

APPENDIX A: RECOMMENDATIONS TABLE

No	Recommendation	Rating	Agency Response	Accountability	Target completion	Status
Service Delivery						
1	That a 'champion' be identified from, or added to, the project team to take complete ownership of all issues related to the Devonshire St alignment.		<p>has been appointed from within the team to address the various issues impacting Devonshire St.</p> <p>The Devonshire Street Working Group has been established and is attended by representatives of SLR, CoS, CCO, RMS and ALTRAC.</p> <p>Critical issues are being addressed in time for planned construction commencement in Aug 2016</p> <p>In addition a subcommittee involving SLR, CCO and CoS has been established. The objectives of these groups are to deliver a superior urban experience.</p>		<p>Initial response implemented</p> <p>Ongoing monitoring</p>	Open
2	Taken alone and definitely in combination, a series of current factors mean that activity in the next three months will be fundamental as to whether the project completion date of March 2019 can be achieved. The HCT recommends that all resources available to the Project Team are focussed on the identified series of factors that require full resolution within the next three months.		<p>Outstanding modifications being resolved as noted elsewhere</p> <p>Continuing to closely monitor ALTRAC commencement in work zones.</p> <p>Continued liaison with ALTRAC as to sequencing of works to optimise design and construction efficiency.</p> <p>Commencement planning reviews are in place</p>		Ongoing monitoring	Open
3	That an immediate decision be taken to		Methodology has been prepared by TfNSW and RMS to reach resolution in completing this traffic			Open

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	proceed or otherwise with the roadworks at Alison Road. If the works do proceed, it will most likely require unconventional and innovative means of procurement and delivery. If the full works do not proceed future proofing of the core project works may be appropriate, still requiring a modification to be determined. (See also recommendation 18)		work and then will assess risk and resolve imminently.		Mar 2016	
4	The HCT notes that the Fee Zone regime for the project's construction is an appropriate and innovative framework. During the remainder of 2016, the contractor progressively commences construction works from the current 5 Fee Zones to the peak of 18 by November 2016. For this to occur, detailed design submissions/approval activity will be extremely intense over the next few months. This is especially challenging for the Fee Zones through Devonshire St. The HCT recommends that there is an increased focus on the design approval processes, including by removal of as many other open issues as possible.		<p>Recently finalised QVB stop location to allow design in zone 6 to progress.</p> <p>Critical issue in CBD north is finalisation of ALTRAC's flood modelling which will inform mitigation measures to be implemented. This is being progressed by a multiagency group, the outcome is nearing successful conclusion.</p> <p>Surry Hills coordination group currently instigated and fully active.</p> <p>Critical issue in Randwick is agreement of ALTRAC's flood modelling between CPMPT, RCC and ATC, which will inform the height of the levee in Centennial Park</p> <p>Critical issue in Kensington / Kingsford is finalisation of EMI which is in negotiation with UNSW and Health Infrastructure. Alstom in conjunction with SLR is progressing the resolution of the acceptable EMI limits. Resolution anticipated within the next month.</p>		<p>Completed</p> <p>April</p> <p>On-going</p> <p>April</p> <p>May</p>	Open
5	That the modelling of traffic and signalised intersections for the operational phase of the		Agreed		Jul	Open

