



BARRIE SMITH MOTORSPORT PTY LTD
7 CRISPS LANE
MURRUMBATEMAN 2582
ABN: 42 002 501 126

11/10/2021

Inquiry into the granting of Contract #OoS17/18-021 by the Office of Sport

The Hon Daniel Mookhey MLC

Thank you for the opportunity to respond to the matters referring to myself and/or my company which were raised in a number of Submissions to your Enquiry.

I intend to respond in turn to each of the Submissions you have listed in your email, but as there are a number of matters which appear in multiple submissions, mostly I suspect due to content in social media, I will deal with these matters first under **General Comments**.

I have been amazed at the level of emotion and the lack of accuracy in the few submissions which I have been sent for comment.

In these submissions, I see few grounds on which to criticise The Office of Sport, and no recognition of the effort made by The Office of Sport to raise the standard of Equestrian Riding surfaces at SIEC to current International Levels.

A significant factor is a total lack of National and International Standards for Equestrian Riding Surfaces against which any particular surface can be judged, leading to a situation where everyone is an expert.

Since the successful completion of the SIEC Project, Barrie Smith Motorsport (BSM) has undertaken a number of successful projects in its own right (Covid-19 preventing the involvement of an Otto Sport Engineer) of equal or higher value at venues such as Centennial Park Equestrian Centre and Willinga Park at Bawley Point on the NSW South Coast.

In the following pages I have concentrated on facts and have supported the facts by including relevant emails and other relevant information in the Annexes.



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GENERAL COMMENTS

The Value Proposition

Much has been made of The Office of Sport's decision to award the Tender to a "first time" tenderer who quoted the highest price.

A later section discusses the "first time" aspect in detail, but as Otto Sport were already widely recognised Worldwide as a leading provider of Equestrian Riding Surfaces, "first time" more correctly should be taken as referring to the first involvement of Otto Sport in a major Australian Equestrian Project.

The role of Barrie Smith Motorsport was to Produce the Tender document, and facilitate the necessary materials and contractors to enable the Project to be successfully completed under the supervision of an Otto Sport Engineer from Germany.

The price tendered by BSM, when compared on an "apples to apples" basis to the other two Tenderers was the lowest of the three Tenders.

Tenderer	Basic Price	Ebb & Flow estimated cost	Otto Sport Perforated Mat	Tender Price
Equestrian Services	\$574,294			\$574,294
Capricorn (Australia)	\$498,230	\$150,000		\$648,230
BSM (Otto Sport)	\$466,662	\$150,000	\$118,776	\$735,438

It was the inclusion of the additional features required to enable the riding surface to be truly World Class which accounted for the cost over and above the other Tenderers.

When The Office of Sport decided on the most expensive tender in terms of cost, it decided in favour of the tender which offered the most features and so ensured that the project delivered to SIEC represented the best possible value and a World Class riding surface.

Assumptions :

- The cost of including ebb & flow irrigation to the SIEC arenas is \$75,000 / arena
- Tender Amounts above were taken from Berni Saunders Submission 2.
- Calculation of the cost of Otto Perforated Mats – see Berni Saunders Submission 2



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The Sand/Fabric mixture originally mixed at Wallaby Hill

All sands are not the same. Otto Sport Germany have a long history working with sand, initially with tennis courts, and as tennis courts moved to using synthetic surfaces, Otto transferred their sand experience to Equestrian Riding Surfaces.

Otto identified two NSW sources of silica sand (let's call them Sand A & Sand B) suitable for equestrian riding surfaces when they installed an Otto riding surface in my indoor riding arena in November 2011. My arena uses a mixture of Sand A & Sand B.

Alex Townsend became aware of my Otto Surface and decided to use the same Otto surface on the 1.2Km gallop track under construction at her Wallaby Hill, Robertson, property. I discussed her project with Otto and because of my location and extensive importing experience with Motorsport products, it seemed natural for me to become the Importer of the materials for Alex's gallop track. Otto supplied an Engineer, Gerd Hermann, to oversee the project in conjunction with the contractors already engaged by Alex on the project.

