 *Who signed off on that eventual contract once it was finalised?*

Answer: Brian Roche, Director Project Procurement & Contracts

11780 *Who signed off on the PR100, the authorisation to not go to public tender for a contract with \$1.4 million?*

Answer: I did.

11804 *So Mr Peter Andrews—at \$1.075 million is his engagement with the department; does that sound about right?*

Answer: Yes, this was published on the Tenders SA website on 12 June 2020.

11844 *The CHAIRPERSON: I am reading headlines from New Zealand in 2018: 'Wrongly warranted car crash causes death', 'NZTA shares blame'. Much of the transport industry were critical of the restructure moves that Mr Gammie introduced, that they blamed for the gutting of the agency expertise, leading to lax enforcement of transport regulations. And also reports of staff painting a picture of demoralisation and chaos within that department. Were you aware of any of these reports when you approached and then got your department to appoint Mr Gammie?*

*Mr BRAXTON-SMITH: As I have said to you, clearly I don't read the New Zealand newspapers. And as I said to you, what was relevant to me was a very strong track record of successfully managing project directing, outsourcing projects. In relation to Mr Gammie's departure from New Zealand, I am aware that he was accountable for resolving a longstanding issue, a longstanding regulatory issue, and he went about doing that in accordance with his responsibilities. But ultimately his board of governance chose to make a decision that resulted in Mr Gammie resigning. So you can talk to Mr Gammie about that if your purpose here is to try and—*

11845 *The CHAIRPERSON: My purpose is to ask you if you were aware of these issues when you made the decision to make the appointment.*

*Mr BRAXTON-SMITH: I was not aware of any of the details of the matter that led to Mr Gammie's resignation, simply that he had returned to Australia and I was curious to understand as to what work he was doing. I had heard, on making inquiries, that he was back in Australia, and potentially looking for an assignment, which was what led me to make the call and check if he was available, and he was.*

11846 *The CHAIRPERSON: To be very clear, Mr Braxton-Smith, you have said you were not aware, and did anyone bring any of these issues to your attention during the process where you asked for him to be appointed to the position?*

*Mr BRAXTON-SMITH: Not that I recall.*

11847 *The CHAIRPERSON: Can you check to see if anyone made you aware?*

Answer: I confirm no-one brought these matters to my attention.

**DEPARTMENT FOR INFRASTRUCTURE AND TRANSPORT**  
**LEGISLATIVE COUNCIL BUDGET AND FINANCE COMMITTEE**  
**25 AUGUST 2020 HEARING QUESTIONS ON NOTICE**

**PUBLIC AFFAIRS DIRECTORATE**

- 11827 *What level is the engagement of this position at?*  
*Mr BRAXTON-SMITH: Senior Executive Service level 1.*
- 11828 *The CHAIRPERSON: What sort of salary range does that entail?*  
*Mr BRAXTON-SMITH: Those are published on the relevant website.*
- 11829 *The CHAIRPERSON: There might be one of your colleagues who can help you with that.*  
*Mr BRAXTON-SMITH: Sorry?*
- 11830 *The CHAIRPERSON: One of your colleagues might have those to front of mind if you don't.*  
*Mr BRAXTON-SMITH: Senior Executive Service 1B?*
- 11831 *The CHAIRPERSON: How much?*  
*Mr BRAXTON-SMITH: I don't know.*
- 11832 *The CHAIRPERSON: None of your officials have any idea how much?*  
*Mr BRAXTON-SMITH: Well, none of them are from the human resources department and not many of us carry around that entire salary band table from the senior executive service, so the answer to your question is no, we don't have that information to hand. We will take the question on notice.*

Answer: The bandwidth for SAES1 is \$167,29 - \$257,291.

- 11835 *Just jumping back to Mr Ockenden, what was the date of the appointment that you decided to make?*

Answer: Mr Ockenden's contract date and therefore appointment date was on 4 August 2020. Mr Ockenden's commencement date was 10 August 2020.

**DEPARTMENT FOR INFRASTRUCTURE AND TRANSPORT**  
**LEGISLATIVE COUNCIL BUDGET AND FINANCE COMMITTEE**  
**25 AUGUST 2020 HEARING QUESTIONS ON NOTICE**

**KROEMER'S CROSSING**

**Context from Hansard**

11901 The Hon. F. PANGALLO: Can I take you to an area that I have had an interest in, which is the Barossa rail line, of which you would no doubt be aware. When the government called for expressions of interest for the use of this line, why wasn't there any disclosure that the line was going to be ripped up for the roundabout at Kroemer's Crossing?

Mr BRAXTON-SMITH: No, there wasn't a decision, a definite decision, at that point in time.

11902 The Hon. F. PANGALLO: There wasn't a decision. Why wasn't that disclosed in the initial tender?

Mr BRAXTON-SMITH: There wasn't a definite decision at that point in time, to answer your question. Government wanted to understand what the alternative uses might be and to have us provide advice on their viability before it made a final decision in relation to the Kroemer's Crossing project.

11903 The Hon. F. PANGALLO: Did you discuss that with the council and other interested parties that put in an expression of interest?

Mr BRAXTON-SMITH: There was a procurement process that was run. I didn't have any discussions with them myself.

11904 The Hon. F. PANGALLO: Or your department?

Mr BRAXTON-SMITH: I will have to take the question on notice because I can't recall if in the EOI process there were any interviews conducted.

11905 The Hon. F. PANGALLO: The initial tender said that the value of this project would be about \$3.2 million with the rail line intact. Why did this suddenly change?

Mr BRAXTON-SMITH: I'm not aware of the details, so I'm not aware of that announcement.

11906 The Hon. F. PANGALLO: How much will that crossing now cost? I have seen some figures being bandied around, from the \$3.2 million to between \$4.5 million and \$6.1 million. What is it going to cost?

Mr BRAXTON-SMITH: I will need to take your question on notice because I don't have the knowledge of it. I would observe that if the project were over \$4 million, and I am happy to be corrected, but my understanding is that if it was to be over \$4 million it would go to the Public Works Committee. I'm not quite sure, though, if it has or hasn't gone, but I will take your question on notice as to the project costs as announced and I will establish how the final cost will be reported, because undoubtedly it will, if nowhere else then in budget papers.

11944 The CHAIRPERSON: In terms of the questions the Hon. Frank Pangallo asked on the rail line at the Barossa, are you aware, as part of that expression of interest that the Hon. Mr Pangallo asked about earlier to identify the best use of the rail corridor, did that include rail or other uses? Was that the original expression of interest that went out?

Mr BRAXTON-SMITH: That's my recall of it, yes.

11945 The CHAIRPERSON: So specifically asked about the use of rail as that expression of interest?

Mr BRAXTON-SMITH: Rail or other uses, in that there were some—

11946 The CHAIRPERSON: Why weren't any of those expressions of interest successful?

Mr BRAXTON-SMITH: None of them represented a sufficiently attractive or feasible proposal to the state for the use of the corridor.

11947 The CHAIRPERSON: Were there any that did not require further state money to be invested?

Mr BRAXTON-SMITH: The proposals were not specific in relation to the quantum of state money required, but it could be reasonably interpreted from each of them that some amount of spend would be required by the state in order to deliver the outcomes which the proponent had sought to put to the state for consideration.

11948 The CHAIRPERSON: Was that advice your department provided to the minister? Because I think the minister made a comment at the time that substantial amounts of state money would be required with each of the proposals.

Mr BRAXTON-SMITH: That was our assessment of what was being proposed, yes.

11949 The CHAIRPERSON: Are you able to provide to the committee then that advice that was provided to the minister and the basis on which it was formed?

Mr BRAXTON-SMITH: I will take the question on notice as to what is appropriate to provide, having regard for the probity of the process and the confidentiality of the proponents' proposals.

11950 The Hon. J.A. DARLEY: Didn't Chateau Yaldara offer a substantial amount of money?

Mr BRAXTON-SMITH: Not to my knowledge.

11951 The Hon. F. PANGALLO: It's Chateau Tanunda, Mr Darley. In fact, all they asked for was—basically the terms of that contract on the rail corridor—that it be brought up to a standard for a heritage railway, and they were prepared to kick in the rest.

11952 The CHAIRPERSON: Are you aware of that proposal?

Mr BRAXTON-SMITH: My response to that would be that that would require a substantial investment of state money.

11953 The CHAIRPERSON: I think you talked about Genesee & Wyoming being responsible to maintain lines.

Mr BRAXTON-SMITH: Incorrect. They are now responsible to maintain linear continuity.

11954 The CHAIRPERSON: Have you had any discussions yourself with any of the proponents from that expression of interest?

Mr BRAXTON-SMITH: I had subsequent representations from Mr Geber, who is I believe the owner of Chateau Tanunda, and those representations probably both predate and postdate that. Mr Geber was unhappy and subsequently sought to take the department to court to press his case. The Supreme Court found against Mr Geber, dismissed his case and awarded costs against him in government's favour.

11955 The CHAIRPERSON: Just to be clear, you will attempt to provide to the committee the advice that was provided stating that all these proposals would have substantial amounts of taxpayer funds attached to them.

Mr BRAXTON-SMITH: I will seek advice as to what is appropriate to release, and I will provide that information to the committee as a question on notice.

11972 The Hon. F. PANGALLO: Thank you for taking our questions today. Finally, on Kroemer Crossing, can you clarify what the cost is going to be? I am just going through some documentation here on the initial tender documents that state—and this was on 25 February—that the tender price was \$3.233 million and what it is now.

Mr BRAXTON-SMITH: Subsequent to the letting of the contract, there was a delay in the commencement of works by reason of the ultimately unsuccessful court action taken by Mr Geber and his interests. As a consequence of that, the state has faced additional claims for costs and that may well be a contributing factor.

11973 The Hon. F. PANGALLO: \$3 million?

Mr BRAXTON-SMITH: I don't have the number, but I will provide you with the additional information.

11974 The Hon. F. PANGALLO: According to Mr Knoll and the statement he made a month after this, the crossing was going to cost \$6 million. This was before even the court action.

Mr BRAXTON-SMITH: I will take the question on notice.

*Refer draft HANSARD page 1424, 1429 and 1433, number 11903, 11906, 11949 and 11972.*

In reply to the **Hon K J Maher MLC** and the **Hon F Pangallo MLC** who asked the following question/s.

11904 *Did you discuss that with the council and other interested parties that put in an expression of interest? Or your department?*

**Answer:** No

11906 *How much will that crossing now cost? I have seen some figures being bandied around, from the \$3.2 million to between \$4.5 million and \$6.1 million. What is it going to cost?*

**Answer:** The \$6 million Kroemer's Crossing Roundabout Project was funded by the Australian and South Australian Governments, The Barossa Council, and Pernod Ricard Winemakers Pty Ltd.

South Australian Government funding formed part of the 2019-2020 State Budget. Australian Government funding for the project was committed as part of the 2019-2020 Federal Budget, through the Investment Road and Rail Program (Rural Roads Package).

11949 *Are you able to provide to the committee then that advice that was provided to the minister and the basis on which it was formed?*

**Answer:** The Department's advice was that none of the proponents put forward a sufficiently well-formed concept that in the Departments assessment has a reasonable prospect of long-term viability. All would require substantial support from Government, almost certainly including a call on taxpayer funds and/or assumption of risk by Government. None of the proposals provided sufficient persuasive evidence of the outcomes and benefits of their proposition that would warrant its further development. On the basis of responses received, and following evaluation, it has been determined that the EOI process be abandoned (in accordance with Part A, Clause 1.5 of the EOI).

Material contained in each submission is commercial in confidence. We have written to each of the proponents to seek their permission as the Department is not at liberty to publish their materials without their permission.

11955 *Just to be clear, you will attempt to provide to the committee the advice that was provided stating that all these proposals would have substantial amounts of taxpayer funds attached to them.*

**Answer:** Please refer to the above responses.

11972 *Finally, on Kroemer Crossing, can you clarify what the cost is going to be? I am just going through some documentation here on the initial tender documents that state—and this was on 25 February—that the tender price was \$3.233 million and what it is now.*

**Answer:** The final cost of the project is expected to be within the approved budget of \$6 million.

**DEPARTMENT FOR INFRASTRUCTURE AND TRANSPORT**  
**LEGISLATIVE COUNCIL BUDGET AND FINANCE COMMITTEE**  
**25 AUGUST 2020 HEARING QUESTIONS ON NOTICE**

**ROAD MAINTENANCE CONTRACTS**

**Context from Hansard**

11918 The Hon. F. PANGALLO: Are there any jobs that are tied to your department that will go because of this contract?

Mr BRAXTON-SMITH: We are currently consulting with the workforce we have, who currently provide maintenance services in some of the regions, about the future employment opportunities that they will have with the incoming contractors or, alternatively, the options for them should they choose to stay with the department.

11919 The Hon. F. PANGALLO: So you are negotiating as to whether they—

Mr BRAXTON-SMITH: Consulting. By virtue of the nature of the transaction, anyone who accepts a role with the incoming operator will have their current enterprise agreement copied over. They will retain their entitlement to participation in the superannuation SA scheme. All of their current entitlements will be handed over, transferred to the operator. They will have an employment guarantee for a three-year period.

11920 The Hon. F. PANGALLO: How many people are we talking about?

Mr BRAXTON-SMITH: I don't have the numbers with me. For those employees who express interest and then are offered and accept a role, that will be what happens for them. For those who, for one reason or another, do not take a role with one of the incoming service providers, they will remain with government and will be subject to the triple R provisions.

The one important thing that hasn't been touched on is the fact that a number of those areas were already outsourced. The road maintenance was already partly outsourced. The previous government signed a contract. I can't remember exactly when; maybe Graeme does. What has happened now is the remaining areas that were performed by government are now going to be performed by specialist operators contracted from the private sector.

11921 The Hon. F. PANGALLO: Have those companies indicated to you how many of those government employees they would—

Mr BRAXTON-SMITH: They have provided information and our human resources team has communicated that to the workforce, but I don't have the information myself.

11922 The Hon. F. PANGALLO: You don't have numbers? Is it likely that all of them—

Mr BRAXTON-SMITH: Not me, but I am happy to take the question on notice as to how many positions are being offered. I can give you a couple of examples from areas I can remember. For example, we have 17 employees who do electrical maintenance in the suburban area—traffic lights, etc.—and I believe the incoming contractor will require 17 employees. But our employees have the choice of expressing interest and then stepping through a process or they have the choice of remaining with government and then subjecting themselves to triple R.

*Refer draft HANSARD page 1426, number 11920 and 11921*

In reply to the **Hon F Pangallo MLC** who asked the following questions.

11920 *How many people are we talking about?*

11921 *Have those companies indicated to you how many of those government employees they would—*

Answer: 37 current ongoing employees registered their interest in considering opportunities with at least one of the providers. The providers have indicated there are up to 48 positions potentially available across the state. Whether employees choose to accept any offer of employment

made is at their discretion. The final numbers of ongoing employees who decide to accept an employment offer with one of the new providers will be known in early October 2020, following offers of employment being considered by employees during September 2020.

**DEPARTMENT FOR INFRASTRUCTURE AND TRANSPORT**  
**LEGISLATIVE COUNCIL BUDGET AND FINANCE COMMITTEE**  
**25 AUGUST 2020 HEARING QUESTIONS ON NOTICE**

**BID-COST CONTRIBUTIONS**

**Context from Hansard**

11960 The Hon. N.J. CENTOFANTI: Just in regard to the lose-fee payments, are you able to take on notice and bring back to the committee any lose-fee payments made to unsuccessful bidders over the last 10 years?

Mr BRAXTON-SMITH: I can certainly take it on notice. I think we prefer to refer to them as bid-cost contributions. It is a standard practice in the industry for all manner of procurements, not just infrastructure; it's also for service contracts, and particularly on the eastern seaboard it is used a number of times to assist bidders with a very heavy impost that government places on them, of putting many months of time and effort and resource into putting forward a concept for the state to consider.

The state always purchases the intellectual property that's been put forward by the unsuccessful proponent and therefore can utilise that intellectual property to the benefit of the state. So, bid-cost reimbursement, partial bid-cost reimbursement, as I said in my opening remarks—up to \$2 million on Darlington, for instance, when that contract was let in 2015. They have provided me with a list, but I will provide the full list on notice as to the various projects where there has been purchase of intellectual property from an unsuccessful tenderer.

*Refer draft HANSARD page 1430, number 11960*

In reply to the **Hon N J Centofanti MLC** who asked the following question/s.