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	Project be commenced as soon as possible by Transdev and RMS.		GTA have been engaged to undertake modelling of traffic and signalised intersections.			
6	In the light of rapid patronage growth on the IWLRL, that a full range of patronage scenarios for the CBD & South East are re-modelled to assess the capacity constraints of the service, especially as to fleet size and to surge capacity at stops.		Agreed SLR will work with Infrastructure and Services to facilitate patronage modelling. Will require appointment of external consultant		TBA	Open
7	That steps be taken to measure EMI levels early during the commissioning and testing period, and that commitments be given to share this information with the custodians of sensitive equipment such as UNSW, the Lowy Institute and the Hospitals.(See also recommendation 20)		Agreed This will confirm ALTRAC's compliance with the Deed in relation to EMI. This will be facilitated by Alstom and any retroactive actions will be implemented prior to entry into service.		Q3 2018	Open
Affordability and Value for Money						
8	Given the unusually high number of "open Issues", that Treasury are given a very comprehensive status update on all elements of the project budget		SLR Finance team runs a comprehensive monthly reporting and forecasting process tracking cost performance against budget, contingency management, recalculation of the PPP liability and detailed financial commentary. All financial reports are provided to the SLR Advisory Board, Secretary of TfNSW and the Minister for Transport. Treasury members currently sit on the SLR Advisory Board and are kept abreast on all financial matters including project budget performance, the forecasting		Monthly Reporting	Open

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			process, the TAM process and state budget submission. The SLR Finance team presents a comprehensive financial report to the Advisory Board 6 times a year providing a full update on all cost implications related to modifications, claims, under/overspends and risk mitigation strategies.			
9	Noting the 'split-scope' nature of the D&C contractor within the PPP, that (i) all necessary steps be taken forthwith to close out scope issues, so as to reduce claims impacts and further modifications; and that (ii) all stakeholders be appraised of the contractor's precise obligations under the PPP Deed and that it would be unusual to expect the contractor to exceed those obligations		<p>A reduction of modification proposals has been implemented in the Project. This has resulted in the withdrawal of several modification requests.</p> <p>Only absolutely essential modifications are currently being considered for incorporation. As a consequence of the number of outstanding modifications has reduced from 26 to 14</p> <p>A Précis of Contractor Obligations will be provided to CCO communications team and Third Party Agreements Manager to assist them in managing stakeholder understanding of Contractor obligations under the PPP contract.</p> <p>Recent intense focus to clarify and reduce scope uncertainty is underway and a reduction in changes is being seen.</p>		<p>Ongoing</p> <p>End March</p> <p>End March</p> <p>Implemented</p>	Open
10	<p>Noting that the City of Sydney is contributing \$220m to the Project, that</p> <p>(i) the City of Sydney be appraised as soon as possible as to the extent, reasonableness and practicality of workable hydrology options for George St; that</p>		CoS are actively involved in the twice weekly hydrology reviews and therefore fully appraised of current status.		On target to conclude in April	Open

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	<p>(ii) the City of Sydney and Sydney Trains work immediately with the Rail Safety Regulator to determine if the required safety case for construction of the Cloud Arch can be made (see also recommendation 19); and that</p> <p>(iii) other outstanding matters, especially streetscape treatments, be resolved with the City of Sydney as soon as possible.</p>		<p>CoS and Sydney Trains meeting to review status 17 Mar. Outcome of meeting will not be known in time for inclusion in this report/response.</p> <p>SLR and Sydney Trains are opposing the scheme as currently proposed given the risk profile as understood.</p> <p>CoS have active and full membership on the UDRG which meets monthly. In addition, given CoS contribution a separate direct engagement between CoS, CCO, SLRDO and CSD has been established to address contemporary urban design streetscape treatments.</p>		<p>End March</p> <p>Ongoing</p> <p>Ongoing</p>	
Sustainability						
11	That opportunities are explored by the project team and the Contractor, especially their respective Communications teams, to find some ways to deliver overt and positive public messages about the project's benefits. For example, in regard to the works depot in Moore Park and in regard to the full picture on the replacement of trees.		<p>TfNSW and ALTRAC are working to develop communications materials on key issues. Recently, TfNSW developed and distributed a Sydney Light Rail Tree Revegetation Strategy Q&A and a CSELR Information Package explaining benefits and key community issues.</p> <p>Hoardings have been placed around the Moore Park works depot to improve its aesthetic and promote project benefits.</p>		Ongoing	Open
12	The means of fulfilling a small number of the Planning Conditions, with or without a concession from the Department of Planning and Environment, needs to be finalised promptly. This includes flood mitigation treatments in George Street and in the vicinity of Centennial Park, the		<p>DP&E concession now granted for ALTRAC to commence piling in Randwick Stabling Yard prior to finalisation of flood modelling and implementation of noise mitigation works.</p> <p>Surry Hills ONVR report now submitted to DP&E to allow noise mitigation works to progress.</p>		<p>Mar 2016</p> <p>Mar 2016</p>	Open

