

Brompton Former Gasworks Site

Independent Technical Review of Evaluation of Development
Proposals

26-Jul-2022

Brompton Former Gasworks Site

Independent Technical Review of Evaluation of Development Proposals

Redacted sections of this report are due to commercial in confidence requirements.

Client: Department for Trade and Investment

Prepared by

AECOM Australia Pty Ltd

Level 28, 91 King William Street, Adelaide SA 5000, Australia

T +61 8 7131 0252 www.aecom.com

ABN 20 093 846 92520 093 846 925

26-Jul-2022

Job No.: 60685671

AECOM in Australia and New Zealand is certified to ISO9001, ISO14001 and ISO45001. AECOM in Australia and New Zealand is certified to ISO9001, ISO14001 and ISO45001.

© AECOM Australia Pty Ltd (AECOM) (AECOM). All rights reserved.

AECOM has prepared this document for the sole use of the Client and for a specific purpose, each as expressly stated in the document. No other party should rely on this document without the prior written consent of AECOM. AECOM undertakes no duty, nor accepts any responsibility, to any third party who may rely upon or use this document. This document has been prepared based on the Client's description of its requirements and AECOM's experience, having regard to assumptions that AECOM can reasonably be expected to make in accordance with sound professional principles. AECOM may also have relied upon information provided by the Client and other third parties to prepare this document, some of which may not have been verified. Subject to the above conditions, this document may be transmitted, reproduced or disseminated only in its entirety.

Quality Information

Document Brompton Former Gasworks Site

Date 26-Jul-2022

Prepared by Brenton Burman & Paul Carstairs

Reviewed by Michael Manou

Revision History


Rev	Revision Date	Details	Authorised	
			Name/Position	Signature
V.0	26-Jul-2022	Final Report	Brenton Burman Technical Director	

Table of Contents

Executive Summary	i
1.0 Introduction	1
1.1 Background	1
1.2 Review Objective	1
2.0 Review Topics and Methodology	2
2.1 Review Topics	2
2.2 Review Methodology	3
3.0 Vision and Guiding Principles	4
4.0 Evaluation Criteria and Weightings	6
4.1 Criterion 1 – Draft Master Plan, Vision and Guiding Principles	7
4.2 Criterion 2 – Commercial Offer	10
4.3 Criterion 3 – Development Delivery Team	13
4.4 Criterion 4 – Environmental and Remediation Strategy	16
4.5 Criterion 5 – Development Program and Timing	20
4.6 Criterion 6 – Key Contract Terms	22
4.7 Criterion 7 – Commitments to Enter into Specific Agreements	23
5.0 Topic Questions Review	24
5.1 Topic Question 1 – Original Cabinet approval for the Bowden Project	24
5.2 Topic Question 2 – Consistency	30
5.3 Topic Question 3 – Master-planning	34
5.4 Topic Question 4 – Remediation	35
5.5 Topic Question 5 – Community and local considerations	39
5.6 Topic Question 6 – Economic impact	40
5.7 Topic Question 7 – Environmental impact	44
5.8 Topic Question 8 – 30-Year Plan for Greater Adelaide	46
5.9 Topic Question 9 – Planning and Development Outcomes	48
5.10 Topic Question 10 – 20-Year State Infrastructure Strategy	49

Executive Summary

AECOM has been engaged by the Department for Trade and Investment as an independent consulting firm to undertake a review of the criteria used to appoint a development partner to acquire, remediate and develop the Brompton Former Gasworks Site.

In July 2021, Renewal SA commenced a process to seek a development partner to acquire, remediate and develop the 5.81 ha Gasworks Site at Brompton that is located within the Bowden Urban Village project. A two-stage market approach was conducted, resulting in three formal proposals being received. Following the assessment and multi-level approval process, MAB was appointed as the preferred proponent.

This independent technical review is being conducted to review the evaluation criteria to determine if they were appropriate for achieving the objectives for the former Gasworks Site and whether the criteria are in the public interest.

As part of this independent technical review, AECOM has sought input from Hudson Howells to inform the review of the economic benefits to the local community and the State.

AECOM has undertaken this independent technical review without ongoing public commentary and with regard to sensitive commercial material being kept in confidence.

This independent technical review has considered:

- The Vision and Guiding Principles for the project
- The Evaluation Criteria and Weightings
- Review of the specific individual Criterion
- The 10 individual Topic Questions posed by the Department for Trade and Investment.

It is noted that some of the documentation reviewed refers to the subject site as the Bowden Former Gasworks Site. Almost 90% of the site is within the suburb of Brompton and the historical name of the Gasworks Site has referred to Brompton. This report has therefore referred to the subject site as the 'Brompton Former Gasworks Site'.