11960 *Just in regard to the lose-fee payments, are you able to take on notice and bring back to the committee any lose-fee payments made to unsuccessful bidders over the last 10 years?*

Answer:

**Purchase of Intellectual Property Unsuccessful tenderer**

Name of project	Date	IP Purchase Amount inc GST
South Road Superway	Nov 2010	\$1 250 000
North South Corridor, Torrens Road to River Torrens	Jan 2015	\$3 300 000
O-Bahn City Access	July 2015	\$550 000
North South Corridor, Northern Connector	Feb 2016	\$1 870 000
Darlington Upgrade	April 2016	\$1 950 000
Torrens Rail Junction	July 2016	\$1 100 000
Gawler Rail Electrification	May 2017	\$1 100 000
Oaklands Crossing Grade Separation	Aug 2017	\$880 000
North-South Corridor, Regency Road to Pym Street	Dec 2018	\$1 100 000
Joy Baluch AM Bridge Duplication and the Port Wakefield Overpass and Highway Duplication	Mar 2020	\$1 650 000
Ovingham Level Crossing Grade Separation	May 2020	\$2 750 000
Granite Island Causeway	Aug 2020	RFP stage 2 Proponent A \$165 000 Proponent B \$165 000
Flagstaff Road Upgrade	Aug 2020	RFP stage Proponent A \$0 Proponent B \$145 000

**DEPARTMENT FOR INFRASTRUCTURE AND TRANSPORT**  
**LEGISLATIVE COUNCIL BUDGET AND FINANCE COMMITTEE**  
**25 AUGUST 2020 HEARING QUESTIONS ON NOTICE**

**HORROCKS HIGHWAY**

**Context from Hansard**

11967 The Hon. J.A. DARLEY: In terms of the Horrocks Highway, is it true that the department has approved a massive roundabout in the middle of a major freight route to the north just before Roseworthy—

Mr BRAXTON-SMITH: A roundabout at Roseworthy?

11968 The Hon. J.A. DARLEY: —on technical grounds but not on planning grounds?

Mr BRAXTON-SMITH: Not to my knowledge. I don't have any awareness of the particular issue but let me take the question on notice.

*Refer draft HANSARD page 1432, number 11967*

In reply to the **Hon J A Darley MLC** who asked the following question.

11967        *In terms of the Horrocks Highway, is it true that the department has approved a massive roundabout in the middle of a major freight route to the north just before Roseworthy—*

**Answer:**        The Horrocks Highway roundabout was part of the Hickinbotham Zarmen land division development application within the Roseworthy Township Expansion. In 2019, this development application was referred to the Department by Light Regional Council (the planning authority). It included a proposed roundabout for the purpose of enabling access to the land division. The roundabout proposal was endorsed in-principle in the referral response to Council. The roundabout was assessed on its merits to ensure road safety and arterial road functions are managed and that a safe and functional access to adjacent developments is provided. The Department referral advice is with Council for consideration in their decision making as the planning authority.

**DEPARTMENT FOR INFRASTRUCTURE AND TRANSPORT**

**LEGISLATIVE COUNCIL BUDGET AND FINANCE COMMITTEE**

**25 AUGUST 2020 HEARING QUESTIONS ON NOTICE**

**PORTRUSH ROAD AND MAGILL ROAD INTERSECTION UPGRADE**

**Context from Hansard**

11970 The Hon. F. PANGALLO: I will put some questions on notice to Mr Braxton-Smith. I think I have asked you this one before and I don't think we have received an answer. Regarding Portrush Road, does the department have modelling that shows it will deliver \$600 million to \$700 million in benefits to the state? Have all the acquisitions been completed on that?

Mr BRAXTON-SMITH: I will take the questions on notice. My recall is that we did take some questions on notice and I thought that we had provided the responses previously, but let me go back and I will confirm to you and answer the outstanding questions.

*Refer draft HANSARD page 1433, number 11970*

In reply to the **Hon F Pangallo MLC** who asked the following question.

11970 *I think I have asked you this one before and I don't think we have received an answer. Regarding Portrush Road, does the department have modelling that shows it will deliver \$600 million to \$700 million in benefits to the state? Have all the acquisitions been completed on that?*

Answer: Yes, this was asked during the BFC hearing on 1 June 2020. My response previously provided to the Committee on 26 June 2020 advised that a draft business case had been prepared and provided to Infrastructure South Australia. At that time, the Department was currently finalising the business case and this was expected to be completed by the end of June 2020. (A copy of my previous response is attached.)

I can now confirm that the initial Business Case was finalised in June 2020 and Infrastructure South Australia has undertaken a review of that business case and provided feedback to the Department. The business case has been updated as a result of this feedback and is undergoing a final assessment for approval by the end of September 2020.

The economic evaluation, outlined in the Business Case, demonstrates a benefit cost ratio (BCR) of 6.1, which is consistent with providing economic benefits in the order of \$600 million to \$700 million.

With regard to acquisitions, all Notices of Intention to acquire for full acquisitions have been issued for the project with only one remaining to be gazetted, which will occur later in September 2020. At that point all full acquisition properties for the project will have been acquired.

**DEPARTMENT OF PLANNING, TRANSPORT AND INFRASTRUCTURE**

**LEGISLATIVE COUNCIL BUDGET AND FINANCE COMMITTEE**

**1 JUNE 2020 HEARING QUESTIONS ON NOTICE**

**INTERSECTION OF PORTRUSH ROAD AND MAGILL ROAD**

**Context from Hansard**

10940 The Hon. F. PANGALLO: Can I ask you some questions on notice before you go, Mr Braxton-Smith? Thank you for coming today. I just want to ask you about Portrush Road. Do I take that as a sign of cynicism there?

Mr BRAXTON-SMITH: No, I know about Portrush Road. I live near it, I drive down it, and I am aware that we are undertaking a project there at the junction with Magill Road to improve the intersection.

10941 The Hon. F. PANGALLO: Can you provide this committee with traffic and/or economic modelling that DPTI and the minister have used to show that it will deliver \$600 million to \$900 million in economic benefits?

Mr BRAXTON-SMITH: Net economic benefit over its life? Yes, that is the business case. Do you want a copy of the business case?

10942 The Hon. F. PANGALLO: If you can supply that, yes, the modelling that was used.

Mr BRAXTON-SMITH: I will take the question on notice and provide you with a copy of it.

*Refer draft HANSARD page 1267, number 10941 and 10942*

In reply to the **Hon F Pangallo MLC** who asked the following question.

*Question:*

*10941 Can you provide this committee with traffic and/or economic modelling that DPTI and the minister have used to show that it will deliver \$600 million to \$900 million in economic benefits?*

**Answer:**

A draft business case has been prepared and provided to Infrastructure South Australia. DPTI is currently finalising the business case and it is expected to be completed by the end of June 2020.

**DEPARTMENT FOR INFRASTRUCTURE AND TRANSPORT**  
**LEGISLATIVE COUNCIL BUDGET AND FINANCE COMMITTEE**  
**25 AUGUST 2020 HEARING QUESTIONS ON NOTICE**

**NORTHERN CONNECTOR**

**Context from Hansard**

11970 The Hon. F. PANGALLO: ...The Northern Connector expressway: there have been complaints about the noise level on a particular stretch of that expressway between Waterloo Corner Road and Bolivar Road by a number of residents who were promised soundproofing and didn't get much. I understand the department has conducted sound monitoring on that. Can DPTI provide the committee with the results of that monitoring?

Mr BRAXTON-SMITH: I will take the questions on notice. ...I would point out, in relation to the residents on the Northern Connector, they were offered a choice of treatments and the treatments were by the residents' choice.

11971 The Hon. F. PANGALLO: They will dispute that, Mr Braxton-Smith, and I wouldn't think that a Colourbond fence constitutes soundproofing or a cyclone fence. Perhaps I can suggest that your new spin department go out there and see for themselves. I have been out there twice and experienced excruciating noise levels. You can't even hear yourself talking to somebody when traffic is going past at 110 km/h. I understand that your department has conducted recent noise monitoring there but those residents will dispute the level of soundproofing that was offered to them.

Mr BRAXTON-SMITH: Thank you for escalating the matter to me, Mr Pangallo. I will take an interest in it.

*Refer draft HANSARD page 1433, number 11970*

In reply to the **Hon F Pangallo MLC** who asked the following question.

*Question:*

11970            *The Northern Connector expressway: there have been complaints about the noise level on a particular stretch of that expressway between Waterloo Corner Road and Bolivar Road by a number of residents who were promised soundproofing and didn't get much. I understand the department has conducted sound monitoring on that. Can DPTI provide the committee with the results of that monitoring?*

Answer:        The final report for the post construction noise modelling analysis is not anticipated to be completed until the end of September 2020.

Notwithstanding, the Contractor has verbally advised that preliminary results have indicated that noise levels appear to comply with the Department's Road Traffic Noise Guidelines.

**MEDEPARTMENT FOR INFRASTRUCTURE AND TRANSPORT  
LEGISLATIVE COUNCIL BUDGET AND FINANCE COMMITTEE  
25 AUGUST 2020 HEARING QUESTIONS ON NOTICE**

**INCOMING MINISTER BRIEFINGS**

**Context from Hansard**

11976 The CHAIRPERSON: As we are finishing up, Mr Braxton-Smith, will you be able to supply copies, for the benefit of the committee, of all the briefings that the incoming minister received as new-minister briefings?

Mr BRAXTON-SMITH: That's an unusual request, isn't it, Mr Maher?

11977 The CHAIRPERSON: No, not at all. These requests are often made. Will you take that on notice and, if you can't supply them, let us know why you think you can't?

Mr BRAXTON-SMITH: I will take the question on notice.

*Refer draft HANSARD page 1433, number 11976*

In reply to the **Hon K J Maher MLC** who asked the following question.

*Question:*

11976           *...will you be able to supply copies, for the benefit of the committee, of all the briefings that the incoming minister received as new-minister briefings?*

**Answer:**       These briefings are subject to Parliamentary privilege and it is not appropriate to provide them.

**DEPARTMENT FOR INFRASTRUCTURE AND TRANSPORT**  
**LEGISLATIVE COUNCIL BUDGET AND FINANCE COMMITTEE**  
**25 AUGUST 2020 HEARING QUESTIONS ON NOTICE**

**SINGLE SOURCE PROCUREMENTS**

**Context from Hansard**

11978 The CHAIRPERSON: Have we missed any other New South Wales consultants? Are there any more members of the \$1 million Sydneyside boys club of your former colleagues that we haven't canvassed today?

Mr BRAXTON-SMITH: Mr Maher, that's a rather derogatory statement to make. Would you like to rephrase your question?

11979 The CHAIRPERSON: Can you supply to the committee perhaps copies of all the documentation for any further single-source procurements initiated or approved by you and any details of any knowledge or past working or other relationships you have with those individuals?

Mr BRAXTON-SMITH: So you are seeking—

11980 The CHAIRPERSON: Single-source procurements.

Mr BRAXTON-SMITH: —other single-source procurements that have been conducted by the department at my authorisation?

11981 The CHAIRPERSON: Initiated or approved by you.

Mr BRAXTON-SMITH: Initiated or approved by me, that involve a person who was formerly a colleague or just—

11982 The CHAIRPERSON: We will just cut it at initiated or approved by you, full stop.

Mr BRAXTON-SMITH: A former colleague or everyone?

11983 The CHAIRPERSON: Everyone.

Mr BRAXTON-SMITH: Okay.

11984 The CHAIRPERSON: And then, if they are a former colleague, that would be a useful annotation to make on the information you supply to us.

*Refer draft HANSARD page 1434, number 11979*

In reply to the **Hon K J Maher MLC** who asked the following question.

*Question:*

11979 Can you supply to the committee perhaps copies of all the documentation for any further single-source procurements initiated or approved by you and any details of any knowledge or past working or other relationships you have with those individuals?

**Answer:** Attached is a listing of all single-source procurements initiated or approved by me.

## SINGLE SOURCE PROCUREMENTS

Contract Title	Awarded Vendors
Engagement of a SME	Randstad
Development of a revised Organisational Structure	Altura Partners
Engagement of a Project Director for the AGFMA Procurement Project	P&L IT Business Advice Pty Ltd
Review of the Road Reevaluation Plan	DELOITTE
SAPTA Rail Safety Accreditation Plan Development	Abbott Risk Consulting Ltd
Pwc Health Checks - Procurement Process	PriceWaterhouseCoopers Consulting (Australia) Pty Limited
Revenue Assurance Functions – Rail Transformation Program	Nine-Squared Pty Ltd
Organisational design of the new SAPTA	PriceWaterhouseCoopers Consulting (Australia) Pty Limited
Engagement of a Technical Expert	Axess Advisory Pty Ltd
Engagement of an Advisor	P&L IT Business Advice Pty Ltd
Engagement of an Technical Expert	Ranfurlie Consulting Group Pty Ltd
Engagement of a Technical expert	Firecone Ventures Pty Ltd
Engagement of a Commercial Financial expert	Firecone Ventures Pty Ltd
Engagement of a Commercial Lead	Corporate Value Analytics Pty Ltd
Engagement of a Safety Lead	AJP Consulting
Engagement of a Technical Lead	Ranfurlie Consulting Group Pty Ltd
Engagement of a Project Director	Fergus Gammie
SA Motor Registries – Retained and Optimised Model (business case)	Partridge Management Consultants Pty Ltd
Provision of Program Management Services to Support the Service SA Reform Initiative	Partridge Management Consultants Pty Ltd
Professional Services - Implementation (organisational stand-up) Plan	Partridge Management Consultants Pty Ltd
Professional services for the SAPTA Transition Program	Star Business Transformation
Advisory Services for Accounting	DELOITTE
Development of an operating model for AGFMA	LEK Consulting
Engagement of a Bus Services Procurement Project Director/Advisor	P&L IT Business Advice Pty Ltd



*In reply please quote 16018664  
Enquiries to Elicea Tomlinson  
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Ms Leslie Guy  
Secretary to the Committee  
Budget and Finance Committee  
Legislative Council  
Parliament House  
North Terrace  
ADELAIDE SA 5000

Dear Ms Guy,

I write in relation to my appearance before the Budget and Finance Committee on Tuesday 25 August 2020. Further to my letter of 15 September, I provide:

- responses to questions taken on notice at paragraph 11850 to 11872;
- four submissions from proponents of the EOI process referred to in my answers to questions at paragraphs 11949 and 11955 (four of the five proponents consented to their submission being provided to the committee).

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Tony Braxton-Smith'.