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13	timing of noise mitigation treatments and management of electro-magnetic interference. The HCT recommends that these matters be given absolute priority as detailed design cannot be commenced until the planning conditions are finalised, thus further delaying the lockdown of scope.		ALTRAC still to finalise its flood modelling to allow assessment as to whether a concession is required or not in both CBD and Randwick. This is being urgently supported by the flood modelling group, chaired by Andy Summers. EMI Background testing in Randwick recently completed and currently assessing those findings against the equipment limits provided by UNSW. ALTRAC to confirm transmission loss factors to apply following further testing.		Mar 2016 Apr 2016	
	The HCT notes that real-world operations may prove to have a different noise impact to that modelled. The HCT recommends that steps be taken to measure the noise impact of light rail operations during the commissioning period, and to use these measurements to confirm that adequate mitigation treatments have been applied.		Agreed. This will confirm ALTRAC's compliance with the Deed in relation to noise and guide any further noise abatement actions		Q3 2018	Open
Governance						
14	Whilst appropriate for this Project, aspects of the Governance arrangements are onerous; therefore, progress in meeting all the requirements of the Governance arrangements should be closely monitored and consideration be given to targeted short-term supplementary resources, especially in regard to the activity the Project Director is also undertaking with stakeholders.		Agreed. Recruitment of appropriate skilled personnel has and continues to be sourced with the support of TfNSW, example CBD Coordinator General will support the SLRDO Project Director in negotiations with key stakeholders.		Ongoing.	Open

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Risk Management						
15	Noting that third party stakeholders may not appreciate the criticality of the risk allocation profile that applies under a PPP, that there is an intensive effort to dramatically reduce scope uncertainty with stakeholders. (See also recommendations 16 and 17)		Recent intense focus to clarify and reduce scope uncertainty is underway and a reduction in changes is being seen.		Ongoing	Open
Stakeholder Management						
16	That urgent steps are taken to refresh the engagement with all key stakeholders and to dramatically reduce the number of issues that the stakeholders regard as 'open'. (See also recommendations 15 and 17)		Agreed. Periodic joint reviews with key senior stakeholders have been established with the Project Director and CBD Coordinator General.		Ongoing	Open
17	That a short-term supplementary resource be made available to undertake the shake-down of open stakeholder issues. (See also recommendations 15 and 16)		Recruitment of appropriate skilled personnel has and continues to be sources with the support of TfNSW. Within CCO new measures in place to identify major stakeholder issues to allow the Coordinator General CBD to escalate for resolution.		May 2016	Open
18	That, with respect to proposed traffic treatments at the intersection of Alison Rd, Dacey Ave and Anzac Pde, all aspects of this matter are brought forward for urgent consideration by CCG, and		Methodology has been prepared by TfNSW and RMS to reach resolution in completing this traffic work and then will assess risk and resolve imminently.		Mar 2016	Open