Overall AECOM Observations

- The Vision for the Brompton project (former gasworks site), a portion of the original Bowden Village Master Plan, is consistent with the original Master Plan
- [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
 - For this project, the SA Government is seeking a single proponent (consortia) to deliver the overall project
 - [REDACTED]
[REDACTED]
 - The approach, for a single proponent (consortia) to deliver the overall Brompton project, is consistent with the overall Bowden Urban Village Project intent
- The Guiding Principles repeat the Bowden Village Master Plan Guiding Principles and the Project Specific Objectives have been tailored to reflect and reinforce the unique aspects of the site and the project
- The Evaluation Criteria and Weightings have been tailored to reflect the unique aspects of the site and the delivery for this project
- The five Weighted Criterion recognise:
 - The alignment of this site with the original Bowden Urban Village Master Plan and surrounding development
 - The importance of the remediation of this former gasworks site – and the relationship of such remediation solutions on future proposed land use
 - The SA Government's decision to seek a single proponent (consortia) to deliver the overall project – and therefore the commercial offer, development delivery team and development program/timing require critical assessment
- At the time of release of the Registration of Interest (ROI) and Request for Proposal (RFP) for the Brompton Former Gasworks Site, there was no consideration given to an 'alternative' development scenario such as that proposed in the Adelaide Football Club (AFC)/Pelligra submission. The Vision and Guiding Principles, and the associated Evaluation Criteria and Weightings, are based on the original Bowden Urban Village Master Plan [REDACTED] and reflect a 'continuation' of the similar form, scale and land use delivered through the earlier stages of the Bowden Urban Village project. Had such an 'alternative' development scenario been envisaged and desired at the time of release of the ROI and RFP, there may have been differing requirements prescribed in Criterion 1 [*Draft Masterplan, Vision and Guiding Principles*] (i.e. greater focus on regional recreation/open space and entertainment facilities).
- The 10 individual Topic Questions posed by the Department for Trade and Investment demonstrate that the Evaluation Criteria and Weightings are appropriate for the Brompton project
- There is likely to be very little difference in the South Australian Government being the development coordinator/master developer compared to a single private sector proponent managing both the remediation works and the site development
- The MAB submission:
 - Provides the greatest diversity – including diversity of housing product (including 15% affordable housing) and the highest amount of commercial space
 - Best responded to the proposed uses for the existing heritage buildings and structures
 - Integrates well with the Bowden Urban Village and the surrounding community
 - Includes a convincing and credible based commercial offer (noting that liability for off-site groundwater contamination would remain with the State)

- Includes a development delivery team with a long and successful history of delivering similar large complex mixed-use projects
- Demonstrates the most experienced remediation team (with regard to the remediation of large complex former gasworks sites in sensitive urban environments)
- [REDACTED]
 - [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
- The AFC/Pelligra submission is very different to the two other short-listed submissions:
 - The concept reflects the current market environment in which the AFC has sought to develop a sports and community centre with associated training facilities within close proximity to the Adelaide CBD
 - The focus of the Master Plan is on open space (for AFC and public use) and commercial space. This was not contemplated in the initial Bowden Urban Village Master Plan or the RFP
 - Whilst the extent of 'green space' is positive, public access will be restricted, and the commercial/training use will likely generate significant vehicular traffic (potential off-site traffic impacts)
 - Further consideration of the provision of open space, entertainment and recreational opportunities, may have resulted in the AFC/Pelligra submission demonstrating a greater strategic and community benefit
- Renewal SA has determined that the MAB submission represents a lower risk than AFC/Pelligra, based on the residential/mixed use development, expected demand, and the track record for delivery of such projects. The MAB submission proposes a higher density than was previously proposed by Renewal SA (an additional 300 dwellings – over five market segments)
- It is recognised that there is still considerable risk of increased costs associated with the finalised and endorsed remediation approach. All three submission included caveats on remediation and associated data gaps to be addressed, with uncertainties to be resolved through the development of the Remediation Options Assessment (ROA) and Site Remediation Plan (SRP)
- For site remediation works, either government or a private owner will be held to the same regulatory standard and there is no general advantage of having one of these entities manage it over the other. The better outcome will most likely be based on the experience and skill sets of the specific management team

The outcomes of the independent technical review process are summarised in the following tables:

The Vision and Guiding Principles for the project

Vision and Guiding Principles		AECOM Observations
Vision	The creation of an active and vibrant mixed-use precinct that blends heritage, sustainability and community in a way that integrates with and forms part of the Bowden Redevelopment Project	<ul style="list-style-type: none"> The Vision reflects the original Bowden Village Master Plan
Guiding Principles	<ul style="list-style-type: none"> Liveable Communities Economic Growth and Development Environmental Responsibility Placemaking 	<ul style="list-style-type: none"> The Guiding Principles repeat the Bowden Village Master Plan Guiding Principles – this is considered appropriate The Project Specific Objectives have been tailored to reflect and reinforce the unique aspects of the site and the project – this is considered appropriate

The Evaluation Criteria and Weightings

Assessment Criteria		Evaluation Weighting	AECOM Observations
Criterion 1:	Draft Masterplan, Vision and Guiding Principles	25.0%	<ul style="list-style-type: none"> Evaluation Criteria and associated weightings need to be tailored for each individual land development project – reflecting the unique aspects and delivery mechanisms for each project The seven Criterion, including the weighting breakdown for the five weighted criteria, are considered reasonable and acceptable for the form and scale of this project The five Weighted Criterion recognise: <ul style="list-style-type: none"> The alignment of this site with the original Bowden Urban Village Master Plan and surrounding development The importance of the remediation of this former gasworks site – and the relationship of such remediation solutions on future proposed land use That the SA Government is seeking a single proponent (consortia) to deliver the overall project – and therefore the commercial offer, development delivery team and development program/timing require critical assessment The Evaluation Criteria and Weightings have been tailored to reflect the unique aspects of the site and the delivery approach for this project AECOM considers that the Evaluation Criteria and Weightings are appropriate for this project
Criterion 2:	Commercial Offer	27.5%	
Criterion 3:	Development Delivery Team	10.0%	
Criterion 4:	Remediation and Environmental Strategy	27.5%	
Criterion 5:	Development Program and Timing	10.0%	
Criterion 6:	Key Contract Terms	Not weighted	
Criterion 7:	Commitments to Enter into Specific Agreements	Not weighted	