Tony Braxton-Smith  
Chief Executive

26 November 2020

Enc

**DEPARTMENT FOR INFRASTRUCTURE AND TRANSPORT**  
**LEGISLATIVE COUNCIL BUDGET AND FINANCE COMMITTEE**  
**25 AUGUST 2020 HEARING QUESTIONS ON NOTICE**

**ADELAIDE RAIL TRANSFORMATION PROGRAM**

Refer draft HANSARD page 1419 to 1421, number 11850 to 11872

In reply to the **Hon K J Maher MLC** who asked the following:

11849	<p>The CHAIRPERSON: Where is the process up to now?  Mr BRAXTON-SMITH: It is still in process. I refer you to my opening statement.</p>
11850 and 11851	<p>The CHAIRPERSON: Indeed. So without going into the involvement of particular parties, has a recommendation yet been made to the minister?  Mr BRAXTON-SMITH: It's still in the process.  11851 The CHAIRPERSON: Had a recommendation been made to the former minister Stephan Knoll?  Mr BRAXTON-SMITH: I refer you to my opening statement. I am happy to take your question on notice and will provide the answer to you when we publish the report.</p>
Answer:	<p>A recommendation to the former Minister had not been made ahead of the Legislative Council Budget and Finance Committee on the 25 August 2020 as the DIT internal approval processes were still being undertaken. Department approvals were completed in late August 2020 before the Cabinet process commenced.</p> <p>On 7 September 2020, Cabinet approved for:</p> <ul style="list-style-type: none"> <li>• the Minister for Infrastructure and Transport to enter into three Head Agreements with the Rail Commissioner for Rail Infrastructure Access, Rolling Stock Access and operation of the train passenger service network in accordance with section 39 of the <i>Public Transport Act, 1994</i>; and,</li> <li>• the Rail Commissioner, to enter into the Outsourced Rail Operations Agreement (OROA), with Keolis Downer Pty Ltd.</li> </ul> <p>(Source: Report to Parliament)</p>
11852	<p>The CHAIRPERSON: Now, this is a rather important question: has the department sought to insert provisions into a contract that would attempt to frustrate any attempts to unwind the contract?  Mr BRAXTON-SMITH: I will take the question on notice.</p>
Answer:	<p>The OROA specifies circumstances where the State has the power to terminate the OROA (e.g., change of control, insolvency, abandonment or persistent breach of the OROA). Additionally, the State may terminate the OROA at any time and for any reason by giving Keolis Downer at least 12 months' written notice of termination.</p> <p>Consistent with previous South Australian Public Transport Operations contracts, the State will be required to determine and make a Termination Payment.</p> <p>(Source: Report to Parliament)</p>
11860	<p>The CHAIRPERSON: Very soon after this rail project started in March 2020, did any of the proponents attempt to pull out of the process?</p>

	<p>Mr BRAXTON-SMITH: We will take your question on notice and provide you the answer at the conclusion of the process, as I outlined to you in my opening remarks.</p>
Answer:	<p>The ITS was released in late February 2020, with the initial ITS close date of 18 May 2020. By mid-March 2020 the full effect of the world-wide COVID-19 pandemic had impacted Australia, New Zealand, United Kingdom, Germany and Spain.</p> <p>At the time, all three Proponents, or Proponent members, were operating existing public transport operations within Australasia with increasing demands on resourcing to enable them to operate their respective public transport systems whilst committing time and resourcing to the development of Offers for the ARTP ITS with Bid Teams, also spread across Australia, NZ and Europe, moving to remote working.</p> <p>In mid-March, requirements for Offer Response were streamlined to enable delivery of the State's target outcomes, whilst addressing immediate impacts of the COVID-19 outbreak. Structured engagement with each Proponent was organised within the procurement process to ascertain the impacts and options to manage them.</p> <p>In late March 2020, one Proponent advised that due to the impact of COVID-19 on their existing clients and business operations and the ITS timeline their consortium would be unable to submit an Offer as part of the process. All other Proponents confirmed that they remained committed to the ITS process.</p> <p>Conforming Offers were received from two of the three shortlisted consortia.</p> <p>(Source: Report to Parliament)</p>
11861	<p>11861 The CHAIRPERSON: Can you then take on notice and provide if, in March 2020, Keolis Downer and Trainco informed the government they were intending to pull out of the process, and can you take on notice and inform at the appropriate time whether a month later, in April 2020, the same two potential tenderers, Keolis Downer and Trainco, again attempted to pull out of the process? Are you able to answer now, because you raised it in your opening statement—I think it has been described as the lose fee of \$1 million; how did that come about and was that always part of the tender process?</p> <p>Mr BRAXTON-SMITH: I will take your questions on notice and provide the answers at the appropriate time after the publication of the report.</p>
Answer:	<p>The ITS was released in late February 2020, with the initial ITS close date of 18 May 2020. By mid-March 2020 the full effect of the world-wide COVID-19 pandemic had impacted Australia, New Zealand, United Kingdom, Germany and Spain.</p> <p>At the time, all three Proponents, or Proponent members, were operating existing public transport operations within Australasia with increasing demands on resourcing to enable them to operate their respective public transport systems whilst committing time and resourcing to the development of Offers for the ARTP ITS with Bid Teams, also spread across Australia, NZ and Europe, moving to remote working.</p> <p>In mid-March, requirements for Offer Response were streamlined to enable delivery of the State's target outcomes, whilst addressing immediate impacts of the COVID-19 outbreak. Structured engagement with each Proponent was organised within the procurement process to ascertain the impacts and options to manage them.</p>

	<p>In late March 2020, one Proponent (TrainCo) advised that due to the impact of COVID-19 on their existing clients and business operations and the ITS timeline their consortium would be unable to submit an Offer as part of the process. All other Proponents confirmed that they remained committed to the ITS process.</p> <p>To assist Proponents in addressing these issues, and to ensure procurement objectives were still achieved and to enable the broader ARTP milestones to be delivered, a number of adjustments to the procurement process were made over late March and early April 2020, in particular:</p> <ul style="list-style-type: none"> <li>• provision of an updated and streamlined Offer Response template;</li> <li>• an extension on the ITS close date (two weeks) to 1 June 2020;</li> <li>• inclusion of an asset condition adjustment mechanism which provides a one-off payment adjustment post contract commencement to the successful Operator to address the issue of limited due diligence and physical inspection of the condition of the AMPRN assets as a result of the COVID-19 pandemic; and</li> <li>• a provision was introduced to meet Offer Costs for the unsuccessful Proponent(s), for costs incurred as a result of COVID-19 up to a capped amount of \$1 million, subject to the submission of a materially conforming tender, the State retaining all Intellectual Property from bid materials, and on provision of an auditable record of costs incurred.</li> </ul> <p>(Source: Report to Parliament)</p>
11862	<p>11862 The CHAIRPERSON: Can you take on notice and provide an answer to: was it Keolis Downer specifically that requested the \$1 million lose fee? Mr BRAXTON-SMITH: I will take your question on notice.</p>
Answer	<p>The introduction of a provision to meet Offer Costs for the unsuccessful Proponent(s) was a State initiative to ensure that the procurement objectives could be achieved and key milestones still be met.</p>
11863	<p>11863 The CHAIRPERSON: Can you also take on notice who it was that Keolis Downer specifically lobbied to include the \$1 million lose fee? Mr BRAXTON-SMITH: I will take your question on notice.</p>
Answer	<p>Refer to the response to 11862 (as above).</p>
11864	<p>11864 The CHAIRPERSON: Can you take on notice also: did all three potential bidders submit a final bid? Mr BRAXTON-SMITH: I will take your question on notice.</p>
Answer	<p>Refer to the response to 11860 (as above).</p>
11865	<p>11865 The CHAIRPERSON: Specifically, can you take on notice, did Trainco submit a final bid and, if they didn't, what reason did Trainco state for not submitting a final bid? Mr BRAXTON-SMITH: I will take your question on notice.</p>
Answer	<p>Again, refer to the response to 11861 (as above).</p>
11866	<p>11866 The CHAIRPERSON: Can you also take on notice: did Keolis Downer in their bid have a significant reduction in the workforce? Mr BRAXTON-SMITH: I will take your question on notice.</p>
Answer	<p>Approximately 574 employees support the delivery of heavy rail (train) services in Adelaide.</p> <p>As part of the tender process, Proponents were required to review all areas of train operations, customer service and asset management to identify areas for efficiencies and propose ways in which these efficiencies can be realised; and,</p>

	<p>identify ways in which service performance and customer satisfaction can be improved in parallel.</p> <p>Keolis Downer have proposed a solution that exceeds current service levels, with the objective of providing improved levels of service performance and customer satisfaction.</p> <p>Keolis Downer commenced consultation with employees in September 2020, as part of the consultation process Keolis Downer have proposed to offer 442 roles to existing State Government and Rail Commissioner employees transferring under a Transfer of Business arrangement. In addition, Keolis Downer will be building their Corporate and Senior Leadership team through an external call process which is open to existing employees.</p> <p>Employees that do not receive an Offer through the transition to Keolis Downer are able to enter the State Governments' Redeployment, Retraining and Redundancy (RRR) program, as set out in the employee's Enterprise Agreement (EA). The RRR program provides support to employees to secure alternative work within the South Australian Government. Subject to the conditions of the relevant EA, the employee may under certain circumstances seek a Voluntary Separation Package (VSP).</p> <p>(Source: Report to Parliament; Part B ITS Requirements &amp; KD Consultation Pack – September 2020)</p>
11870	<p>Mr BRAXTON-SMITH: The new contractor will set out their requirements for a workforce. Those who seek to continue to work in it will be able to express interest in the roles that are available. If they don't secure a role that is available, then they will be in the redeployment process.</p> <p>11869 The CHAIRPERSON: Is there any guarantee that one single person who is currently employed will retain their job?</p> <p>Mr BRAXTON-SMITH: I would anticipate that there will be substantial work on offer from the outsourced rail operator.</p> <p>11870 The CHAIRPERSON: Have you had a figure of 400 people less needed under a privatised system?</p> <p>Mr BRAXTON-SMITH: Again, that is a question that goes to the commercial arrangements between us and the proponents, so I will take your question on notice.</p>
Answer	Refer to the response to 11866 (as above).
11871	<p>11871 The CHAIRPERSON: Do you expect there to be a reasonable reduction in the workforce in order to make the savings that you talked about to this committee last year?</p> <p>Mr BRAXTON-SMITH: I will take your question on notice.</p>
Answer	Refer to the responses to 11866 (as above).
11872	<p>11872 The CHAIRPERSON: How big a part does price play in the determining of this contract?</p> <p>Mr BRAXTON-SMITH: I will take that question on notice. In accordance with my previous statement, under section 39 (2) of the Passenger Transport Act, all that information will be included in a report to parliament published 14 days after contract award and a copy provided to the Auditor-General.</p>
Answer	The objective of the evaluation process (ITS stage) was to obtain the best outcome for the outsourcing of the Adelaide Metropolitan Passenger Rail Network and involved selecting the Operator that can best satisfy the Procurement Objectives to deliver a proposed solution and that provides the best value for money.

The Evaluation Team adhered to the *State Procurement Act 2004* (the "Act"). The object of the Act is to advance government priorities and objectives by a system of procurement for public authorities directed towards:

- a) obtaining value in the expenditure of public money
- b) providing for ethical and fair treatment of participants
- c) ensuring probity, accountability and transparency in procurement operations.

The evaluation of the Offers was based on the information provided by Proponents in their Offers. This information may be supplemented by additional material submitted with Offers, as well as material provided in response to requests for clarification from the State.

The evaluation of Offers was conducted in accordance with the approved ITS Evaluation Plan and against the Evaluation Criteria. In evaluating Offers, the Evaluation Team considered:

- the Evaluation Criteria;
  - Mandatory Criteria;
  - Weighted Criteria; and
  - Non-weighted criteria.
- the overall value for money of the offer;
- the extent to which the State considers the Offers are deliverable and meet the Procurement Objectives;
- references from referees;
- any presentations, interviews or Site Visits;
- compliance with applicable Government policies including the South Australian Industry Participation Policy; and
- any other information that the State considered relevant.

(Source: Economics and Finance Committee Report)



9 September 2019

The Hon Stephan Knoll  
Minister for Planning, Transport and Infrastructure  
GPO Box 1533  
Adelaide SA 5001

Attention: Mr Mike Wilde via SA Tenders and Contracts ([www.tenders.sa.gov.au](http://www.tenders.sa.gov.au))

Dear Minister

Please find enclosed our consortium proposal for the Expression of Interest for the Use of the Barossa Railway Corridor tender number 19C492.

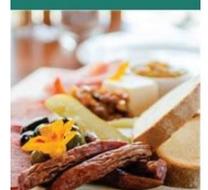
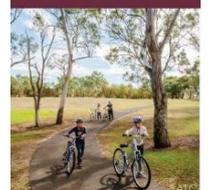
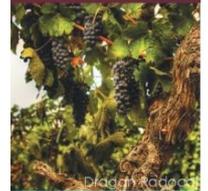
The submission consists of:

1. This letter (in PDF format);
2. Part D – Response to Expression of Interest (in both word and PDF formats);
3. Five attachments labelled A1 to A5 (in PDF format).

If I can provide further information please contact me at your convenience.

Yours sincerely

**Martin McCarthy**  
**Chief Executive Officer**



premium wine food tourism heritage lifestyle community

### 4. PART D - RESPONSE TO EXPRESSION OF INTEREST

#### PROPOSAL FOR THE USE OF THE BAROSSA RAIL CORRIDOR

#### EXPRESSION OF INTEREST FORM

Name of Respondent: The Barossa Council on behalf of the following consortium

Business Name: Consortium of The Barossa Council, SAGE Automation, Leyton Funds Management, Chateau Tanunda (Ivivi Pty Ltd) and First Drop Wines under the support of The Barossa Council in the first instance

Address: C/- The Barossa Council, 43-51 Tanunda Road, Nuriootpa, SA 5355

ACN: N/a      ABN: 47 749 871 215

The undersigned hereby registers an interest in the above project and declares that the information contained in this Eol Response is true and correct and conforms to the Conditions for Submission.

I confirm that I have read, understood and accepted the Conditions of Submission forming Part C of the Eol.

I acknowledge the receipt of revisions numbered:.....1.....  
(Respondents to insert number of revisions received)

Name of the authorised representative of the Respondent who signs this Eol form: .....Martin McCarthy

Signature:  Date: 9/9/2019

Title: Chief Executive Officer

Signature of Witness:  Date: 9/9/2019

Name of Witness: Michael (Bim) Lange

Title: Mayor

Supporting Information is attached.

#### FOR OFFICE USE ONLY

Tender opened on ...../...../.....	
By: ..... (Signature of Authorised Officer)	..... (Printed Name of Authorised Officer)
And: ..... (Signature of Authorised Officer)	..... (Printed Name of Authorised Officer)

**4.1 RESPONDENT DETAILS**

Trading Name	The Barossa Council
Registered Name	The Barossa Council
ACN	N/a
ABN	47 749 871 215
Address of registered office	43-51 Tanunda Road, Nuriootpa, SA 5355
Place of business in South Australia (if relevant)	The Barossa Council area
Type of entity (e.g. company, trust, partnership, sole trader, other)	Local Government
Key Personnel (e.g. directors, chief executive officer, principal of business etc)	Martin McCarthy – CEO - The Barossa Council Damian Hewitt – General Manager, Transport – SAGE Automation Damien Brown – Director – Leyton Funds Management John Geber – Principal - Chateau Tanunda (Ivivi Pty Ltd) Keiron Lomax – Brand Manager – First Drop Wines
Telephone	0418 787 886
Website	<a href="http://www.barossa.sa.gov.au">www.barossa.sa.gov.au</a> <a href="http://www.sageautomation.com">www.sageautomation.com</a> <a href="http://www.leytonfunds.com.au">www.leytonfunds.com.au</a> <a href="http://www.chateautanunda.com">www.chateautanunda.com</a> <a href="http://www.firstdropwines.com">www.firstdropwines.com</a>

**4.2 CONTACT DETAILS**

Contact Person	Martin McCarthy
Position	CEO
Address	43-51 Tanunda Road, Nuriootpa, SA 5355
Postal address (if different to above)	PO Box 867, Nuriootpa, SA 5355
E-mail	<a href="mailto:mmccarthy@barossa.sa.gov.au">mmccarthy@barossa.sa.gov.au</a>
Telephone	0418 787 886

### 4.3 COMPANY / CONSORTIA STRUCTURE

Outline the roles of the Respondent Members and primary subcontractors for the Project, if the Respondent is a joint venture, partnership or trust, copies of all documents evidencing the joint venture, partnership and or trust (including any memoranda of understanding or other documentation evidencing the intention to form a joint venture, partnership or trust in the case that such joint venture, partnership or trust has not yet been formed) must be provided and DPTI reserves the right to require further information about the Respondent, including to satisfy DPTI that the Respondent will be bound by the proposed contractual agreements.

Where a related company of the Respondent or its participants is or may in the future be involved as a participant for a different Respondent, or in relation to a different Submission, the Respondent must provide details here of:

- The relationship between the related companies
- The processes by which decisions concerning the Respondent tender will be made and responsibilities discharged during the selection process, should the Respondent be invited to submit a tender;
- Any internal governance arrangements and other procedures which the Respondent has or will put in place to address and resolve probity and competitiveness issues; and
- The manner by which compliance with such internal governance arrangements and other procedures will be certified.

The companies and entities have agreed to submit a proposal noting the limited timeframe to develop a governance structure, business plan, business case and undertake due diligence. As such it is proposed that this will be undertaken during a successful EOI and progression to a possible project conclusion in 2020 with DPTI.

The relationship between the parties is currently based on a coalition and commitment to try and achieve a multipronged approach to providing an integration and innovative solution for the use and maintenance of the railway corridor.

The parties have committed should this EOI proceed to developing the conceptual governance and commercial structure and agreed a Memorandum of Understanding to work together on this proposal, it is provided at attachment 1.

The Barossa Gawler Light and Adelaide Plains Regional Development Board support the concepts that are presented and the drive to ensure the corridor is retained for this and the future community. The have provided is provided at attachment 2.

### 4.4 CONFLICT OF INTEREST

You must provide details of any actual or perceived interests, relationships or clients which may cause a conflict of interest or potential conflict of interest and actions to prevent or manage the conflicts of interest.

There are currently none known.

#### 4.5 CAPACITY/CAPABILITY /EXPERIENCE

Including comprehensive experience and capability statement and Reference cases for similar initiatives and Customer reference contact details as appropriate,

The five parties to this EOI have extensive success in each of their fields. The ability to outline the success of a similar project is limited in that the management of a rail corridor is extremely rare and normally the responsibility of specific-purpose companies or government entities. Nevertheless the parties are confident that their collective expertise provides a substantial basis for moving forward with a long term utilisation of the rail corridor to benefit the Barossa region. The general relevant experience of each party is summarised below.