The gallop track was a great success and so Alex decided to replace the existing (Capricorn) surface on her indoor arena and another surface on her outdoor arena with Otto Sport arenas using ebb & flow irrigation. Both of these arenas used the same Sand A.

While Sand A was ideal for the gallop track & the indoor arena, it was found once installed that the clay content of Sand A was too high to allow rainwater from a heavy rain storm to drain through the surface in the time required.

This was at the stage where the arena was not yet handed over to Wallaby Hill. The clay content of sand provides an important characteristic for equestrian riding arenas. More noticeable in Show Jumping, but also relevant to top level Dressage, the clay content increases the "Impact Firmness" and the "Grip" of the riding surface.

Many of the high level Show Jumping and Dressage events are conducted in Indoor arenas, so a sand with a higher clay content provides a Show Jumper with the "Firmness" to allow the horse to take off to propel itself over a 1.6 metre jump, and also provides the "Grip" to allow the horse to land and immediately turn to face the next jump.

This was the exact characteristic required for the indoor riding surface at SIEC, and so it was decided in conjunction with the Otto Engineer and the Otto CEO that this surface would be moved to SIEC for installation in the Indoor arena.



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This is only possible with an Otto arena due to the riding surface being kept separate from the irrigation level by the Otto Perforated mats. During the removal of the surface, the tops of the nodules on some of the mats were inadvertently “scalped” and formed part of the surface delivered to SIEC. The number of these particles was excessive, and after installation steps were taken to remove as many as possible of these particles.

It is worth noting that Otto have confirmed that these particles represent no danger to either horse or rider, and in fact may also be caused by various maintenance procedures involved in keeping the riding surface performing “as new”. See **Appendix C**.

So – “failed arena?” – definitely not – a new riding surface was moved to a site where the clay content would be an advantage.

“Second-hand surface?” – definitely not – it was a new surface not yet handed over to a client.

Prior to the riding surface being installed on the SIEC indoor site, The Office of Sport requested that a Geotechnical Analysis be performed on both the sand from the surface originally mixed at Wallaby Hill (Sand A), and the sand intended to be used in the SIEC (outdoor) warmup arena (Sand B). Typical results are shown below, and the full report is contained in **Appendix F**.

Both sands are very similar, with the only difference in the 75-150 micron percentages due to the higher clay content of Sand A compared with Sand B.

Sieve Size	% Passing ex-Wallaby Hill Sand A	% Passing SIEC Warmup Sand B
2.36mm	100	100
1.18mm	100	100
600 microns	100	99
425 microns	98	97
300 microns	93	95
150 microns	55	84
75 microns	10.1	18,9

Following the Geotechnical Analysis, the sand/ fabric mixture from Wallaby Hill was installed in the SIEC Indoor arena.



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See **Appendix E** – Letter from Darren Crumpler, Director Venues Management, The Office of Sport, outlining the requirements to be satisfied prior to accepting the Wallaby Hill surface.

These requirements were complied with and so the Wallaby Hill surface was installed on the Indoor site.

BSM – No Accreditation for working on NSW Government Projects.

This statement is correct, and that is exactly why I engaged JK Williams to oversee and Project Manage the SIEC Project. JK Williams have many years of successfully implementing NSW Government Projects, and have all the necessary accreditations.

In the Tender Document, I clearly identified the involvement of JK Williams in the Management of the Project for exactly this reason.

An experienced JK Williams Project Manager, Luke Brown, who was also an experienced Show Jumper, was assigned to this project.



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Barrie Smith Motorsport - Lack of Experience with riding arenas

It is certainly correct that, at the time of responding to the Tender, Barrie Smith Motorsport (BSM) had limited experience with Equestrian Riding Surfaces.

This experience was limited to Barrie Smith's own Oto Sport arena at Murrumbateman NSW (installed in 2011) and the three Wallaby Hill Projects, the gallop track, the indoor arena and the outdoor arena.

The two Responses from existing Australian Equestrian Arena providers (Equestrian Services & Capricorn) totally miss the point that the Tender requested "World Class" arena surfaces, and while both those companies have installed many arenas in Australia, the standard of those arenas was well behind that provided by the arenas in Europe on which Australian Equestrian Competitors regularly competed when overseas.