Review of the specific individual Criterion

Assessment Criteria		AECOM Observations
Criterion 1:	Draft Masterplan, Vision and Guiding Principles	<ul style="list-style-type: none"> The Criterion 1 weighting (25 %) is considered suitably representative of the importance of providing a robust and achievable Draft Master Plan that delivers on the Vision, Guiding Principles and Project Specific Objectives The MAB submission provides the greatest diversity – including diversity of housing product (including 15% affordable housing) and the highest amount of commercial space – the MAB submission has best responded to the proposed uses for the existing heritage buildings and structures The MAB submission has a significantly higher level of detail and is more closely aligned with the RFP requirements, when compared to the two other proponent submissions The MAB submission integrates well with the Bowden Urban Village and the surrounding community <p>General Observations</p> <ul style="list-style-type: none"> <i>The AFC/Pelligra approach, with the focus of the Master Plan being on open space (for AFC and public use) and commercial space, was not contemplated in the initial Bowden Urban Village Project scheme or the RFP. Whilst the extent of 'green space' is positive, public access will be restricted, and the commercial/training use will likely generate significant vehicular traffic (potential off-site traffic impacts)</i>
Criterion 2:	Commercial Offer	<ul style="list-style-type: none"> MAB's commercial offer was convincing and credible based upon security provided and the improved financial position to the State Under the MAB and [REDACTED] offers, the liability for off-site groundwater contamination would remain with the State. This is consistent with Renewal SA's position on other similar projects Based on AECOM's understanding of the Development Agreement, Development Deed and project control measures, the governance arrangements do not appear to have changed since the deal with MAB was struck <p>General Observations</p> <ul style="list-style-type: none"> <i>The evaluation criteria focus on strict economic values of gross value added and jobs, plus future site visitations. The higher the cost the higher the economic impacts. A broader community cost benefit assessment where social intangibles are considered and valued may produce a different outcome and ranking of proponents. Such intangibles could include, for example, open space creation, recreational opportunities, environmental impacts, entertainment opportunities and noise factors</i> <i>The PwC report states that the MAB construction economic impacts are more than double the other two proposals and will clearly deliver greater job creation and economic activity</i>

Assessment Criteria		AECOM Observations
		<p><i>benefits to the local community and the State during the project's construction phase</i></p> <ul style="list-style-type: none"> The PwC report states that the MAB and AFC/Pelligra operational economic impacts are similar for jobs (730 and 720 per annum respectively), but there is a large discrepancy in the Gross Value Added (GVA) (\$94 million and \$46 million per annum).
Criterion 3:	Development Delivery Team	<ul style="list-style-type: none"> MAB demonstrated a long and successful history of delivering similar large complex mixed-use projects MAB demonstrated the most experienced remediation team (demonstrating detailed knowledge of the site with the inclusion of the remediation contractor [REDACTED] and environmental consultant [REDACTED], and prior demonstrable experience on the remediation of similar large, complex former gasworks sites in sensitive urban environments) <p>General Observations</p> <ul style="list-style-type: none"> MAB and [REDACTED] have not identified who in their organisations will be undertaking the key project lead roles [REDACTED]
Criterion 4:	Remediation and Environmental Strategy	<ul style="list-style-type: none"> The Criterion 4 weighting (27.5%) is considered suitably representative of the importance of implementing an appropriate remediation and environmental strategy The MAB submission has a significantly higher level of detail and is more closely aligned with the RFP requirements, when compared to the two other proponent submissions MAB had demonstrated the most experienced remediation team (with regard to the remediation of large complex former gasworks sites in sensitive urban environments) AECOM supports the higher ranking allocated to MAB for this Criterion <p>General Observations</p> <ul style="list-style-type: none"> Care needs to be given to evaluating scores with regard to the extent of remediation works and associated timeframes and costs. Data gaps remain at the site with regard to contaminant characterisation and the full extent of remediation works remains to be detailed in a Remediation Options Assessment and Site Remediation Plan, and agreed to by the yet to be appointed Site Contamination Auditor (and possibly the EPA) There are significant differences between the quantity of remediation works and associated costs proposed by each proponent (reflected in their remediation methodologies, remediation quantities, timeframes and costs) Both MAB and [REDACTED] qualified their remediation quantities and costs with the likelihood of refining these