##### **The Barossa Council**

1. Maintains and provides extensive transport services through road and related infrastructure and community transport services with over 80+ volunteers and 3.5 staff through 14 vehicle and two buses providing extensive community, medical and social isolation / connectivity services.
2. Delivers extensive project and programmed services access a wide array of services and has a proven record in delivering infrastructure for its community and supporting State and Commonwealth programs for instance \$17M regional indoor sporting facilities, \$7M Barossa Trail from Nuriootpa to Gawler, \$7M flood mitigation system in Nuriootpa.

##### **SAGE Automation**

SAGE Automation is a local South Australian system integrator of intelligent transport systems (ITS) with DPTI Prequalification for ITS. With over 400 employees, SAGE delivers technical excellence and robust project execution from concept and design through to commissioning, practical completion, service and ongoing maintenance. SAGE's extensive experience includes:

1. **Delivering major infrastructure projects**
  - Strategy and delivery of major managed motorways and tunnel control systems.
  - Hazop/Chazop development, safety systems, high-level communications, redundant networks, thermal video incident detection, power factor and harmonics monitoring, vibration analysis.
  - Innovative technologies such as predictive analytics, ramp metering, radar systems.
2. **Providing the latest mobility technologies, including data-gathering and analytics**
  - Involvement in 5 separate autonomous trial deployments in Australia with 4 different vehicle vendors, providing operational support and 24/7 monitoring from SAGE's National Operations Centre.
  - V2X integration of autonomous vehicles with infrastructure such as traffic controllers and geofenced vehicle crossings.
  - Addinsight wireless vehicle/pedestrian detection units deployed by road authorities in all states to collect real-time travel data, beaconing and display control.
  - Smart City technologies – deployment of IoT sensor solutions, data aggregation, dashboard and analytics platforms delivering insight on equipment status, visitor behavior and usage patterns.
3. **User-centric, community-focused Smart Transport technology**
  - SAGE's Matilda Smart Transit Hub
    - Targets First-Mile/Last-Mile scenarios by integrating with autonomous vehicles and other transit, providing services "to the doorstep". This minimises the hassle of transfers, encouraging transit corridor use and increasing connectivity and visitation to surrounding points of interest.
    - Humanises the autonomous service experience, with natural interaction technologies to lower the barrier for use. It focuses on accessibility, safety and interactivity to support disability and aged-care needs.
    - Sustainable, solar-powered and fully connected with real-time data from vehicles and transit sources to deliver a seamless, intuitive service to users while providing powerful centralised management and data collection for service providers.
    - Rich interactive display and audio allows promotion of the local area, visitor information and up-to-date service information.
    - For more details please see attachment 3.

#### 4. SAGE Service

- Service technicians available 24/7 with national footprint – A-Class electricians with technical capability including PLC/SCADA programming and switch configuration.

#### **Leyton Funds Management**

Leyton Funds Management (LFM) is a property investment manager and holds an Australian Financial Securities Licence (AFSL) issued by the Australian Securities Commission (ASIC) 483762. LFM currently owns multiple assets in South Australia including; a majority of the future urban land at Concordia (through the Concordia Land Trust (CLT)); and the Gawler Central Shopping Centre, directly adjoining the Gawler Central Train Station (through the Gawler Trust (GT)). Concordia Land Management (CLM) is the entity that provides the specialist skills to manage and seek a rezoning of the land for urban development on behalf of LFM. In regard to the future of the Gawler-Barossa Rail line these two investments are closely linked and the future of the rail service has significant implications for both.

The principles of LFM ([www.leytonfunds.com.au](http://www.leytonfunds.com.au)) have a combined 75 years of project development experience and are actively developing a range of commercial and residential projects around South Australia with a total value range of up to \$200 million.

At Gawler Central Shopping Centre, LFM has secured development approval for its 3rd retail extension in the last 5 years which will create a further 2 retail tenancies and take the value of the recent development works at the centre to \$4 million.

For the Concordia Project, Concordia Land Management (CLM) provides the specialist skills to manage and seek a rezoning of the land for urban development on behalf of (and under direction from) LFM. The vision for the Concordia project is to create a comprehensively master community of some 9,500 and 24,000 people over the next two decades.

CLM is under the Directorship of Damien Brown and Richard Osborne who also have a partnership in the development company Arcadian Communities, which is currently delivering the Springwood Development at Gawler East. The Springwood Development was purchased from Lend Lease in early 2016 and the project team has been working closely with State and local government, and the community since then to implement a refreshed master plan to deliver a quality lifestyle choice in the Gawler hills.

The Directors and staff involved in the Concordia Project have all had extensive experience in residential and commercial development projects, both locally and nationally, which have involved complex infrastructure negotiations and have gone on to deliver very successful and highly awarded outcomes. In particular, the team has been directly involved in the development of projects at Golden Grove, Mount Barker, Gawler East and Mawson Lakes.

#### **Chateau Tanunda**

As the only current provider of a rail transport service historically Chateau Tanunda can demonstrate the operation of the wine train as a critical link to the solution being proposed. Further the 20 years of investment by the Chateau in the restoration, commercialisation and return to profit the Chateau is inextricably linked to the character culture and history of the Barossa.

The Chateau is the first Chateau built in Australia in 1890. Authentic wines and experiences are the most important “Find and Discover Experiences” by any tourist in any wine area.

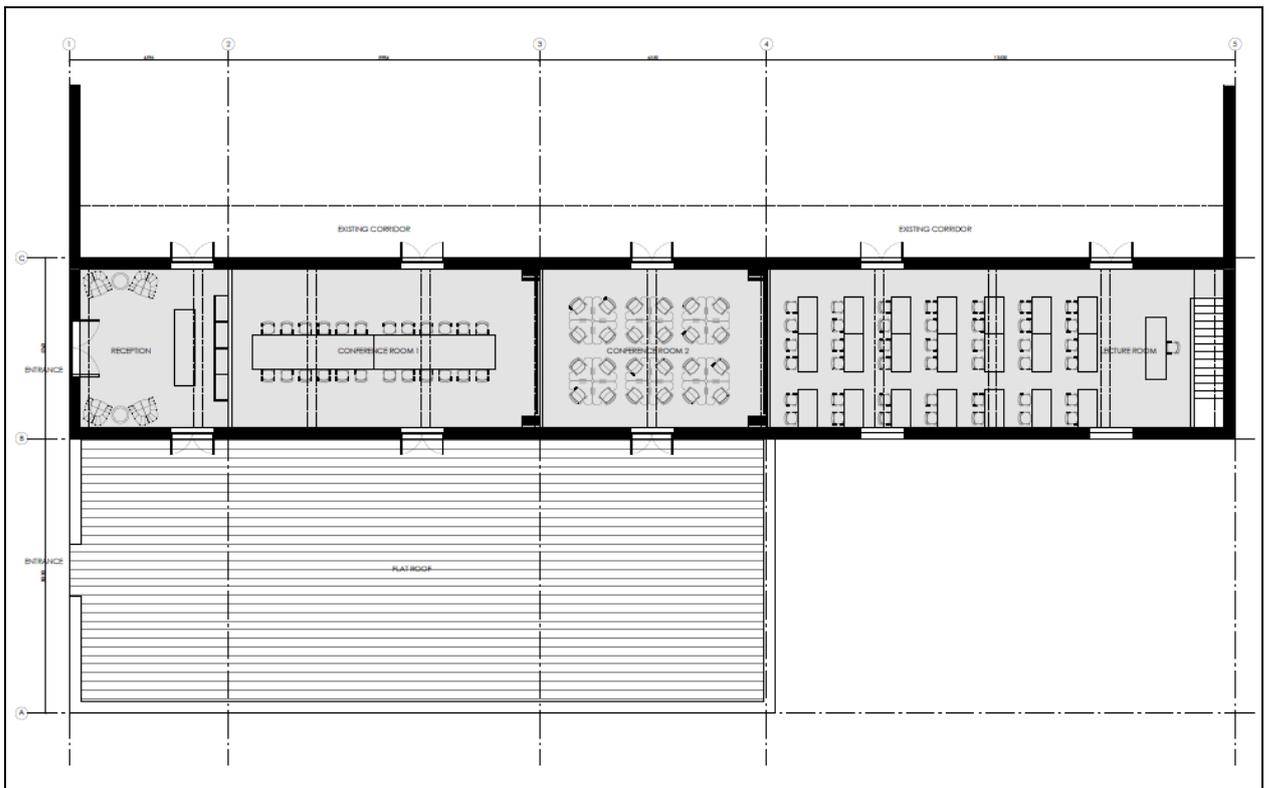
The vision and track record is clear. The last 20 years has been bringing The Chateau up to “Chateau Standard”, and creating genuine brands within Chateau Tanunda using the Chateau Tanunda name. The brand is now over 200,000 cases annually and is a profitable brand. As one of the largest exporters offshore with over 10% of all Barossa Wines. Our track record of making it happen is strong and projects are thoroughly thought through.

Our next 3 most important stages are:

1. The Chateau Hotel - Situated next to the railway station, Comprising of 80 -110 rooms.
  - Feasibility has been completed.
  - Architects have been engaged.
  - The land swap currently on a separate title for the hotel is completed.



2. Cultural, Education and Culinary Centre – To tie in with the Wine Education tram. Predominately China but also with the rest of the world.
  - The Educational accommodation has been designed. Currently consulting with heritage.
  - 48 rooms all in the existing Bond Store
  - Our educational rooms have been designed and will be in “The Chateau West Wing” Room. Seating up to 100 people in 3 different areas.



Both these accommodation centres are “The Chateau” functions room and kitchens.

3. The Tanunda Train Station

- This is being proposed for a restaurant of high quality. Currently Sydney’s Number 1 Chinese restaurant with a one hat Michelin rating.

Together with the other respondents this will be unequally world class – a genuine train corridor in one of the most important wine regions in the world. Vision gets people and we know from The Napa Valley Wine Train experience that train travel and cruises are the most desired tourism activities in the world.

The Napa Valley train goes from Napa to St Helena (25 miles away) situated next to a major highway. Our train track goes from Gawler to Nuriootpa in genuine wine country passing 30+ wineries within a 300m radius from the railway line.

The Barossa wine train is a focal point of all other activity supporting this rail corridor.

### **First Drop Wines**

First Drop Wines is a progressive and innovative wine and tourism business who drive regional awareness and visitation with strong marketing and a fresh approach to their value proposition.

Based in Nuriootpa, their Cellar Door is adjacent the rail corridor & opposite the Barossa Council offices. First Drop have long recognised that development of the rail corridor can deliver greater access for tourism and community and deliver strong economic outcomes.

First Drop's involvement in this EOI is a reflection of broader industry engagement and commitment by food, wine and their tourism facing businesses to developing progressive means of regional access.

The focus on international travellers and Millennial and Asian (specifically Chinese) tourists by Barossa Tourism and the Barossa Grape & Wine Association necessitates world leading initiatives that deliver ecologically sound and experiential approaches. First Drop support the approach offered by this EOI in providing an opportunity for recognition, promotion, international media coverage and social media value.

## **4.6 HIGH LEVEL DEVELOPMENT PLAN (your proposal for the corridor)**

Including the benefits to the South Australian community,

### **Proposal**

The consortium proposal is a three pronged approach to activating the line.

1. Provision of an extension of the existing passenger rail in the medium term through to Concordia to service the new growth area and existing community in the Gawler/Barossa region. This will create a connection from Adelaide to Concordia and the infrastructure to enable the second connection.
2. From Concordia, a rail connection via the Wine Train and/or autonomous vehicle (future stage) would provide a tourism connection through to the valley floor and Tanunda, thereafter providing access to the third connection. A by-product of the activation of the line would also potentially include the use of the rail corridor as a horse trail from Kalbeeba to Lyndoch.
3. Tanunda to Nuriootpa and then possibly Angaston (stage one and two) via an automated vehicle would provide tourism and public connection to three towns and tourism businesses along the route including the Chocolate Factory, the university, First Drop Wines and Beckwith Park precinct, the planned Arts Culture and Heritage Hub adjacent Chateau Tanunda, the potential 5 star accommodation at Chateau Tanunda, the restored Angaston Railway.

Should an autonomous vehicle trial over 3 years prove successful and the proofing of on-road full speed transport be achieved, there are growing and endless extensions to the heart of Nuriootpa, precincts such as Seppeltsfield and potentially working south and east to further service the tourism and public connectivity opportunities.

Connectivity and infrastructure support at stations can be achieved relatively cheaply through the use of innovative solutions such as the Matilda module provided by SAGE Automation for Nuriootpa and the Tanunda station has capacity to service the wine train with basic investment.

At attachment 3 is the Matilda concept and the current SAGE Automation and The Barossa Council autonomous vehicle concept. The solution being discussed will link with the work The Barossa Council is undertaking on Smart City solutions for the Barossa.

A high level concept map of the proposal is at attachment 5.

**Benefits**

1. Activating a disused corridor for new and innovative and integrated passenger, tourism and social connectivity solution.
2. Presenting the Barossa in a new and unique way.
3. Assisting to develop future technologies for scalable passenger, tourism and social connectivity and proving full speed autonomous vehicles transitioning to on-road solutions.
4. Ability of State Government to make significant savings on planned infrastructure for Altona Bridge and Kroemers Crossing and providing support to activate the rail corridor for use and where there is potential for technological and traditional to co-exist.
5. Creating a connected and sustainable region of Barossa/Gawler including
  - a. Barossa Regional Gallery and future Culture Hub
  - b. Culinary and Cultural Tourism precinct in Tanunda
  - c. Developing Sporting and Recreational events precincts at Lyndoch, Tanunda, Nuriootpa, Angaston and wider with the successful application of a long term vision and solition
  - d. Angaston Railway Precinct Regional play and open space destination
  - e. Future linkages to Adelaide Wine Capital Cycling Trail from McLaren Vale to Clare.
6. Making a contribution to carbon reduction and the State's climate change goals, specifically the increased electrification of transport to achieve emission reduction.
7. Provision of rail services to a significant current and future growth area to support a master planned, transit oriented community.
8. The creation of permanent local jobs as a result of investment which will leverage off the new transport services. Investment in public infrastructure, and particularly transport services, is guaranteed to attract further private investment.
9. Improving equity in access to public transport for a regional community.
10. Significant improvements to train patronage through the provision of expanded and improved park and ride facilities (at Gawler Central and Concordia).
11. Making better use of existing infrastructure and sunk costs.
12. Reduction of traffic congestion.
13. Creating new opportunity for the approximately 317 tourism activites and businesses located within 1km of the rail corridor.

**4.7 COMMERCIAL MODEL****Incl Proposed funding sources**

The commercial model is envisaged to be a separate commercial entity of the consortium partners and potentially further partners as the model is developed. There are various legal ways of achieving the governance and commercial model including:

1. Given the Barossa success a cooperative model;
2. An incorporated association;
3. Commercial model limited by guarantee.

Due to the limitation of the timeframes of the EOI the ability to develop a full commercial model and undertake necessary due diligence, develop legal arrangements and incur significant resource and financial cost when the EOI outcome is unknown, was not possible.

The current partners have agreed in principal that should the EOI proceed they will develop a model. It is stressed that The Barossa Council is driving this strategy as a facilitator and supporter, it is not structured to provide commercial and public transport services and its ongoing involved will be through this support.

#### 4.8 TIMEFRAME

This response item has been added to coincide with the EOI documentation and checked with DPTI as to its insertion.

As a proposal its our commitment to work with relevant stakeholders to implement the solutions over a short, medium and longer term dependent on which component of the proposal a general estimate is as follows.

*Milestone 1* - achieve rail access by mid 2020.

*Milestone 2* - commence autonomous vehicle stage 1 trial by October 2020.

*Milestone 3* – wine train to be determined once condition of line and assets is understood through the achievement of Milestone 1.

*Milestone 4* – public transport extension to Concordia is dependent on development timeframes and funding cycles, likely to be in the range of 5-10 years.

*Milestone 5* – extension of autonomous vehicle network depends on success of milestone 2 and milestone 3.

#### 4.9 ANY STATE GOVERNMENT REQUIREMENTS

Provide details any resources your proposal may requirement from the State.