What BSM was able to offer SIEC in the Tender was the expertise gained by Otto Sport Germany from many years of producing "World Class" riding surfaces for major International events in Europe, USA and South America, and it was this experience which was brought to the SIEC project by the Otto Engineer assigned to the project, Gerd Hermann.

In addition, the same local contractors who had created the Wallaby Hill gallop track and indoor & outdoor arenas (again under the supervision of Otto Engineer Gerd Hermann) were engaged for the SIEC project.

So I see no lack of experience with riding surfaces there.

For the past 25 years, BSM and another company, Competition Friction, wholly owned by Barrie Smith, have been the major suppliers of brake components to the top Australian Motorsport categories, including V8 Supercars, GT Championship, Touring Car Masters and many other private customers.

All of the products involved in these companies are imported, so within BSM there was a high level of expertise in importing products into Australia by both sea and air freight, so it was this logistics experience which BSM brought to the SIEC project.

BSM facilitated the provision by Otto Sport of the "World Class" arena surface which was requested in the Tender.



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Conflict of Interest involving Peter Dingwall, Nicole Dingwall & Stephen Dingwall.

It is correct that my daughter married Stephen Dingwall whose father is Peter Dingwall, but none of these family members had any involvement with the SIEC Tender process.

The simple reason for this is that none of the above had the necessary experience to be able to put together a Tender Document for a project the size of the SIEC Project. I have to admit that it was a new direction for me, but as Managing Director for the three companies, I did have sufficient background to produce the Tender with great assistance from Otto Sport in Germany.

Stephen Dingwall is a top level Show Jumper whose business is training Show Jump riders & horses. Despite assertions to the contrary in some submissions, at no time has Stephen been an employee of BSM. His involvement has always been as a contractor.

Stephen has considerable experience in grooming a riding surface to be suitable for the intended discipline, either Dressage or Show Jumping. His first involvement with BSM on the SIEC Project happened around the time of the completion of the SIEC Project, January 2018, where his skill at arena grooming was invaluable in training the SIEC staff.

Nicole Dingwall has worked in all three of my companies, BSM, Competition Friction & V-Sport Australia in the Accounts area. She performed some promotional work involving Otto arenas, but it would have been with Wallaby Hill, Dressage NSW & Equestrian NSW (NSW Interschools at SIEC), and in all three cases AFTER the projects were completed and in conjunction with Otto, hoping to capitalise on the success of those projects in order to generate more business.

It is also correct that Peter Dingwall was on the board of Equestrian NSW. Peter Dingwall is a retired Magistrate in the ACT and as such well understands the need to declare any conflict of interest.

To question the integrity of any of the above outside of the protection of Parliamentary Privilege would most likely invite serious legal action.



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RESPONSE TO OTHER MATTERS RAISED IN SUBMISSIONS

Submission 2 – Ms Berni Saunders

Tender Amounts

The information below is briefly covered in the General Comments Section, but is repeated here where additional explanation such as the cost of the Otto Perforated Mats can be included.

Ms Saunders queried why the most expensive tender was accepted. I have used the tender amounts quoted in her submission in the calculations below.

I have also quantified the cost of the Otto Perforated Mat - see **Appendix G** for an explanation of the benefits - so that the quotes can be compared on a similar basis.

The lowest Tender was Equestrian Services - \$574,294 – this was a non-conforming tender by which I understand it did not use ebb & flow irrigation. Typically the provision of ebb & flow irrigation would add at least \$75,000 per arena to the cost, so for purposes of comparison, let's call this tender **\$649,294** if it included ebb & flow irrigation. This amount did not include the benefit provided by the Otto Perforated mat.

The next lowest tender was Capricorn – **\$648,230** – the system proposed by Capricorn used ebb & flow irrigation but did not have the demonstrated advantages offered by the Otto Perforated Mat.