Assessment Criteria		AECOM Observations
		<p>factors following the completion of further investigation works. This approach is considered appropriate</p> <ul style="list-style-type: none"> The MAB consortia included [REDACTED] (environmental consultant) and [REDACTED] (remediation contractor), both of which have a stronger knowledge of the site due to recent environmental works at the site. This was reflected in the proposed approach to remediation Care needs to be made with perceptions that proposing less sensitive land uses at the site such as a sports oval, as per the AFC/Pelligra submission, could result in less remediation requirements and costs with regard to significant contaminant source material (e.g. coal tar and gross tar impacts). This material will still likely be required to be remediated to the extent practicable, regardless of the future land use, as the material presents an ongoing risk to groundwater contamination
Criterion 5:	Development Program and Timing	<ul style="list-style-type: none"> The MAB program appears to be the most plausible. However, there is some concern that the overall program is too long [REDACTED] The AFC/Pelligra program, particularly the remediation program, is overly optimistic and likely to be unrealistic, particularly for the required approvals <p>General Observations</p> <ul style="list-style-type: none"> Programs for remediation works differ between the three proponents, largely due to the differing remediation strategies, which have a large bearing on the program. Development of the final remediation program requires remaining data gaps to be addressed, the development of a Remediation Options Assessment and Site Remediation Plan, and endorsement of the Plan by an EPA accredited Auditor, and possibly the EPA Critical to the overall program will be integrating the remediation works with site development. This can, in part, occur in parallel but will depend upon how the remediation works are staged, particularly in relation to the location of on-site containment cells/repositories
Criterion 6:	Key Contract Terms	No review observations or commentary provided
Criterion 7:	Commitments to enter into specific agreements	No review observations or commentary provided

Response to individual Review Topic Questions

Review Topic	Review Question	AECOM Observations
1	Original Cabinet approval for the Bowden Project	<p data-bbox="448 416 767 595">Are the criteria and weightings consistent with the project scope, objectives and recommendations which were approved by Cabinet in the 2010 submission?</p> <ul style="list-style-type: none"> <li data-bbox="791 439 1383 618">• [REDACTED] <li data-bbox="791 640 1383 730">■ [REDACTED] <li data-bbox="791 752 1383 931">• The project outcomes for the Bowden Urban Village project have been repeated as Guiding Principles in the current Brompton project – and have been strengthened through the addition of ‘Project Specific Objectives’ for the Brompton project <li data-bbox="791 954 1383 1155">• The Brompton project is now proposed to be delivered by a single proponent (consortia) to deliver all aspects of the project, including the remediation, finalisation of the design and overall development – placing greater weight on the commercial offer, development delivery team and development program/timing <li data-bbox="791 1178 1383 1514">• Whilst being a different delivery approach to that proposed in 2011, the current approach to the redevelopment of the Brompton Former Gasworks site by a single proponent (consortia) to deliver all aspects of the project has enshrined the original Vision and Guiding Principles into the procurement process and the Evaluation Criteria and Weightings. Specifically, the process has placed greater weight on the commercial offer, development delivery team, remediation strategy and development program/ timing <li data-bbox="791 1536 1383 1805">• The initial stages of the Bowden Urban Village project were critical in promoting place making and encouraging innovative and leading edge mixed use and higher density development, and greater inclusion of environmental sustainability initiatives within the South Australian market. This market has matured and expanded as a result of the original delivery approach for the Bowden Urban Village <li data-bbox="791 1827 1383 1962">• The Site Plan included two areas of open space within the Former Gasworks site – Origin Park and Gasworks Park. Both areas of open space are less than a quarter of the size required for an AFL senior football oval <li data-bbox="791 1984 1383 2098">• The Bowden Urban Village Proposed Site Plan [REDACTED] is more closely aligned with the MAB and [REDACTED] submissions

Review Topic	Review Question	AECOM Observations
		<ul style="list-style-type: none"> • AECOM considers the Evaluation Criteria and Weighting used for the current Brompton project are aligned with the Bowden Urban Village project and are appropriate • The Public Works Committee has been kept informed of the progress of the Bowden Urban Village project since September 2011 • The Public Works Committee was informed of the change to the approach for the redevelopment of the Brompton Former Gasworks Site in the September 2021 and March 2022 Quarterly Reports. Renewal SA advised the Committee of the “... <i>heightened interest from developers and other entities</i> ...” and the 2-stage procurement process for a “... <i>development partner to acquire, remediate and develop the Site [Brompton Former Gasworks Site] located within the Bowden project.</i>” • It is AECOM's understanding that the Public Works Committee has not requested any further information from Renewal SA regarding the contents of the quarterly reports or invited Renewal SA to report directly on the progress of the project. • The governance applied to the overall process and decision of the Urban Renewal Authority (URA) Board of Management to appoint the MAB consortia as the preferred bidder (subject to the approval of the Treasurer) appears to be sound and aligned with the approved Evaluation and Probity Plan
2	Consistency	<p>Are criteria consistent with the approach adopted for similar projects in South Australia which may include the Bowden Project, original Bowden Plan and the original remediation plan?</p> <ul style="list-style-type: none"> • Evaluation Criteria and associated weightings need to be tailored for each individual land development project – reflecting the unique aspects and delivery mechanisms for each project • The Evaluation Criteria and Weightings for the Brompton project have been tailored to reflect the unique aspects of the site, alignment with the original Bowden Urban Village Master Plan and surrounding development, extent of contamination/ remediation works required and the delivery mechanism for this project • There is some consistency in Criteria and Weightings between the Brompton Former Gasworks site and other recent development projects undertaken by Renewal SA, but there are specific differences – which are to be expected given the different site settings, drivers for development, and particular issues such as remediation requirements • The current approach of the South Australian Government to offer the Brompton Former