There are various State Government Requirements:

1. Disclosure of the current lease agreement and advice as to expected transfer of any liabilities to the consortium.
2. Condition assessment of the asset and commitment prior to any negotiated transfer of maintenance requirements including clarification; will rail track remain or be removed and at who's cost.
3. Support for the activation of the initial autonomous vehicle links between Tanunda, Nuriootpa and Angaston estimated at \$1M over three years – The Barossa Council will provide staff or volunteer support for chaperones noting the trial will be the first to test full speed running via the rail corridor.
4. Inclusion of the rail line reconstruction and extension to Concordia in the State Infrastructure Plan currently under preparation by Infrastructure SA; and
5. Preparation of a proposal to the Federal Government seeking funding to support the development of a business case investigating the rail extension to Concordia including a grade separation at Murray Street.

**Attachment 1 – Signed Memorandum of Understanding**



A1. Final Signed  
MoU - Railway Corri

**Attachment 2 – Letter from Regional Development Australia**



A2. RDA Barossa -  
Rail Corridor EOI.pd

**Attachment 3 – SAGE Automation Shuttle and Matilda Solutions**



A3. SAGE  
Automation Shuttle

**Attachment 4 – SAGE Automation and The Barossa Council Concept Stage 1 and 2**



A4. SAGE  
Automation and TB

**Attachment 5 – Concept Map**



A5. EOI Rail  
Corridor Map.pdf

## **Memorandum of Understanding Strategic Partnership Agreement**

This Memorandum of Understanding (MoU) dated 9 September 2019 is made between:

The Barossa Council (ABN 47 749 871 215) of 43-51 Tanunda Road, Nuriootpa, SA 5355

and

SAGE Automation (ABN 59 104 119 833) of 1284 South Road, Tonsley Park, SA 5042

and

Leyton Funds Management (ABN 35 608 723 860) of Level 1, 22-26 Vardon Avenue, Adelaide, SA 5000

and

Ivivi Pty Ltd (Chateau Tanunda) (ABN 64 003 376 985) of 9 Basedow Road Tanunda SA 5232

and

First Drop Wines (ABN 24 112 570 859) of 30-38 Barossa Valley Way, Nuriootpa, SA 5355

Collectively "the Parties"

### **1. Purpose**

The purpose of this MoU is to outline how The Parties will work together to submit an Expression of Interest (EOI) to the Department for Planning Transport and Infrastructure for the Barossa Railway Corridor and use their best endeavors should the EOI be successful to develop the proposal outlined in the EOI.

- This MoU is not legally binding.
- This MoU can be amended only in writing and subject to agreement of all parties.

### **2. Scope**

The Scope of this MoU covers activities set out in Expression of Interest application(s) and Detailed Business Case documentation for various funding applications as agreed from time to time by all parties.

Nothing in this MoU precludes any individual party from pursuing an alternative EOI submission/s.

### **3. Expectations and Benefits**

Through this MoU the Parties to:

- Create mutual understanding and partnership of the strategy and business needs for each party but also the growth of the Barossa and other common commercial, community and or social outcomes.
- Create opportunities for allied funding applications for projects where applicable.

### **4. The Parties Agree**

Specific and more detailed activities developed through this working relationship will be subject to future documentation and agreement as required.

Activities may include, but are not limited to:

- Sharing and development of relevant strategies for the purpose of delivering a joint EOI by the due date;
- If the EOI is successful developing the proposal to achieve commercial, community and or social outcomes and benefits outlined in the EOI submission.

- Collaborate and share information, respecting when that information maybe confidential.
- Introductions to third parties that can assist in defining and scoping common areas of interest and added value to the EOI proposal.
- Developing future legal and governance arrangements in the event of a successful EOI application.
- Provision of required information in agreed timeframes or notification if timeframes cannot be met.
- That other parties may join the initiative in support of the EOI proposal.
- Should an individual party be successful with their own EOI submission that they acknowledge that they will work with the other parties in support of the EOI proposal submitted under this MoU the extent possible.

## **5. Management of the Partnership**

The nominated representatives are outlined in the EOI submission by the Parties.

The nominated representatives can nominate other officers.

Nominated representatives will manage the day to day partnership requirements of the Parties and have the necessary authority to make decisions and public comment on behalf of their respective organisation in regard to all aspects of the EOI application processes.

If a matter arises outside the authority of a Nominated Representative or that materially impacts the submission of the EOI or subsequent processes should the EOI be successful, the party will notify the other parties within a 24 hour period (working day).

## **6. Intellectual Property, Data and Copyright**

Intellectual Property remains the property of the organisation that owns it but to assist in facilitating the EOI proposal the Parties agree that non-sensitive information can be shared and used to support the EOI and any subsequent processes.

The use of information shall be limited to that required to support the EOI or any subsequent processes and must not be used for commercial or other purposes without proper authorisation.

Each party is required to ensure it complies with Copyright, patent or any other relevant law or requirements of the provider of the information.

## **7. Freedom of Information and Confidentiality**

This paragraph is legally binding.

The Barossa Council as a public entity is subject to the requirements of the Freedom of Information Act 1999 in relation to the provision of information relating to this MoU. Each party must identify any information of a Commercial in Confidence nature so that necessary agreements can be put in place to restrict public access in accordance with the provisions of relevant legislation.

## **8. Brand Protection**

This paragraph is legally binding.

The Parties require that any MoU protect their brand and its use. Detailed arrangements to be agreed by way of separate agreement. Any use of either brand to be agreed by the Nominated Representatives prior to use and documented. Each party understands that use of any 3<sup>rd</sup> party brands must have agreement of the relevant 3<sup>rd</sup> party prior to use and be documented.

## **9. Commencement, duration, termination and advice**

Commencement: 22 August 2019 (the date of the initial scoping meeting)

Duration: 12 months

Termination:

- at the conclusion of an unsuccessful EOI submission noting the will to work together should an individual party be successful.
- as agreed when superseded by legally binding arrangements arising from successful collaborative funding applications.

RDA Barossa (Anne Moroney – CEO) will provide neutral, 3<sup>rd</sup> party input to support the collaborative process when required.

#### 10. Application costs

The allocation of responsibility for the cost of support to make the EOI submission shall be borne by each of The Parties.

Any future costs for subsequent processes will be resolved between The Parties at the earliest opportunity if the EOI is successful and proceeds to the next stage.

#### 11. Points of Contact / Nominated Representatives

The Barossa Council  
Martin McCarthy  
[mmccarthy@barossa.sa.gov.au](mailto:mmccarthy@barossa.sa.gov.au)  
08 8563 8399

SAGE Automation  
Damian Hewitt  
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08 8276 0863

Leyton Funds Management  
Damien Brown  
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0412 000 497

Ivivi Pty Ltd (Chateau Tanunda)  
John Geber  
[johngeber@chateautanunda.com](mailto:johngeber@chateautanunda.com)  
0438 316 337

First Drop Wines  
Kieron Lomax  
[kieron@firstdropwines.com](mailto:kieron@firstdropwines.com)  
0431 635 719

12. Signatures:

Signed for and on behalf of The Parties

Name: Martin McCarthy  
Organisation: The Barossa Council  
Title: Chief Executive Officer  
Date: 6 / 9 / 2019



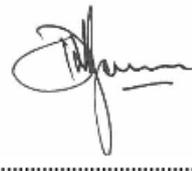
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Name: Damian Hewitt  
Organisation: SAGE Automation  
Title: General Manager  
Date: 6 / 9 / 2019



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Name: Damien Brown  
Organisation: Leyton Funds Management  
Title: Director  
Date: 6 / 9 / 2019



---

Name: John Geber  
Organisation: Ivivi Pty Ltd (Chateau Tanunda)  
Title: Proprietor  
Date: 6 / 9 / 2019



---

Name: Keiron Lomax  
Organisation: First Drop Wines  
Title: Brand Manager  
Date: 6 / 9 / 2019



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8 September 2019.

The Chief Executive,  
Department for Planning, Transport and Local Government  
c/- Mr Martin McCarthy, CEO,  
The Barossa Council,  
Tanunda Road,  
NURIOOTPA. 5351.

Dear Sir,

### **Call for EOI regarding Rail Corridors, Barossa Light and Lower North Region**

RDA Barossa Gawler Light Adelaide Plains supports the retention in public ownership of the rail corridors in our region. One of the fastest growing areas in South Australia, the region is a logistics hub and a tourism centre both of which have future demand for rail transport systems, as circumstances arise to deliver the business case.

Long term leasing of the corridor is required for attracting investment from the private sector, however, and each proposal deserves a merits based approach.

RDA submits that the corridor should be prioritised for commercial, including tourism, usage where demand and investment support this. Innovations in passenger transport, and mixed modes of freight transport suggest there are combinations and business cases that are emerging but perhaps are not yet fully visible. In these circumstances, we urge the government to keep an open mind to opportunities for the corridor as a transport solution.

We look forward to working closely with the Barossa Council, Light Regional Council and the Government of South Australia to develop bankable proposals for the corridors for the Barossa and Light Region in particular.



**An Australian Government Initiative**



Yours sincerely,

**Anne Moroney, CEO**



SMART TRANSPORT

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# Autonomous Shuttles





# City of Holdfast Bay

## Local Motors in Glenelg

SAGE demonstrated a full-featured ecosystem including the Matilda stop that supported the Local Motors trial and integrated with various elements surrounding trial operation.

The 6-month trial has demonstrated first-mile last-mile transportation while linking back to SAGE's National Operations Centre for all operation needs.

Located at SAGE Automation's national headquarters in South Australia, the NOC provides real-time monitoring of different assets to provide operational and maintenance support, emergency response, security monitoring, and assistance in managing incident resolution.

We are using the NOC to monitor Matilda, and other trials, to determine their success and improve future offerings.



Trial Overview Video



Disability Focused Video



Vehicle and Pedestrians Video





# Matilda Smart Transit Hub

GET TO KNOW MATILDA

## The World's Smartest Transit Hub

Matilda is your link to new smart technologies. Gone are the days when time was wasted by waiting for on-time and delayed public transport. Using a mix of smart innovations, Matilda improves comfort on and around public transport which encourages ridership.

## Meet Matilda

Today's autonomous and connected vehicles need connected bus stops and transit hubs to deliver a seamless tailored passenger experience.

Matilda is a portable, connected transit hub that is equipped with the latest smart technologies that offer everyone the equal opportunity of autonomous shuttle transportation.

Matilda caters for passengers based on their individual abilities, making each visit unique, easy and fun.

## Features Video



## The Future of Transport Video





# City of Playford

## EasyMile in Playford Alive

SAGE is currently working alongside EasyMile and the City of Playford to deliver a two phased autonomous trial aimed at understanding how road users respond to autonomous vehicles, how passengers respond to autonomous technology and interact with it, as well as what technology and infrastructure is required to operate autonomous vehicles on public roads alongside other road users.

Funded partly by the Department of Planning, Transport and Infrastructure's Future Mobility Lab Fund, the trial is now in Phase Two where one EasyMile Autonomous Shuttle operates between the Munno Para train station and various stops within the Playford Alive Township.

SAGE plays the important role as trial operators and monitors the shuttle during operating hours from the National Operations Centre situated at the SAGE headquarters in Tonsley.

The City of Playford has proven to be an ideal location to demonstrate this innovative technology as it will interact with various road users including busses, local traffic, parked cars, cyclists and pedestrians.

Trial Overview Video



Future Mobility Lab Fund



EasyMile EZ10 Next Gen





**CONTACT US FOR  
MORE INFORMATION**

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The best thinking in automation  
and control.

**T** 0407 793 839

**@** [damian.hewitt@gotoSAGE.com](mailto:damian.hewitt@gotoSAGE.com)



*Driverless Barossa Railway  
Autonomous Transport Concept*

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*Prepared for THE BAROSSA COUNCIL*

*Thursday, 11 April 2019*

## INTRODUCTION

The Barossa Valley is a world-renowned wine region that at its core is an excellent tourist destination in South Australia. Barossa valley is a prime location for this trial and will benefit because:

- Large increase in tourism
- World class transportation project
- Possibility to create a greater community experience unlike anywhere else in the world
- Creates a more mobile user-friendly environment



Figure 1: Future form of travel within the Barossa Valley



The Barossa Council are considering options for the smart implementation of driverless vehicle services. Investment into intelligent transport and infrastructure equates to a greater quality of life for the residents of the Barossa Valley, a host of economic benefits, and access to safer and more appealing amenities among groups such as the elderly.

SAGE Automation provide The Barossa Council with this initial concept. This concept covers existing infrastructure and transport and identifies local destinations of interest. A route is a high-level concept that will be further thought through as the project develops. Complementary technologies and their benefits are then explored. It is intended that this document acts as a foundation for stakeholder discussion regarding system functionality, design and operation.

## Project Overview

Autonomous vehicles are an area of rapid growth, with tremendous potential to impact all sectors of transportation. With AV trials becoming increasingly common, local councils are taking the initiative to explore the potential options in the future of transport and mobility with upgrades occurring in the area.

The proposed project is a staged approach for an AV service that will carry passengers along various predefined routes over the different stages. The first stage will connect Nuriootpa town centre with the Barossa Valley Chocolate Company; this route does have the potential to include information on the screens about the various wineries as the bus passes by, providing tourists with a greater and more complete experience. The second stage will transfer patrons from Nuriootpa town centre to the Angaston town centre along the route the vehicle has the potential to stop at the shopping centre and various wineries. Further development of stage two can result in adding multiple vehicles to the shared path providing a more seamless transition experience for patrons. The third stage can be implemented in conjunction with the complete removal of the current railway line allowing for a multilane autonomous vehicle highway starting and ending at Tanunda cultural centre allowing for a seamless commute between Tanunda, Nuriootpa and Angaston.

## Vision and Objectives

SAGE's aim in this project is to leverage state-of-the-art AV technology to deliver a solution to the first/last mile problem of tourism in the area, by streamlining the journey between Tanunda, Nuriootpa and Angaston such that tourist and locals are provided with a safe and easy way to explore and interact with each other and local business. Within the solution, SAGE will aim to provide a suitable transport option for all patrons, including those who have accessibility needs, as well as increase the safety, value and engagement for passengers, pedestrians and other road users.

SAGE brings several competencies and advantages to this project:

- SAGE Organisational vision and deep knowledge of Intelligent Transport and AV projects Has allowed the company to conduct 5 current autonomous vehicle trials which deal with four of the world's leading autonomous vehicle providers
- Proven experience in technology integration and development of solutions which deliver effective, reliable and profitable results
- Access to SAGE 24/7 Service for maintenance and on-going support
- Support from SAGE's National Operations Centre (NOC) for security monitoring and issue resolution



## User Profiles and Intended Audience

AV technology brings the benefits of improved safety, efficiency and environmental impact whilst also being capable of travelling at urban speeds. Additionally, the unique features of autonomous vehicles demonstrate particular focus on the following transport edge cases:

- First Mile / Last Mile
- Accessibility
- Aged Care
- Tourists
- Local business

### First Mile/Last Mile

The First Mile/Last Mile (FMLM) principle in this instance refers to the transport mode at the beginning and end of a journey to the Barossa Valley. Currently, it describes the portion of a commuter's journey while travelling around the Barossa Valley, where the problem arises is for users who struggle to travel between towns and local destinations as well as conducting wine tours where drink driving can become a problem.

In regional areas which don't offer a range of public transport options, CAV projects are aimed at filling the first mile/last mile gap between the home and the points of interest in a community.

FMLM transport provides an alternative to carparks and travel between local businesses. It can also reduce the potential to drink and drive by creating a more friendly and interactive service for tourists to embrace the core of the Barossa Valley.

### Accessibility for Disability/Disadvantaged

According to ABS data, 5% of people within the Barossa need assistance with a core activity, while 38.4% of the population exceeds the working age of 15-64 years which is higher than the national average of 15.1%. Many of the people that fall in disabled/aged demographic are restricted in terms of their transportation options. By adding autonomous vehicles to the community, it will allow disabled/aged demographic to maneuver around the area and interact more with local business and the community safely and efficiently.

### Aged Care

Australia's increasing aged demographic has fuelled almost exponential growth in the aged care products market. The projected proportion of people over the age of 65 is expected to hit 25% in 2101 which is still well below Barossa valleys 38.4%. Along with this trend, a rise in retirement age is expected to grow the transportation needs for this age group, with many occupations dependent on the availability of transport.

The risk of mobility loss associated with the over 65 age bracket is at high risk of mobility loss, along with its associated negative impacts on quality of life. In targeting this issue, autonomous vehicle services could be implemented in the future in areas that have an increasingly aged population.