The cost of an Otto Perforated Mat is Euro 15.00. They are manufactured in Otto's factory in Spain and 1150 mats fill a 40' High Cube container. So working on one container of mats,

- 15 Euro * 1150 = Euro 17250 @ Euro 0.63 to A\$1.00 = A\$27381, or A\$23.81 / mat
- The shipping cost of a container from Europe in 2017 was about A\$5,000, adding an additional (5,000 / 1150 =) \$4.35 per mat, plus Import Duty of 5% = \$4.47 / mat.
- The landed cost of one Otto Perforated mat is therefore \$23.81 + \$4.47 = **\$28.28**
- The two SIEC arenas required approx. 4200 mats which represents a cost of 4200 * \$28.28 = **\$118,776**

The BSM (Otto Sport) quote was \$735,438. If the cost of the Otto Perforated Mat (above) was deducted, this quote becomes \$735,438 – \$118,776 = **\$616,662**, ie **without the unique to Otto Perforated Mats, the BSM quote would have been the lowest price!!**



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Submission 3 – Equestrian Services

Most points raised by Equestrian Services are covered in the initial sections.

The question was asked “when did I place the order for the material required to be shipped from Otto in Germany”.

Due to the tight timeline for delivery of the project, I had asked Otto to put aside the materials required for the SIEC arenas in anticipation of a successful tender. Until I received the official Letter of Award, I could not place an official order as Otto’s terms are payment with order.

Please see copy of Email from Otto Sport dated 22/11/2017 (in **Appendix B**) relating to loading the containers. This clearly shows that the containers were loaded on or around 13-14/11/2017 which is **one week after** the Letter of Award was received advising BSM of the successful tender.

Any allegation that I somehow had prior warning of success or other “insider trading” information which could enable me to order the required material from Otto prior to the receipt of the Letter of Award cannot be substantiated in the light of the above dates.

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Submission 8 – Mrs Maggie Dawkins

Many of the points raised by Mrs Dawkins have been covered in the initial sections.

Mrs Dawkins has previously written directly to Otto Sport expressing her concerns regarding the transfer of the surface from Wallaby Hill to SIEC, but she has omitted to mention this fact in her Submission.

The reply from Otto Sport direct to her is included in **Appendix D**.



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Submission 12 – Capricorn (Australia) Pty Ltd

This was a lengthy submission from a direct competitor so I have elected to respond separately to each relevant paragraph.

Paragraph 1 October 2017

Mention is made of Bruce Farrar taking a sample of sand from an arena at Willinga Park and discussing it with me. This has no relevance, as by that time the arena and therefore all the sand in the arena was owned by Willinga Park and Bruce had already gained permission from Terry Snow (the owner) to take such a sample.

It is also mentioned that “the ICAC letter specifically refers to Bruce Farrer’s involvement in contacting Stephen Dingwall for costings”. As mentioned earlier in the “Conflict of Interest” section in General Comments, Stephen had no specific knowledge of or involvement with the Tender Process and his first involvement with SIEC was towards the end of the project. If the ICAC letter reference is correct, then ICAC have been misinformed.

Paragraph 4 October 2017

The person who accompanied me at the meeting of potential Tenderers was Luke Brown, in his capacity as the JK Williams Project Manager assigned by JK Williams to manage the SIEC project (as previously mentioned).

Paragraph 10 October 2017 (top of Page 4)

“Alex Townsend, Board Member of Equestrian NSW, recently installed Otto surfaces in her indoor and outdoor arenas”.....“it is interesting to note that Alex Townsend and her Property Wallaby Hill have been used to promote Otto through Barrie Smith Motorsport Website”

Wallaby Hill run major Open Cross-Country competitions and seek sponsorship from many organisations to help offset costs and to offer a platform for industry suppliers to promote their products. BSM & Otto took up one of the offered sponsor packages and requested Alex (who agreed) to assist with a promotional video we were producing at the time.



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Paragraph – Key Dates included in the Tender Document from BSM

As part of the Tender, BSM indicated how it would be possible to achieve the tight timelines for the project, so an example was provided how the shipping arrangements would be managed, assuming that containers could be ready for collection on 25/10/2017.