Review Topic	Review Question	AECOM Observations
		<p>Gasworks site to a single proponent (consortia) to deliver the project responds to changing market conditions and the heightened interest from development industry</p> <ul style="list-style-type: none"> • The MAB Master Plan proposes a higher density than was previously proposed by Renewal SA for the Brompton Former Gasworks site (an additional 300 dwellings – over five market segments) • There is likely to be very little difference in the South Australian Government being the development coordinator/master developer and a single proponent managing both the remediation works and the site development – both are able to achieve the Vision and Guiding Principles for the development of the Brompton Former Gasworks site • The current approach of a single proponent managing both the remediation works and the site development allows a 'fast-track' method of delivering the project in a master planned and coordinated manner • AECOM considers that the Evaluation Criteria and Weightings are appropriate for this project
3	Master-planning	<p>Was the level of master-planning and market strategy appropriate for this size and location of land and does it continue to be appropriate including in the broader Bowden precinct and in the current market environment?</p> <ul style="list-style-type: none"> • AECOM considers that the level of master planning and market strategy for the Brompton project is acceptable, and aligned with the original Bowden Urban Village Master Plan • The MAB and [REDACTED] submissions align with the original Bowden Urban Village project Master Plan and the Vision and Guiding Principles for the project • The AFC/Pelligra submission is a very different concept which reflects the current market environment in which the AFC has sought to develop a sports and community centre with associated training facilities within close proximity to the Adelaide CBD
4	Remediation	<p>What is the appropriate strategy to manage remediation (including groundwater) issues on this site, including if the government or private owner is best placed to manage this (outcome and cost)?</p> <ul style="list-style-type: none"> • The remediation approaches proposed by the three proponents are, in general, aligned with typical remediation approaches for former gasworks sites and would likely be acceptable to the EPA. However, there is a high degree of variability in remediation volumes and costs • This variability is to be expected given the quantum of data presented, the data gaps remaining to be addressed and the remediation scope being somewhat open to interpretation • The key issue for a Site Contamination Auditor (and possibly EPA) acceptance will be the extent of remediation proposed so that it can be

Review Topic		Review Question	AECOM Observations
			<p>demonstrated that potential risks to human health and the environment have been reduced to an acceptable level</p> <ul style="list-style-type: none"> • There is a considerable risk of increased costs associated with the finalised and endorsed remediation approach of the preferred proponent • Large contaminated sites vary in terms of setting, scale and complexity of contamination, stakeholder and regulator involvement and community issues • These sites are required to be remediated to a standard driven by the State-based environmental protection legislation and related regulations and guidelines. To that end, the remediation works at the Brompton Gasworks site will be closely scrutinised by an EPA accredited Site Contamination Auditor and possibly the EPA • For site remediation works, either government or a private owner will be held to the same regulatory standard and there is no general advantage of having one of these entities manage it over the other. The better outcome will most likely be based on the experience and skill sets of the specific management team • There are no significant benefits or risks as to whether a private or public sector entity manages the remediation of the Brompton Former Gasworks site • Both the public and private sectors will be held accountable to the same regulatory standard • The works will be reviewed for regulatory compliance by an independent EPA accredited Site Contamination Auditor, regardless of whether a public or private entity manages the works • Recent Australian large scale gasworks remediation projects in sensitive urban settings have been successfully managed by a relatively even split between public and private sector entities
5	Community and local considerations	Do the criteria and weightings adequately address the projects impact on the local community including, local infrastructure and accessible public open space?	<ul style="list-style-type: none"> • The Evaluation Criteria and Weightings adequately address community and local considerations • The MAB submission integrates best with the Bowden Urban Village and the surrounding community • Whilst the extent of 'green space' in the AFC/Pelligra submission is positive, public access will be restricted, and the commercial/training use will likely generate significant vehicular traffic (potential off-site traffic impacts)

Review Topic		Review Question	AECOM Observations
6	Economic impact	Do the criteria and weightings ensure the economic benefit to the local community and the State are appropriately taken into consideration, so that job creation and economic activity benefit the local community and the State?	<ul style="list-style-type: none"> The economic impact criteria nominated and applied by PwC, including gross value added and jobs in construction and operations, are considered appropriate for testing that job creation and economic activity benefit the local community and the State As there are no weightings applied to the economic criteria, it has not been possible to assess their appropriateness for testing that job creation and economic activity benefit the local community and the State. Economic impact appears to have little consideration in the overall weightings and scores The PwC methodology used to measure the economic impact of the three proposals, Input/Output analysis, is considered appropriate for proposal economic impact comparisons. However, it is noted that a broader State based community benefit cost assessment may deliver different scores, relativities and rankings The PwC economic impacts of the three proposals are considered to be low due to the non-inclusion of consumption impacts, but it is considered that this does not materially affect the relative economic impacts as it is excluded for each proposal [REDACTED] The PwC review of the MAB construction economic impacts are more than double the other two proposals and will clearly deliver greater job creation and economic activity benefits to the local community and the State during the project's construction phase The PwC review of the MAB and AFC/Pelligra operational economic impacts are similar for jobs (730 and 720 per annum respectively) but there is a large discrepancy in the GVA (\$94 million and \$46 million per annum) The GVA for the MAB project is between 1.5 and double the GVA for AFC/Pelligra project The MAB commercial offer was convincing and credible based upon security provided and the improved financial position to the State