## Tourism

Statistics from Tourism Australia indicate that in 2017, Australia welcomed 8.5 million international visitors. This is 36% of Australia's population, which is a significant proportion for such a remote country. In conjunction Barossa received 209 thousand visitors in the year 2017 this accounts for 160% of the population of the region, showing that the Barossa is a prime tourist destination. Autonomous vehicle services will increase the Barossa Valleys global position as a holiday location as it will provide seamless travel around the region and to connecting towns creating a more relaxed and enjoyable holiday destination for many tourists to come.

## Local business

Having the autonomous vehicle will allow for future engagement in the project whether that be through simple advertising on the Matilda stop/e-paper screen/autonomous bus or by engaging more heavily with companies and gaining sponsorships for more vehicles dedicated to delivering patrons to their door step.



## AV Service Benefits

One of the challenges in the adoption of an AV service is managing its integration with the existing infrastructure, in order to maximise the overall benefits of the technology integration. The solution proposed by SAGE will offer benefits to all users and stakeholders, as outlined in the following sections.

## Stakeholder Benefits

The benefits this project will provide to **The Barossa Council** include:

- Increase overall tourism to the region by supplying a world class trial that has never been seen anywhere else in the world
- Dedicated path and Autonomous Vehicle from The Barossa Council building to Barossa Valley Chocolate Company will result in more patronage travelling through the town and to local businesses
- The Barossa Council will be known as the one of the leading innovative areas for Autonomous Vehicle's. Advertising opportunities and Global recognition.
- Increased accessibility for aged care and disability tourists



- Possible world first, First Mile last Mile service connecting the council to many local businesses
- Increase area popularity by providing a convenient service within the community
  - Improving the community's council-area experience
- Increase tourism in the area
- Demonstrating council support for businesses in the area
  - Provides patrons with better access to the local shops and other businesses
- Community engagement opportunities and associated learnings
  - Opportunity to collect feedback regarding how various parties feel affected by the CAV technology, including local residents, business owners, and tourists
- Data collected during service operation can provide insight into various aspects of system operation and patterns of patronage

The benefits this project will provide to **DPTI** include:

- Low risk trial in a regional and highly developed area
- Pave the way for future autonomous vehicle trials in metro area
  - Reduce transportation costs
- Supplies an ideal location for a proving ground demonstrating the effectiveness of a dedicated autonomous vehicle track
- Can allow for future planned upgrades to be incorporated into current upgrade costs resulting in an overall lower cost to the project

The benefits this project will provide to **local community** include:

- Providing a convenient transit option as a first/last mile solution between towns and activities within the Barossa Valley Region (e.g. shopping, recreation and wine tours)
  - Provides patrons with increased access to other public transport services
  - Provides patrons with increased access to the local economy
  - Provides safer and easier option for visiting wineries
- Increased transport options for people with mobility restrictions
  - Accessibility assistance on both the shuttle and at the bus stop

The benefits this project will provide to **local business** include:

- Autonomous vehicle transport can also act as a catalyst for wider regional development, helping to attract businesses and private investment into the towns.
  - Provides local business with more foot traffic
- Increased advertisement opportunities for local business
- Supply local business with more real time data around people movements and shopping behaviours

## PROPOSED SOLUTION

SAGE propose an autonomous shuttle servicing the ‘first-mile, last-mile’ and local transport needs of the community. This would make use of an autonomous vehicle pathway alongside the proposed route.

A staged approach to the solution will assist in overcoming inevitable resistance to the introduction of new autonomous vehicle technology. It will also allow lessons learned in early stages to be incorporated in later stages to produce a more robust solution in the project’s future.

The proposed staged approach includes the following phases across the project lifespan:

- **Phase 1** – Nuriootpa town centre with the Barossa Valley Chocolate Company
- **Phase 2** – Nuriootpa town centre to the Angaston rail station.
- **Phase 3** – utilise current railway line allowing for a multilane autonomous vehicle highway starting and ending at Tanunda cultural center allowing for a seamless dynamic AV service between Tanunda, Nuriootpa and Angaston

### Phase 1

- Implementing two stops one at Nuriootpa town centre and the other at Barossa Valley Chocolate Company
- Pre-defined route Nuriootpa town centre and Barossa Valley Chocolate Company
  - Optional information about wineries or key points of interest along the route to be displayed in the bus
- The vehicle will travel along the shared bicycle path in parallel with the current railway line
- An operator onboard
  - The operators will be people from the local community that can provide technical knowledge and area knowledge to those that use the vehicle

- SAGE will perform the operations role allowing for a more streamlined development process



## Phase 2

Phase 2 will likely be achieved within one year after phase 1 has been implemented:

- Integration of one or more autonomous vehicles
- Pre-defined route between the Nuriootpa town centre and the Angaston rail station.
  - Potential to add the shopping centre on the route
- Implementation of DSRC traffic light control
  - Allows the autonomous vehicle to interact with the traffic signal
- Potential to trial without an operator

## Phase 3

Phase 3 will likely be achieved within one year after phase 2 has been implemented:

- Complete redevelopment of the current railway line from Tanunda to Angaston creating a dedicated AV track will allowing for potentially two lanes allowing a fleet of vehicles to traverse between the three towns
- Integration of one or more autonomous vehicles
- Pre-defined route between Tanunda, Nuriootpa and Angaston connecting the three towns together
- Development of Tanunda cultural centre as a transit hub allowing visitors and community members to engage with one another
- Speed increase of the vehicle due to the dedicated transit path

## EXISTING TRANSPORT PRIORITIES

Key destinations have been identified in the Barossa Valley area:

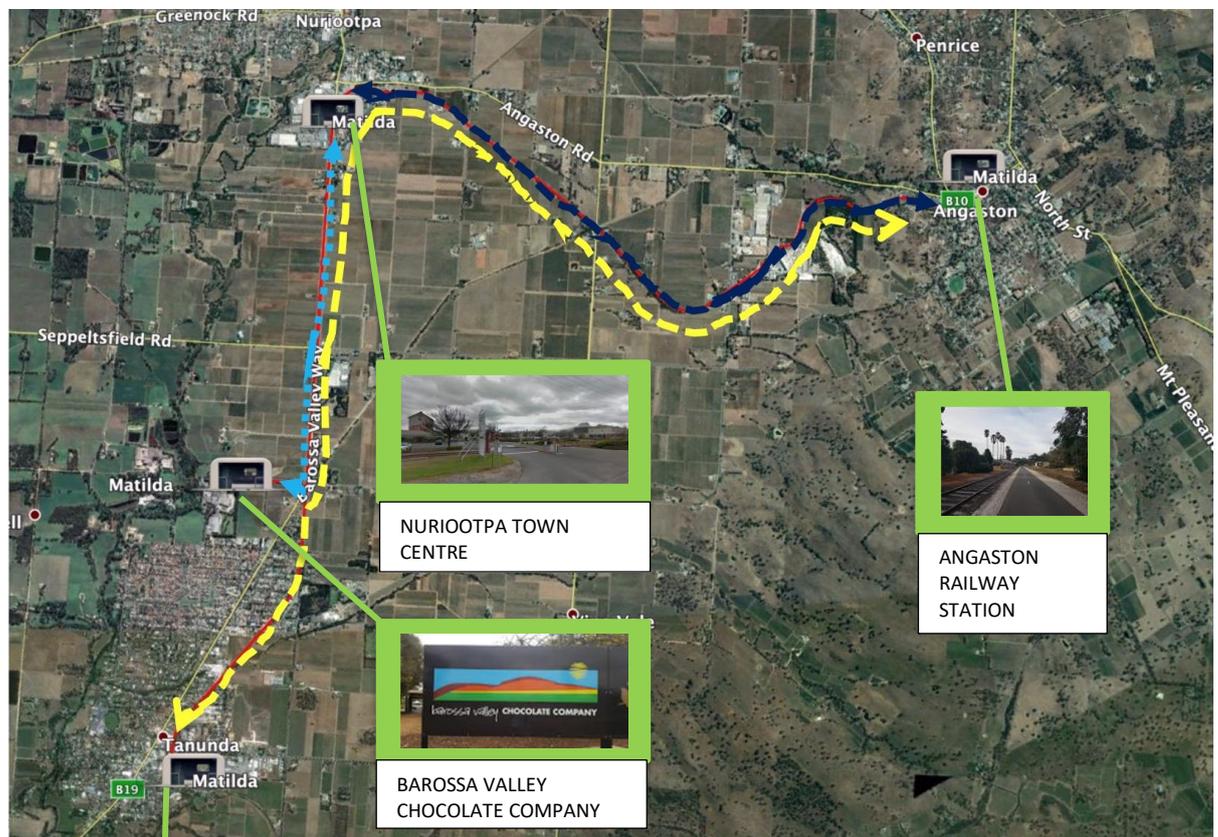
- Nuriootpa town center
- Barossa Valley Chocolate Company
- Angaston rail station
- Tanunda cultural centre

## ROUTE OPTIONS

When planning a route, three items must be balanced:

- Utility to community
- Vehicle and infrastructure capability
- Operational safety

-  Phase 1
-  Phase 2
-  Phase 3



### Phase 1

Based on Utility to community, Vehicle and infrastructure capability and Operational safety, SAGE propose that the most sensible route is through Barossa Valley Way along the shared path that runs along the current railway line.

### Phase 2

SAGE foresees Phase 2 operations being conducted with a final stop installed at the Angaston rail station.

This route requires the vehicle to follow along the railway lines shared foot path starting at the Nuriootpa town centre and continuing until the Angaston rail station.

### Phase 3

SAGE foresees Phase 3 operations being conducted in conjunction with the Tununda cultural centre where the final stage will be creating an autonomous vehicle path that starts at the cultural centre and extends to the Angaston rail station through Nuriootpa town centre forming a continuous route between the three towns.

## MATILDA SMART HUBS

The success of driverless route implementations can be maximised with the right supporting infrastructure. SAGE provides crucial components of this infrastructure, such as the Matilda smart transport hub.



The Matilda provides a friendly and informative waiting area for shuttle services. It is a portable, connected stop, offering live travel times. Importantly, it is an easily identifiable shelter for waiting passengers.

SAGE has found that vehicle routes with the Matilda stops experience roughly 400% of the patronage of routes with basic stops.

The hubs come with a range of options to suit Marion's budget and needs. These options cover security, interactivity, solar power, advertising, among other systems.

For more information, please find the attached brochure, as well as the [Matilda information home page](#) and [video](#).

**SHE'S CONNECTED**

Matilda communicates **real-time** with passengers, vehicles, fleet management servers, online and city transport systems. Matilda provides transport planners the passenger and traffic data they need to deliver efficient, personalised and safe services in the new world of driverless transport.

**SHE'S PORTABLE**

Matilda can be easily moved and placed almost anywhere, including locations lacking utility connections. Her rigid structure and platform design accommodate easy transport by forklift or small truck. This gives transit planners greater **flexibility** when balancing geographic coverage or accommodating the changing needs of developing regions.



**SHE'S ENGAGING**

Matilda's beautiful design and attention-grabbing technology provide the perfect setting for high visibility advertising and community engagement. Matilda's graffiti-resistant exterior, high-resolution display screens and personalised voice assistance technology are great media to **subsidise costs through advertising**, promote local business partners, survey rider experience for transport providers, and educate the community about smart city initiatives.

**SHE'S ACCESSIBLE**

Matilda's features facilitate wheelchair users and those with physical, hearing, vision and cognitive impairments via the use of the latest smart technology. She is a great addition to retirement communities and hospitals. Transit providers can now invite more community members to enjoy **independence and mobility freedom** using public transport.

**SHE'S SUSTAINABLE**

Matilda offers the ability to power herself via rooftop solar panels so there is no need for utility connections. Her self-sustaining configuration **lowers her operational cost** and increases her flexibility of placement, all while positively contributing to the community's **sustainability**.

**SHE'S SAFE**

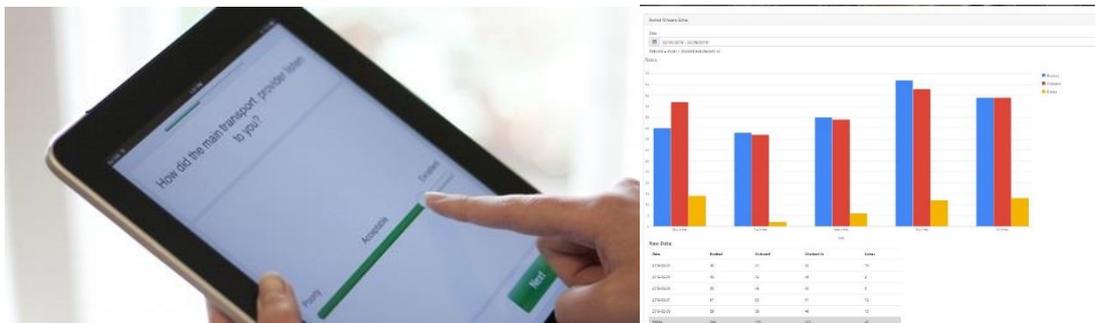
Matilda uses her smart technology to provide care, comfort and safety to her guests. She is equipped with 24/7 surveillance cameras, handrails, slip resistant flooring, LED lighting and an emergency call button for rapid human assistance in the event of danger or distress. In the new world of Smart Mobility riders can travel with more assurance as transit providers use technology to **ensure passenger comfort and safety**.

**SHE'S CONFIGURABLE**

Matilda's flexible 'plug and play' design can be configured according to your preference or budget. Let us know what features you need and we can source the technology or integrate your preferred technology partners.

**BOOKING SYSTEMS AND SURVEYING**

SAGE has successfully implemented a range of booking and survey systems to support AV trials. Booking systems increase ridership and trust in the vehicles. Together with direct surveying, SAGE can provide data on patronage and perceptions.



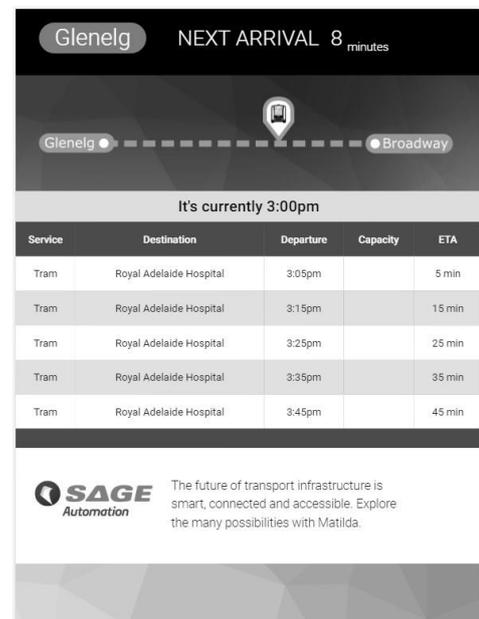
**ePaper Smart Bus Stop**

Our solution will consist of a solar power ePaper solution that connect via 3G to an AV API or other systems API and booking systems.

The system will be self-sufficient for power via a solar system built into the structure.

The key benefits of using this system are:

- Quick to deploy and install
- Efficient roll out
- Providing the public with real time information.
- Can be linked to other transport hubs for connecting types of transport (MaaS).
- Clear information in all weather conditions
- Low power and self-sustained



## OUR APPROACH

SAGE proposes the following approach prior to commencement of the project to ensure project success and stakeholder satisfaction:

1. Development of **User Requirements Specification (URS)**
2. Outline of project **scope**
3. Estimation of associated project **costs**

## USER REQUIREMENTS SPECIFICATION (URS)

SAGE recommends a User Requirement document be produced for the project. This would involve conducting a workshop with key stakeholders, in order to communicate stakeholder requirements for the solution. The workshop would include:

- Creating a basic User Requirement for discussion during the workshop
- Discussion with stakeholders to ensure requirements are understood, approved, and aligned across the project
- Finalisation of the User Requirement based on the outcomes of stakeholder meetings, to be provided to stakeholders for review

## SCOPE

The scope of the project (inclusions, exclusions) can be determined, based on the reviewed and approved URS. SAGE's technical solution can then be developed, ensuring all stakeholder requirements are met or otherwise explained.

## COST

The project cost can be estimated and sent to key stakeholders for review once the technical solution has been developed.

## Appendix A - Regulatory Overview

This provides a brief overview of Legal Issues pertaining to Autonomous and Connected Vehicles Trials in Australia.