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	reference on to the CIC prior to Easter 2016; the benefits/implications of a GO decision need to be articulated, and equally the consequences of a NO GO decision are also to be identified, including future-proofing of the core project works; robust and transparent modelling needs to be available; a senior level working group needs to be established to explore the options available for procurement; funding availability from outside the project needs to be confirmed and consideration of all procurement options must be undertaken. (See also recommendation 3)					
19	That the proponent of the Cloud Arch, i.e, the City of Sydney, should be required to urgently prepare the Safety Case that Sydney Trains would have to put to the relevant authority in respect of the proximity of the arch's foundations to the rail tunnels under George Street. (See also recommendation 10)		<p>Sydney Trains is the relevant authority.</p> <p>CoS has yet to provide Sydney Trains with all responses to its engineering/technical questions which would address proximity of piles to rail tunnels. Outstanding information includes engineering calculations and 3D rock mapping.</p> <p>CoS has given a presentation to SydneyTrains CCB. TfNSW has raised the issue of a Safety Case with CoS and they will follow up with SydneyTrains.</p>		Apr 2016	Open
20	In regard to those Stakeholders in the Parks area and towards Randwick and Kingsford, there are many open issues and the HCT notes that the attitudes of at least some of these stakeholders is 'hardening' at the very time that scope finalisation decisions need to be made		<p>Agreed</p> <p>Recent intense focus to clarify and reduce scope uncertainty is underway and a reduction in changes is being seen.</p>		Apr 2016	Open

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	quickly. The HCT recommends that renewed special efforts are made to resolve the EMI issue as a priority and to also solve all other scope issues in these areas. (See also recommendation 7)					
21	That facilitated discussions occur, including with legal counsel, to address Ausgrid's concern to understand the precise details around "ownership" of the light rail track-bed once it is constructed.		This is low risk and is being dealt with in the normal liaison processes with Ausgrid and Transdev to resolve end-state access.		Sep 2016	Open
Change Management						
22	That, due to the very urgent need to settle scope, an "instruction to proceed" be issued to the Contractor when adoption of a modification is required, even if commercial negotiations have not yet been completed.		<p>Instructions to proceed have now been issued in relation to the ATC modification, and other smaller modifications (including QVB, Chinatown, Wynyard flip up seats, and others) where the commercials are still to be assessed.</p> <p>As a matter of policy instruction to proceed are being issued to ALTRAC. It is noted that commercial/cost issues will be set aside to achieve scope fix allowing construction to proceed.</p>		<p>Initial actions complete.</p> <p>Remaining Actions due April 2016</p> <p>Ongoing monitoring</p>	Open
23	That steps are taken to brief Treasury on the overall claims situation, given the significant number of claims lodged by the Contractor, and notwithstanding the robust processes currently in place to process these claims.		<p>Treasury has a representative on the Advisory Board and receive updated claim and modification information monthly.</p> <p>An additional briefing pack with further detail and process will be provided.</p>		<p>Ongoing</p> <p>End April</p>	Open

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24	That a model case be run to assess the impact of modifications with respect to the measurement of Net Financial Impact.		<p>Throughout the delivery of the SLR project, a robust and systematic risk management process has remained central to the achievement of objectives. Given the importance of ensuring the Project is delivered within the publicly announced budget, there is an ongoing, iterative review of the financial risk exposure related to the remaining works. To support this, risks (including key and emerging issues), uncertainties and opportunities are assessed by quantitative methods to inform the Forecast Final Cost.</p> <p>The quantitative risk analysis (QRA) is undertaken using Monte-Carlo methods utilising @Risk software. The purpose is to determine a risk profile for the project commensurate with the existence of risk, opportunity and uncertainty. This model is reviewed and recalculated on a monthly basis to track the level of risk associated with the project, status of modifications etc. in determining the net financial impact of risk on the Estimated Total Cost of delivering the Project.</p>		Apr 2016	Open
25	<p><i>Note that this recommendation arises from the "Other Matters" section of the Report.</i></p> <p>The recent rapid growth on the IWLR could continue and may, in due course, trigger consideration of the purchase of additional Light Rail Vehicles for that service. The HCT recommends that the implications of the potential fleet increase for design of the maintenance site at Rozelle be considered as</p>		<p>Refer to #6.</p> <p>Preliminary design for increase stabling capacity at Rozelle is in place, however requires additional land acquisition.</p>		Jul 2016	Open

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	soon as practicable.					

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