Review Topic		Review Question	AECOM Observations
7	Environmental impact	Do the criteria and weightings ensure delivery of an outcome that achieves appropriate remediation of the site given the level of risk and cost impacts, including who is best placed to manage the remediation?	<ul style="list-style-type: none"> The Criteria and Weightings do not necessarily 'ensure' the appropriate remediation approach is undertaken but they give due consideration to key factors that could contribute to achieving a successful outcome with regard to delivery team experience, cost, timing and regulatory compliance The Criteria and Weightings are considered suitable to achieving the appropriate remediation of the site regardless of whether the works are managed by government or private company, provided an appropriately experienced management team is in place As noted in Review Topic 4, the 'manager' of the remediation works will be held to the required regulatory standard, so there is no specific advantage or disadvantage of having either government or a private owner manage such works
8	30-Year Plan for Greater Adelaide	Do the criteria and weightings adequately address the objects of the 30-Year Plan for Greater Adelaide to ensure that the proposed project delivers on the key objectives of the Plan?	<ul style="list-style-type: none"> Based on AECOM's review, the Brompton project Vision and Guiding Principles and the Evaluation Criteria and Weightings align with the Objectives and strategic targets of the 30-Year Plan The MAB submission more closely aligns with the Objectives and strategic targets of the 30-Year Plan (when compared to the other two submissions)
9	Planning and Development Outcomes	Do the criteria and weightings facilitate development consistent with the planning policies in the Planning and Design Code?	<ul style="list-style-type: none"> Based on AECOM's review, the Brompton project Vision and Guiding Principles and the Evaluation Criteria and Weightings align with the Objectives and strategic targets of the Planning & Design Code The MAB submission more closely aligns with the relevant provisions of the Planning & Design Code (when compared to the other two submissions)
10	20-Year State Infrastructure Strategy	Do the criteria and weightings facilitate infrastructure outcomes identified as priorities within the Strategy, specifically housing priorities and/or public transport priorities?	<ul style="list-style-type: none"> Based on AECOM's review, the Brompton project Vision and Guiding Principles and the Evaluation Criteria and Weightings are generally aligned with the 20-Year State Infrastructure Plan Both the MAB and [REDACTED] align with the 20-Year State Infrastructure Plan Priority 11, by increasing private sector investment in the supply of affordable housing Infrastructure SA has not been directly involved in the development of a business case to support the AFC/Pelligra proposal to invest in multi-use sports infrastructure on this site. Whilst beyond the scope of this assessment, such involvement could assist in providing strategic guidance in relation to the most suitable site for such a facility

1.0 Introduction

AECOM has been engaged by the Department for Trade and Investment as an independent consulting firm to undertake a review of the criteria used to appoint a development partner to acquire, remediate and develop the Bowden Former Gasworks Site.

1.1 Background

In July 2021, Renewal SA commenced a process to seek a development partner to acquire, remediate and develop the 5.81 ha Gasworks Site at Brompton that is located within the Bowden Urban Village project.

A two-stage market approach was conducted, with Stage 1 being a Registration of Interest (ROI) and Stage 2 being a Request for Proposal (RFP) to four short-listed proponents.

The market approach resulted in three formal proposals being received, with evaluation of submissions undertaken, assessed against the following criteria:

Assessment Criteria	Evaluation Weighting
Draft Masterplan, Vision and Guiding Principles	25.0%
Commercial Offer	27.5%
Development Delivery Team	10.0%
Remediation and Environmental Strategy	27.5%
Development Program and Timing	10.0%

Following the Evaluation Group assessment and multi-level approval process, MAB was appointed as the preferred proponent under the recommendation from the Urban Renewal Authority Board of Management to the then Treasurer.

As an election commitment, the Government has committed to reviewing the evaluation criteria to determine if they were appropriate for achieving the objectives for the former Gasworks site and whether the criteria are in the public interest.

This independent technical review has been conducted without ongoing public commentary and with regard to sensitive commercial material being kept in confidence. The parameters for the review have been set having regard to how the public interest can best be assessed.

It is noted that some of the documentation reviewed refers to the subject site as the Bowden Former Gasworks Site. Almost 90% of the site is within the suburb of Brompton and the historical name of the Gasworks Site has referred to Brompton. This report has therefore referred to the subject site as the 'Brompton Former Gasworks Site'.

1.2 Review Objective

The objective of the independent technical review by AECOM is to assess the criteria used by Renewal SA to support a development partner to acquire, remediate and develop the former Brompton Gasworks site.