Legal Issue	Relevant Authority	Reference / Legislation	Detailed Issues
Vehicle Design	<a href="#">Commonwealth Government</a>	<p><b>Australian Design Rules (ADRs)</b> administered by the Australian Government under the <b>Motor Vehicle Standards Act 1989</b>.</p> <p>The relevant state or territory government's legislation generally requires that it continue to comply with the relevant ADRs as at the time of manufacture.</p>	<p>The Australian Design Rules (ADRs) are national standards for vehicle safety, anti-theft and emissions.</p> <p>ADRs cover issues such as occupant protection, structures, lighting, noise, engine exhaust emissions, braking and a range of miscellaneous items.</p>
Import of AV test vehicles	<a href="#">Commonwealth Government</a>	Motor Vehicle Standards Act 1989	<p>Current requirements are outlined in <a href="#">Circular 0-4-8 Registration and use of evaluation vehicles</a> document which details registration and use of evaluation vehicles including their importation.</p> <p>This Circular sets arrangements under which manufacturers and importers may register vehicle(s) for the purposes of evaluation.</p> <p>As per Attachment 2 of the Circular 0-4-8, it appears that imported vehicles used for evaluation purposes that are not required to be used on public roads under conditional registration, are permitted.</p>

<p>National Overarching Guidelines for conducting AV / CV Trials</p>	<p><a href="#">Austroads</a></p> <p>With the Guidelines for Trials of AV in Australia jointly authored with the National Transport Commission (NTC)</p>	<p>N/A</p>	<p>Austroads has produced a range of reports that are relevant to both Cooperative ITS and Automated Vehicles.</p> <p><a href="#">Guidelines for Trials of Automated Vehicles in Australia</a></p> <p>Assessment of Key Road Operator Actions to Support Automated Vehicles</p> <p><a href="#">Registration, Licensing and CTP Insurance Issues Associated with Automated Vehicles</a></p> <p>Privacy Impact Assessment (PIA) for Cooperative Intelligent Transport System (C-ITS) data messages</p>
<p>Social Issues</p>	<p><a href="#">Commonwealth Government</a></p>	<p>N/A</p>	<p>The Australian Government is conducting an inquiry into the social issues relating to land-based driverless vehicles in Australia. Submissions are currently open.</p> <p>Relevant social issues such as: general social acceptance levels, passenger and non-passenger safety, legal responsibility and insurance, potential impacts on employment and different industry sectors (e.g. taxi industry), access and equity issues (such as increasing individual mobility for the elderly and people with disabilities), potential public transport applications.</p> <p><a href="#">Terms of Reference Submissions</a> (47 to date)</p>

<p>AV Trials in South Australia</p>	<p><a href="#">Government of South Australia</a></p>	<p>Motor Vehicles (Trials of Automotive Technologies) Amendment Bill 2016.</p>	<p>This new legislation provides a framework to facilitate on-road trials, testing and development of driverless vehicles and other advanced automotive technology on South Australian roads.</p> <p>Trial applicants should note that they will NOT be covered by the Compulsory Third Party Insurance Scheme administered by the Motor Accident Commission of South Australia (MAC) for the costs of the death of or bodily injury to third parties in the event of a trial vehicle collision with a third party's vehicle or person. As such, appropriate public liability insurances must be held by the applicant.</p> <p>Trials in SA are also required to provide the state government with following information:</p> <ul style="list-style-type: none"> <li>- Management of trials</li> <li>- Insurance</li> <li>- Safety Management Plan</li> <li>- Data &amp; Information Plan</li> </ul> <p>For a trial to proceed it must receive approval from State Government.</p>
<p>Privacy and Right to Information</p>	<p>N/A</p>	<p>N/A</p>	<p>These vehicles will be sending and receiving details regarding travelling both to the infrastructure and to other vehicles. How does this relate to the protection of privacy in Australia?</p>

Safety Concerns	Transport Accident Commission (TAC)	N/A	News <a href="#">reports</a> and research indicate that autonomous vehicles will challenge our understanding of who was liable in a motor vehicle accident. There may potentially be a shift of this liability to the manufacturer.
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**Barossa Rail Corridor**

-  Barossa to Penrice Railway
-  Privately Owned Rail Corridor
-  Railway
-  DPTI Maintained Road (sealed)
-  DPTI Maintained Road (unsealed)
-  Local Road (sealed)
-  Local Road (unsealed)
-  Builtup Area
-  Native Vegetation
-  Planted Vegetation
-  Irrigated Land
-  Revegetation
-  Lake ; Reservoir; Dam
-  Inland Water Feature
-  Lake - Intermittent/ Mainly Dry
-  Land Subject to Flooding (STF)
-  Land Subject to Inundation (STI)

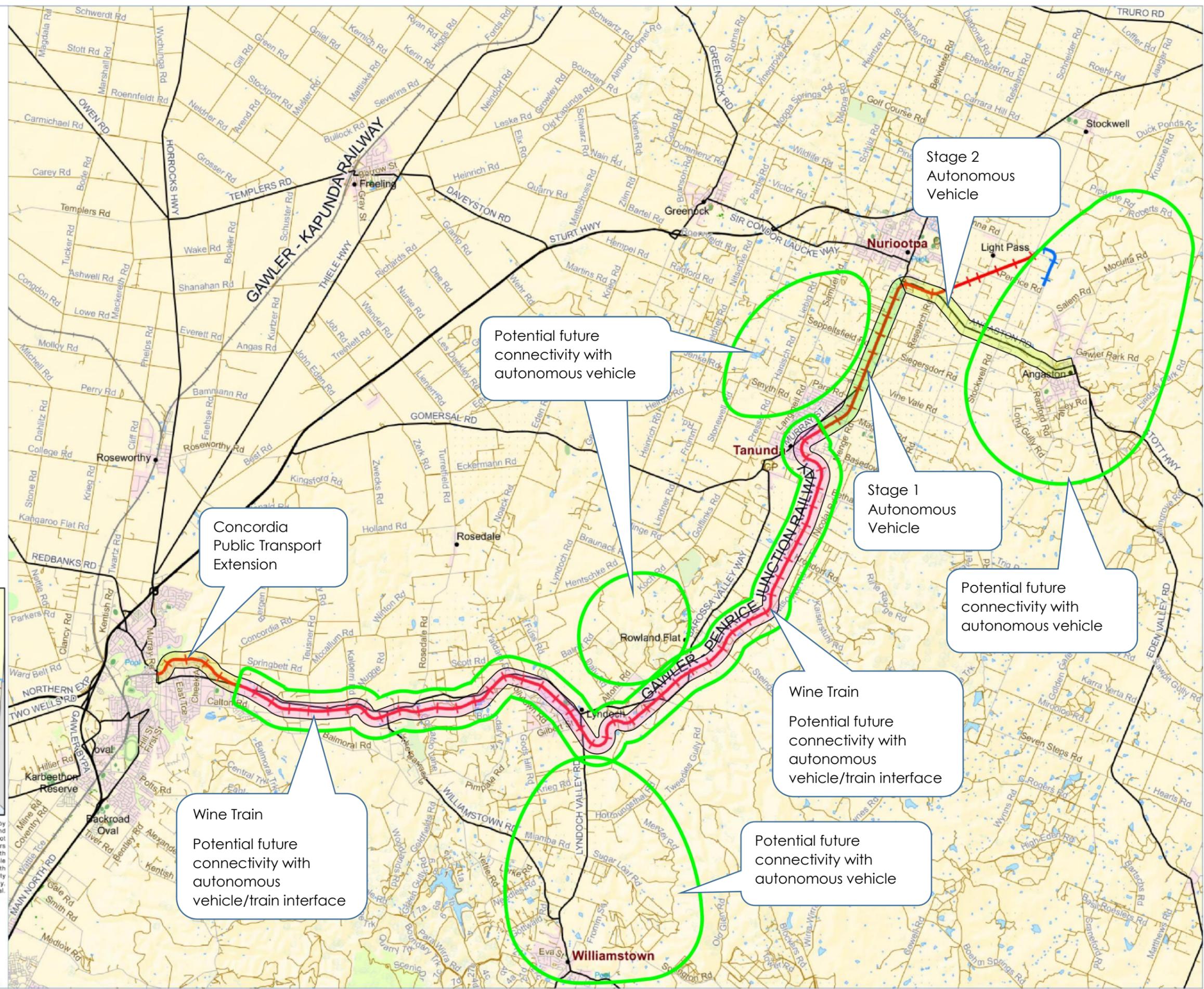


The information has been collected for internal use by the Department of Planning, Transport and Infrastructure, and is provided herein as an information resource only. It is not a substitute for independent professional advice and users should exercise their own skill, care and judgement with respect to the use of this material. Whilst all reasonable care has been taken in its preparation, the State of South Australia does not guarantee, and accepts no legal liability arising from or connected to, the accuracy, reliability, currency, suitability or completeness of the material.

Map Projection: Lambert Conformal Conic  
 Standard Parallels: 26°S & 36°S  
 Central Meridian: 135°E  
 Datum: GDA 94



**Government of South Australia**  
 Department of Planning, Transport and Infrastructure



Grant McDougall  
33 Montorey Drive  
Munno Para West SA 5115  
040 620 4008  
mcdougall.grant84@gmail.com

10/09/2019

Mr. Stephen Knoll  
Minister for Transport and Infrastructure  
129a Murray Street  
Tanunda SA 5352

Dear Mr. Stephen Knoll

Since a very young age I have been fascinated and have being familiar with Trains, this leading me to one day operating my own railroad company. Living next to the main freight and passenger rail corridors in Gawler West in the 1970s – 1980s. This leading my fascination and passion for trains. So even today my passion and devotion for Railways is stronger and my drive to operate my own railroad is also stronger than many years ago.

Over a three year period I have been gaining support from local Barossa Valley, Business and many locals in relation to once again having a Barossa Tourist Wine Train to the Barossa Valley on a more Corporate and Non Corporate operation to promote the Barossa Wine Region.

With the future operation of freight direct from Nuriootpa to the Port of Adelaide, as I have also had conversations with local business and locals of the future freight movement and idea, with many positive and some less positive feedback, but more positive.

I am currently seeking the documents and to make it easier the appropriate support manual and documents required to indicate that every avenue has been taken to successfully to obtain the required accreditation to operate a Railroad Operation with South Australia both on the Standard and Broad gauge rail lines. My aim is to operate from Adelaide to the Barossa Valley Nuriootpa railway station. As well as other operation's in the near future that will transform Nuriootpa railway station.

I show my interest in the Gawler Central to Nuriootpa Rail corridor and Infrastructure by submitting this Expression of Interest (EOI).

Thank you for your time and consideration. I look forward to hearing from you.

Sincerely

Grant McDougall

**PROPOSAL FOR THE USE OF THE BAROSSA RAIL CORRIDOR**  
**EXPRESSION OF INTEREST FORM**

Name of Respondent: Damien Brown  
Business Name: Leyton Funds Management  
Address: Level 1, 22-26 Vardon Ave, Adelaide SA 5000  
ACN: 608 723 860 ABN: 35 608 723 860

The undersigned hereby registers an interest in the above project and declares that the information contained in this Eol Response is true and correct and conforms to the Conditions for Submission.

I/We confirm that I/we have read, understood and accepted the Conditions of Submission forming Part C of the Eol.

I/We acknowledge the receipt of revisions numbered: 19C492 Attachment 1 - Barossa Rail Corridor Map (27 August 2019)

Name of the authorised representative of the Respondent who signs this Eol form: Damien Brown



Signature:  
Title: Director

Date: 4 September 2019



Signature of Witness:  
Name of Witness: Anne Highet  
Title: Project Manager

Date: 4 September 2019

Supporting Information is attached.

**FOR OFFICE USE ONLY**

Tender opened on ...../...../.....	
By: ..... (Signature of Authorised Officer)	..... (Printed Name of Authorised Officer)
And: ..... (Signature of Authorised Officer)	..... (Printed Name of Authorised Officer)

**RESPONDENT DETAILS**

Trading Name	Leyton Funds Management
Registered Name	Leyton Funds Management Pty Ltd
ACN	608 723 860
ABN	35 608 723 860
Address of registered office	Level 1, 22-26 Vardon Ave, Adelaide SA 5000
Place of business in South Australia (if relevant)	Level 1, 22-26 Vardon Ave, Adelaide SA 5000
Type of entity (e.g. company, trust, partnership, sole trader, other)	Company
Key Personnel (e.g. directors, chief executive officer, principal of business etc)	Damien Brown, Director, William Brown, Director Jarrod Eckerman, Director Philip Rundle, Director
Telephone	08 72238897
Website	www.leytonfunds.com.au

**CONTACT DETAILS**

Contact Person	Anne Highet
Position	Project Manager
Address	Level 1, 22-26 Vardon Ave, Adelaide SA 5000
Postal address (if different to above)	
E-mail	ahighet@concordialand.com.au
Telephone	0412 749 420

## **COMPANY STRUCTURE**

Leyton Funds Management (LFM) is a property investment manager and holds an Australian Financial Securities Licence (AFSL) issued by the Australian Securities Commission (ASIC) 483762. We currently own multiple assets in South Australia including; a majority of the future urban land at Concordia (through the Concordia Land Trust (CLT)); and the Gawler Central Shopping Centre, directly adjoining the Gawler Central Train Station (through the Gawler Trust (GT)). Concordia Land Management (CLM) is the entity that provides the specialist skills to manage and seek a rezoning of the land for urban development on behalf of LFM. In regard to the future of the Gawler-Barossa Rail line these two investments are closely linked and the future of the rail service has significant implications for both.

## **CONFLICT OF INTEREST**

Nil

## **CAPACITY/CAPABILITY/EXPERIENCE**

The principles of LFM ([www.leytonfunds.com.au](http://www.leytonfunds.com.au)) have a combined 75 years of project development experience and are actively developing a range of commercial and residential projects around South Australia with a total value range of up to \$200 million.

At Gawler Central Shopping Centre, LFM has secured development approval for its 3rd retail extension in the last 5 years which will create a further 2 retail tenancies and take the value of the recent development works at the centre to \$4 million.

These projects have been managed by LFM's Director, Will Brown who has extensive experience in property management and development which includes the development and refurbishment of a number commercial projects throughout Adelaide under commercial development company Leyton Property.

For the Concordia Project, Concordia Land Management (CLM) provides the specialist skills to manage and seek a rezoning of the land for urban development on behalf of (and under direction from) LFM.

CLM is under the Directorship of Damien Brown and Richard Osborne who also have a partnership in the development company Arcadian Communities, which is delivering the Springwood Development at Gawler East. The Springwood Development was purchased from Lend Lease in early 2016 and the project team has been working closely with State and local government, and the community since then to resolve key infrastructure issues and implement a refreshed master plan to deliver a quality lifestyle choice in the Gawler hills.

The Directors and staff involved in the Concordia Project have all had extensive experience in residential and commercial development projects, both locally and nationally, which have involved complex infrastructure negotiations and have gone on to deliver very successful and highly awarded outcomes. In particular, the team has been directly involved in the development of projects at Golden Grove, Mount Barker, Gawler East and Mawson Lakes.

## **BACKGROUND AND CONTEXT**

Gawler Central Shopping Centre sits adjacent the Gawler Central train station. Approximately 730 metres to the east is the Concordia Growth Area of which the CLT owns 614 hectares of this future urban land. The current status of each these assets is as follows:

### Gawler Central Shopping Centre and Train Station Precinct.

CLM has been discussing the future of the Barossa rail line with DPTI for several years. Consistent with the State's existing Integrated Transport and Land Use Plan (2015) and 30 Year Plan for Greater Adelaide, future proofing the extension of the rail line to Concordia by creating a grade separated crossing at Murray Street will provide the opportunity for a high quality public transport system to service not only greater Gawler, but the Barossa and broader region.

By integrating LFM's Gawler Central Shopping Centre with the public rail corridor and adjoining land assets, the Gawler Central station precinct could comprise a contemporary transport interchange with built form which creates integrated train, vehicle (park 'n' ride) and bus access with high quality public realm and a seamless connection to the town centre, which will not only contribute to greater public transport patronage, but act as an economic catalyst for further private investment in the township of Gawler. A concept animation of the redevelopment opportunities has previously been provided to DPTI and can be viewed at:

<https://www.dropbox.com/s/dgfoodc243030c3/Gawler%20Central%20Station%20short.mp4?dl=0>

In support of this vision, the Minister for Planning has commenced the Adelaide-Gawler Rail Corridor Uplift DPA which will amend planning policies for land surrounding the train stations in the northern section of the Gawler line, including Gawler Central, to enable development to maximise the investment potential in the rail line

We believe the reconstruction of the rail line at Gawler Central, and its future extension to Concordia with the provision of train stabling facilities at a new terminus, addresses a number of critical operational issues for the rail operator and will act as a major capital investment stimulus for us as investors and the greater Gawler community at large. To this end we have recently written to the Department and the Minister to ensure that the important inter-relationship between land use planning and transport investment in the Gawler region is fully realised by including the rail line reconstruction and extension in the State Infrastructure Strategy which is currently being prepared by Infrastructure SA. We understand that the inclusion of the projects in the Strategy may require the development of a business case and in discussions with Phil Lawes early this year, LFM has expressed its willingness to financially support this process.