The above date was irrelevant as the Letter of Award was only received on 7/11/2017. As documented in the email from Otto Sport dated 22/11/2017 in **Appendix B**, it is clear that the containers were packed **one week after** the Letter of Award, so any allegation that BSM had any prior knowledge of the Letter of Award is not supported by the facts.

As BSM is very experienced with import logistics, BSM had Otto set aside the required materials pending the success of the Tender, but no action was taken to place an official order with Otto and make the payment for the order until after the Letter of Award was received on 7/11/2019.

Paragraph – It is important to know the following facts (Page 6 of 9)

Comparable works at Willinga Park

- Lou mentions that this project was a “huge Success”.

This is NOT correct. In 2018, a Capricorn ebb & flow arena installed at Willinga Park failed, losing 20,000 litres of water per day.

BSM was engaged by Construction Control Pty Ltd who, at that time, undertook all construction work at Willinga Park, to totally replace the failed Capricorn Arena with an Otto Sport ebb & flow arena. This arena was installed ahead of the very tight schedule.

Work is currently under way at Willinga Park to remove a second Capricorn ebb & flow arena which is losing 10,000 litres of water / day. BSM has been contracted to replace this arena with an Otto Sport ebb & flow arena with work commencing in early November 2021.

Soiltex being replaced at some locations (Page 6 of 9)

The replacing of the Willinga Park arena in 2018 mentioned above is conveniently omitted.

The replacing of the Wallaby Hill indoor & outdoor arenas was NOT part of any sponsorship agreement. The original Capricorn indoor arena had been installed since 2008 and both arenas were replaced by Otto Sport ebb & flow arenas as part of a total upgrade of the equestrian riding surfaces at Wallaby Hill.



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Any “sponsorship” in relation to Wallaby Hill would have involved taking up an offer sent to many industry suppliers in conjunction with a major Wallaby Hill event well after the works at Wallaby Hill were completed.

Inferior geotextile / sand mixing process

“The Installation process of SOILTEX has been the same since Capricorn (Australia) Pty Ltd first began supplying SOILTEX within Australia”

If the above is correct, I witnessed this process first hand when Capricorn installed SOILTEX in my arena about 15 years ago. The SOILTEX was scattered on top of the sand layer and a rotary hoe driven over the surface to mix the SOILTEX and sand.

The Otto Sport mixing process is far more comprehensive and involves mixing the sand and Arena Tex material away from the arena site, performing the mixing operation multiple times until the sand / Arena Tex mixture is homogenous. Only then is the mixed riding surface transferred to the arena site.

The Capricorn mixing process is inferior to the Otto Sport process as it does not offer a means of ensuring a totally homogenous mixture.

Submission 15 – Name Supressed

Most of the points made in this submission have been handled in the General Comments at the start of this document.

This person totally misunderstands the function of ebb & flow, believing it to be only a storm water removal system(which is only one of the functions of the ebb & flow system in an outdoor arena) rather than an irrigation system which automatically (in the case of Otto Sport) or manually (Capricorn) controls the water level & therefore the moisture content of the riding surface.

Submission 18 – Name Supressed

Some brief points below but most points have been handled in General Comments:

- “Had only one testimonial” – ignores the worldwide experience of Otto Sport
- Refers to “toxic fabric carpet shredding” – shredded carpet may be used by some arena installers, but Otto only use new non-woven geotextile material.



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Submission 21- Ms Hannah Brooks`

Many of the points raised in this submission have been handled in General Comments.

The “Key points” are replied to in order below:

1. There is no indication that the management of the tender process by The Office of Sport was anything but correct – refer ICAC report. From my own experience, it was handled totally professionally.
2. The Tender did not involve Equestrian NSW so where is the conflict of interest?
3. I believe ICAC found no evidence of corruption
4. Refer #2 above
5. The claim that the Wallaby Hill material was removed at “taxpayer’s expense” is incorrect – I can provide Invoices to BSM from ICF Haulage to confirm this if required.
6. ENSW is a major client of SIEC and has Equestrian expertise – why would The Office of Sport not seek their advice?
7. The Office of Sport had a duty to not release documents relating to “Commercial in Confidence” issues
8. The emotional tone of this question indicates a reliance on social media for information rather than facts.