2.0 Review Topics and Methodology

2.1 Review Topics

The Department for Trade and Investment has identified 10 topics to be addressed as part of this independent technical review. These being:

Review Topic		Review Question
1	Original Cabinet approval for the Bowden Project	Are the criteria and weightings consistent with the project scope, objectives and recommendations which were approved by Cabinet in the 2010 submission?
2	Consistency	Are criteria consistent with the approach adopted for similar projects in South Australia which may include the Bowden Project, original Bowden Plan and the original remediation plan?
3	Master-planning	Was the level of master-planning and market strategy appropriate for this size and location of land and does it continue to be appropriate including in the broader Bowden precinct and in the current market environment?
4	Remediation	What is the appropriate strategy to manage remediation (including groundwater) issues on this site, including if the government or private owner is best placed to manage this (outcome and cost)?
5	Community and local considerations	Do the criteria and weightings adequately address the projects impact on the local community including, local infrastructure and accessible public open space?
6	Economic impact	Do the criteria and weightings ensure the economic benefit to the local community and the State are appropriately taken into consideration, so that job creation and economic activity benefit the local community and the State?
7	Environmental impact	Do the criteria and weightings ensure delivery of an outcome that achieves appropriate remediation of the site given the level of risk and cost impacts, including who is best placed to manage the remediation?
8	30-Year Plan for Greater Adelaide	Do the criteria and weightings adequately address the objects of the 30-Year Plan for Greater Adelaide to ensure that the proposed project delivers on the key objectives of the Plan?
9	Planning and Development Outcomes	Do the criteria and weightings facilitate development consistent with the planning policies in the Planning and Design Code?
10	20-Year State Infrastructure Strategy	Do the criteria and weightings facilitate infrastructure outcomes identified as priorities within the Strategy, specifically housing priorities and/or public transport priorities?

Responses to the review questions have been provided in Section 5.0 of this report.

2.2 Review Methodology

AECOM has investigated and provided findings across each of the individual review topics, in respect of whether the criteria and resulting decision was in the best interests of the local community and the State.

In undertaking this independent technical review, AECOM has reviewed the following documents supplied by the Department for Trade and Investment:

- URA Board of Management – Agenda and Papers (and appendices) – 17 January 2022 – FINAL
- URA Board of Management – Minutes of the Meeting held on 13 January 2022
- URA Board of Management – Minutes of the Meeting held on 17 January 2022
- Public Works Committee Quarterly Reports (from Quarter 3 – September 2012 to March Quarter 2022)
- Stage 2 Request for Proposal (RFP) response submissions from the three short-listed proponents
- Bowden Urban Village Cabinet report – 11 February 2011
- Voluntary Site Remediation Proposal by Renewal SA – 15 October 2019
- Data Room Documents (informing the Stage 1 Registration of Interest (ROI) and Stage 2 being a Request for Proposal (RFP) processes)

As previously stated, the review has been conducted without ongoing public commentary and with regard to sensitive commercial material being kept in confidence.

In undertaking this review, the AECOM team has drawn upon its experience in master planning, land use and economic assessment, contamination issues and remediation management options for similar redevelopment sites across Australia.

As part of this independent technical review, AECOM has sought input from Hudson Howells to inform the review of the economic benefits to the local community and the State.

3.0 Vision and Guiding Principles

The Vision and Guiding Principles for the project were communicated to the three proponents through the Stage 1 ROI and the Stage 2 RFP.

The Vision states:

The creation of an active and vibrant mixed-use precinct that blends heritage, sustainability and community in a way that integrates with and forms part of the Bowden redevelopment project.

The Guiding Principles reflect the existing objectives embedded within the Bowden redevelopment project, along with 'project specific' objectives.

The four Guiding Principles and 'project specific' objectives are summarised below:

Guiding Principle	Project Specific Objectives
1. Liveable Communities	
<ul style="list-style-type: none"> Higher density, mixed-use development including (some or all) residential, retail, commercial, civic and recreational opportunities The engagement of local people, the wider community and potential occupants in defining and being involved throughout the planning and design process Promote opportunities for the development of healthy and balanced lifestyles Cultivate a strong sense of identity and diverse community networks 	<ul style="list-style-type: none"> Public open space of at least 1.26 hectares within the site to ensure the Bowden redevelopment is achieving a minimum of 12.5% open space across the combined project area A minimum of 15% Affordable Housing provided across the Project where residential development is undertaken
2. Economic Growth and Development	
<ul style="list-style-type: none"> Create and/or deliver commercially viable mixed-use development opportunities with the private sector Generate local business and employment opportunities, strengthening the future economy of South Australia 	<ul style="list-style-type: none"> Delivery of retail, residential, commercial and/or community uses in existing and new buildings Provision of training and employment outcomes through the Renewal SA Works Program Development of an Industry Participation Plan
3. Environmental Responsibility	
<ul style="list-style-type: none"> Increased use of public and alternative transport High-quality building designs, including high standards of environmental sustainability Public spaces and landscaping that respond to the local climate Optimal water use efficiency, water sensitive urban design (WSUD) water reuse and water storage Optimal energy efficiency and use of renewable energy. 	<ul style="list-style-type: none"> A development concept that delivers a high level of sustainability and achieves a 6 Star Green Star rating in accordance with the Green Building Council of Australia's (GBCA) Green Star - Communities Framework All buildings should achieve a minimum 5 Star Green Star Rating in accordance with the GBCA's Green Star Buildings Tool