#### Concordia Precinct Proposal

CLM has over the past five years or more been working collaboratively with the South Australian Government through DPTI, The Barossa Council and the Town of Gawler to undertake strategic planning in respect of the Concordia Growth Area, with the intention of commencing the orderly development of the land in accordance with the 30 Year Plan for Greater Adelaide.

On 7 December 2018, CLM lodged a Business Case in support of the declaration of a Precinct Authority to administer the development of the Concordia Growth Area (pursuant to Section 7H of the *Urban Renewal Act 1995*). The vision of CLM is to transform Concordia into a master planned community that will form a logical, natural and sequential extension to the existing Gawler Township, enhancing its role as a regional centre, while complementing the primary production, wine, food and tourism character of the Barossa. The proposed development will provide approximately 10,000 dwellings along with retail, commercial and community infrastructure including a new train station, train depot, park n' ride facility and new roads (including the North East Link Road which is a key regional network connection identified in the State's Integrated Land use and Transport Plan). Our market research analysis shows that Concordia will need to provide housing to meet the needs of the State from 2022/23.

We believe the Precinct approach offers significant advantages for all stakeholders by providing a holistic governance framework and infrastructure funding mechanism, for what will be a large scale, comprehensively planned community.

The Concordia project has the potential to offer significant economic and social benefits to the Gawler/Barossa region, bringing substantial private investment in roads, rail, education, health, community and environmental infrastructure and services. Concordia's unique location provides the opportunity to create a stronger Greater Gawler and a new community that can take advantage of innovative, sustainable and cost effective approaches to utility provision.

In 2018, PwC prepared an economic impact analysis of economic benefits which will accrue to the State as a result of the Concordia Project. This report concludes that:

- The project has significant economic benefits that are unique to this form of urban development and will generate \$9.4 billion in additional Gross State Product.

- It will also contribute \$200 million to productivity enhancing transport links, a further \$3.85 billion will be spent on dwelling construction and \$1.03 billion on other construction including community infrastructure, retail, education, utilities and health facilities.
- At its peak Concordia will support 1,370 jobs per annum.
- Greater Gawler's economic activity is expected to increase by around 90% per employee creating an additional \$2.3 billion.
- Time savings for road users from the future North East Link Road will be around 14 minutes each day valued at \$498 million.
- Patronage on the Gawler rail line will increase and congestion savings of \$37 million can be made as a result.

The other key advantage of Concordia is its efficiency as a development area including its access to existing infrastructure and the ability of the Precinct Authority to provide the funding framework for the provision of additional infrastructure to support the development and benefit the region:

- As well as utilising the sunk costs in existing infrastructure, Concordia is of a scale and in a locality which enables the project to provide integrated innovative, sustainable and cost saving solutions for the provision of power, ICT, water and sewer services.
- Concordia will provide key transport connections including the North East Link Road and rail service extension which will see connectivity in the region enhanced and existing traffic management conditions around Gawler improved.
- Given the strong shift towards a user pays system for infrastructure services and the ability of a Precinct Authority to provide a funding mechanism for this large scaled master planned community to deliver the required community, commercial, education, health, and recreation outcomes in a comprehensive, planned manner, Concordia represents a cost-effective urban development outcome for the State.

The Concordia Precinct Business Case as submitted to the Minister for Transport sets out the details of the project proposal, its economic and social benefits to the region and State, and the proposed Precinct governance and funding model which has been specially designed to suit the nature of the Concordia land and its administrative context. As this document demonstrates, CLM are committed to making a significant contribution to all forms of infrastructure required including road and rail. A copy of this document (commercial-in-confidence) can be found at:

<https://www.dropbox.com/s/5f937tgzg4zv1pw/0120003%20Business%20Case%20FINAL%20with%200Appendices.pdf?dl=0>

## **DEVELOPMENT PLAN**

Consistent with the State's Integrated Transport and Land Use Plan and 30 Year Plan for Greater Adelaide, Concordia is seeking to extend the current passenger railway line from Gawler Central Station to a terminus station at Concordia (approximately 1.5km of track distance). This extension would connect Concordia to the city of Adelaide, thus enabling an easy commute from Concordia to job centres in northern Adelaide and the Adelaide CBD. The extension of rail services to Gawler requires grade separation of the rail line and Murray Street at Gawler Central providing the opportunity for an integrated transit oriented redevelopment the shopping centre/train station precinct, consistent with the new planning policies to be introduced by the Ministers' Adelaide-Gawler Rail Corridor Uplift DPA. The plan included in Appendix 1 provides a visual summary of the development proposals.

CLM recently commissioned Precision Rail Australia to undertake a track alignment study for the Concordia project ([https://www.dropbox.com/s/0k5a92eni6uysmw/PR19027%20-%20CL%20Rail%20Issues%20and%20Opportunities\\_Engineering%20Report\\_B.pdf?dl=0](https://www.dropbox.com/s/0k5a92eni6uysmw/PR19027%20-%20CL%20Rail%20Issues%20and%20Opportunities_Engineering%20Report_B.pdf?dl=0)). This report examines and confirms the technical viability of the rail line and corridor to service the Concordia Growth Area including identification of suitable locations for a future rail station and associated infrastructure.

CLM has also recently approached Sage Automation to explore the potential for smart transport technologies to deliver the short and longer term public transport needs of the future Concordia community. This includes the potential for autonomous vehicles to provide first and last mile solutions between Gawler and Concordia.

SAGE Automation delivers and develops technologies that make accessible, integrated and smart transport systems of the future. This involves future-proofing road networks with the best Intelligent Transport Systems (ITS) and communicative data technologies of today, and preparing for the onset of future technologies such as autonomous vehicles. SAGE works with industry, research and government to plan, trial and integrate technologies required for the uptake of autonomous vehicle (AV) technologies, where SAGE is creating transport systems that have the potential to increase independence for aged care and disability groups. SAGE has partnered with numerous autonomous vehicle suppliers to deliver the operations component of their trials from the National Operations Centre based in Tonsley, South Australia, including:

- Holdfast Bay Olli trial with Local Motors
- Flinders University FLEX on-road trial with Navya
- Playford on-road trial with EasyMile
- Renmark on-road trial with EasyMile
- Tonsley Innovation Precinct trial with Aurrigo

The project benefits (for both Gawler Central grade separation and Concordia rail line extension) include but are not limited to:

- Creating a connected, sustainable region of Greater Gawler.
- Making a contribution to carbon reduction and the State's climate change goals, specifically the increased electrification of transport to achieve emission reduction.
- Provision of rail services to a significant current and future growth area to support a master planned, transit oriented community.
- Provision of new end of line rail yards to improve operational efficiency.
- The creation of construction jobs from the rail infrastructure project itself.
- The creation of permanent local jobs as a result of investment which will leverage off the rail service including education, health, social, retail and residential development. Investment in public infrastructure, and particularly transport services, is guaranteed to attract further private investment.
- Improving equity in access to public transport for a regional community.
- Significantly improvements to train patronage through the provision of expanded and improved park and ride facilities (at Gawler Central and Concordia).
- Making better use of existing infrastructure.
- Reduction of traffic congestion in the Gawler town centre with improved public transport and park n' ride facilities. PWC have estimated that congestion savings of \$37 million can be made as a result.
- Creating a safer more user-friendly rail service to Gawler, by designing and delivering active, safe and convenient pedestrian movement linkages.
- Attraction of private capital investment on the back of an electrified rail service both in proximity to the train station and as a result of the improvements to the conditions in the main street of Gawler.
- Enabling Gawler to become a Regional Activity Centre bringing a broader range of community services to the Gawler/Concordia/Barossa region.

## **COMMERCIAL MODEL**

Transport infrastructure projects of this magnitude are usually funded jointly by State and Federal Government. In the case of Concordia, the landowners/developers will also provide a contribution through the infrastructure funding framework to be established by the Concordia Precinct Authority and set out in the Precinct Implementation Plan (refer Section 71 of the *Urban Renewal Act 1995*).

The final details of the private sectors' contribution cannot be known until the Minister of Planning approves the Precinct Implementation Plan however, CLM is open to considering ways to contribute to the delivery of this service, including the provision of land at no cost to accommodate the station, depot and park n' ride facilities, and a per lot contribution to the provision of the required rail infrastructure.

At this stage, CLM would envisage such a contribution from the Concordia project could comprise:

- Provision of 5 hectares of land for the location of rail infrastructure at an estimated value of \$5 million
- Establishment of a Concordia transport infrastructure levy that could raise contributions in excess of \$50 million for road and rail infrastructure.

At Gawler Central, LFM is prepared to invest in the redevelopment of the Gawler Central Shopping Centre on the basis that it would integrate with a redeveloped train station and transport interchange, including the lowering of the rail line to provide for the extension of train services to Concordia. LFM has access to funds which it can contribute to the planning phases of the project and if the project proceeds the Gawler Trust can raise capital for the expansion and redevelopment of the shopping centre.

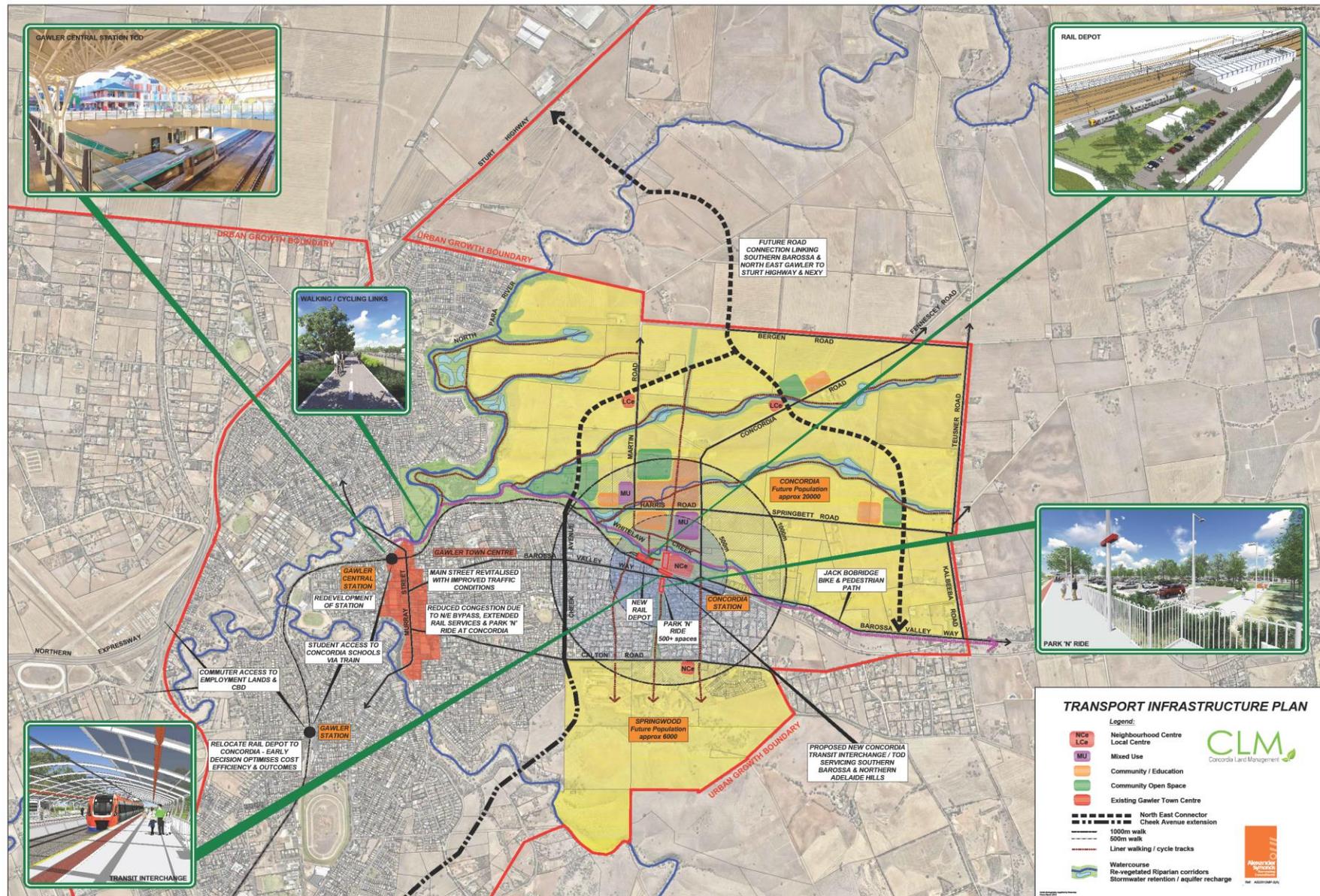
LFM believes there are opportunities for the development of a privately funded park n ride facility adjacent the Gawler Central train station.

### **ANY STATE GOVERNMENT REQUIREMENTS**

LFM look forward to continuing our working relationship with DPTI on both the Concordia and Gawler Central assets. As per our previous discussions and correspondence with the Department in relation to the Gawler-Barossa rail line, LFM are seeking:

- Continued support for investigating solutions to public transport services for the Concordia Growth Area;
- Inclusion of the rail line reconstruction and extension in the State Infrastructure Plan currently under preparation by Infrastructure SA; and
- Preparation of a proposal to the Federal Government seeking funding to support the development of a business case investigating the rail extension to Concordia including a grade separation at Murray Street.

APPENDIX 1



Established In Victoria, Australia (1994)  
Incorporated in South Australia, Australia (2007)



RECEIVED

09 SEP 2019

Hon. Stephan Knoll

PILARNA PTY. LTD.  
5, Pine Street, Campbelltown, South Australia. 5074  
ALL MAIL TO THIS ADDRESS

Registered Post No. *RPP 21 05700*  
*05300 07797*  
*8960F*

3rd September, 2019.

Hon. Stephan Knoll, M.P., (Representing SA Govt. Corporation ABN 050 208 921)  
Minister for Transport, Infrastructure and Local Government,  
Minister for Planning,  
GPO Box 1533,  
Adelaide, S.A. 5001

COMMERCIAL, IN CONFIDENCE

GAWLER – BAROSSA RAILWAY  
“EXPRESSION OF INTEREST”

Dear Sir,

As requested in your public announcement of the 9th of August, 2019, the USB stick which accompanies this letter outlines the basis of projects which has encouraged this formal “Expression of Interest” in restoring the Gawler – Barossa Railway to operating standard and providing services to ensure that railway’s general acceptance as a contributor to the wealth of South Australia.

Please note that Pilarna does not recognize the validity of claims made by Genesee and Wyoming Australia Pty. Ltd. or any of their inheritors as relate to any aspect of perceived rights as outlined under the Railways (Operations and Access) Act 1997, but which have been usurped, in any case, by any involved party, past and present.

Without prejudice and with all rights reserved, I am,

Constitutionally yours,

Ronald-Victor: Bannon,  
Director and CEO,  
PILARNA PTY. LTD.

Copy: USB – Expression of Interest  
Gawler – Barossa Railway

Direct Mobile Phone: (+61) 0478 924 432 E-mail: pilarnaust@gmail.com  
Registered Office: 10, Hazel Street, Brooklyn Park, South Australia, Australia. 5032  
ACN 124 796 032 ABN 85 124 796 032.

19MTI3324



Government  
of South Australia

The Hon Stephan Knoll M  
Member for Schubert

Mr Ron Bannon  
Email: [pilarnaaust@gmail.com](mailto:pilarnaaust@gmail.com)

Dear Mr Bannon

Thank you for your letter to the Hon Stephan Knoll MP, Minister for Transport, Infrastructure and Local Government containing your Expression of Interest regarding the Barossa rail corridor.

While the Minister appreciates receiving your correspondence, this is being considered by the Department of Planning, Transport and Infrastructure (DPTI). Accordingly, your letter and USB have been sent to DPTI.

Yours sincerely

A handwritten signature in black ink, appearing to be "SK", written over a horizontal line.

per **Office Manager**  
**OFFICE OF THE HON STEPHAN KNOLL MP**

9 / 9 / 2019

Minister for Transport, Infrastructure and Local Government  
Minister for Planning  
Roma Mitchell House Adelaide SA 5000 | GPO Box 1533 Adelaide SA 5001 DX 171  
Tel 08 7109 8430 | Email [ministerknoll@sa.gov.au](mailto:ministerknoll@sa.gov.au)