Guiding Principle	Project Specific Objectives
4. Placemaking	
<ul style="list-style-type: none"> • Coherent character and identity in built form and public realm that reflects and resonates with traditional elements of Bowden and Adelaide and medium and high-density living • Pedestrian-friendly streets in proportion to surrounding built form, providing flexible and safe connections by day and by night • Compact and lively activity hub with a variety of shops, civic uses and places to visit • A network of public spaces for people to relax, meet and recreate • A high-quality and functional public realm and built form achieved through integrated design and design guidance 	<ul style="list-style-type: none"> • The sensitive and high-quality adaptive reuse of the retained heritage assets including the State heritage-listed Retort House, the chimney, the Chief Street wall and the remaining buildings, in line with these Guiding Principles • The development of the precinct to integrate with and form part of the existing Bowden redevelopment project and neighbouring communities • Commitment to meaningfully engage with the local community and other stakeholders throughout the planning, design and delivery of the Project

AECOM Review of Guiding Principles Observations/Commentary

- Vision reflects the original Bowden Village Master Plan
- Guiding Principles repeat the Bowden Village Master Plan Guiding Principles – this is considered appropriate
- Project Specific Objectives have been tailored to reflect and reinforce the unique aspects of the site and the project – this is considered appropriate

4.0 Evaluation Criteria and Weightings

The Evaluation Criteria used by the Evaluation Group and the Urban Renewal Authority Board of Management for assessing the submissions of the three proponents who responded to the Stage 2 RFP included Quantitative and Qualitative Criteria.

The Criteria and associated evaluation weightings included:

Assessment Criteria	Evaluation Weighting
Criterion 1: Draft Masterplan, Vision and Guiding Principles	25.0%
Criterion 2: Commercial Offer	27.5%
Criterion 3: Development Delivery Team	10.0%
Criterion 4: Remediation and Environmental Strategy	27.5%
Criterion 5: Development Program and Timing	10.0%

The Criteria (not forming part of the weighted Evaluation Criteria) included:

- Evaluation Criteria 6 (Key Contract Terms)
- Evaluation Criteria 7 – commitment to enter into:
 - A Tailored Industry Participation Plan (TIPP)
 - The Renewal SA Works Program requirements
 - The Renewal SA Community and Stakeholder Engagement requirements
 - The Renewal SA Cultural Heritage requirements

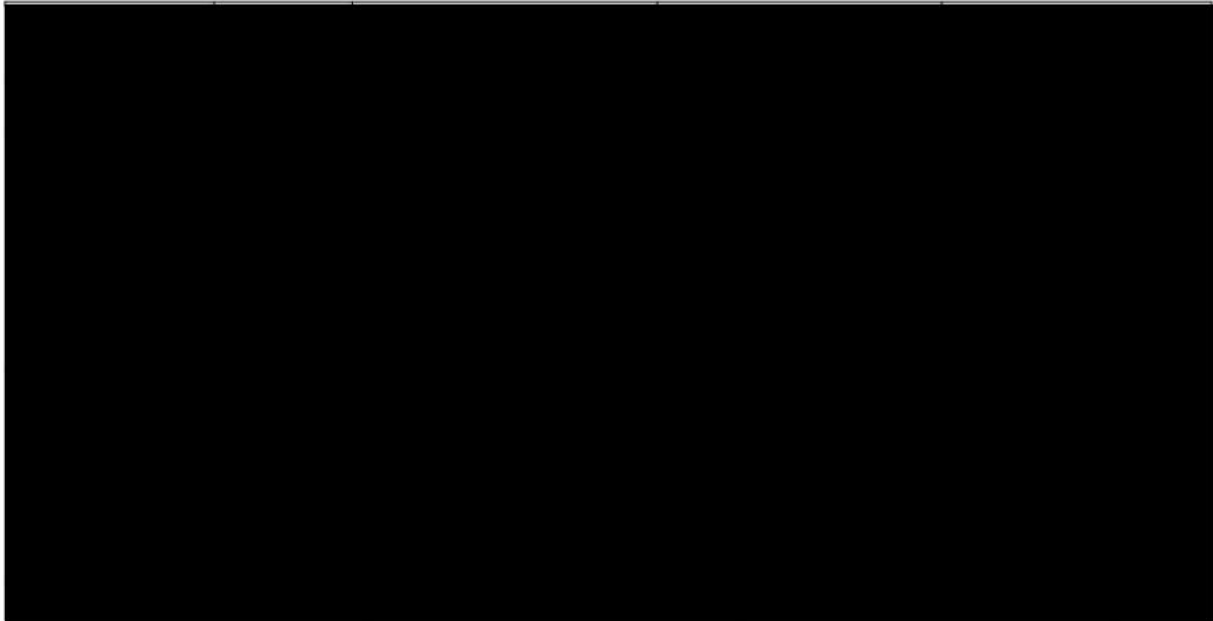
AECOM Evaluation Criteria and Weightings Observations

- Evaluation Criteria and associated weighting need to be tailored for each individual land development project – reflecting the unique aspects and delivery mechanisms for each project
- The seven Criterion, including the weighting breakdown for the five weighted criteria are considered reasonable and acceptable for the form and scale of this project
- The five Weighted Criterion recognise:
 - The alignment of this site with the original Bowden Urban Village Master Plan and surrounding development
 - The importance of the remediation of this former gasworks site – and the relationship of such remediation solutions on future proposed land use
 - That the SA Government is seeking a single proponent (consortia) to deliver the overall project – and therefore the commercial offer, development delivery team and development program/timing require critical assessment
- The Evaluation Criteria and Weightings have been tailored to reflect the unique aspects of the site and the delivery for this project
- AECOM considers that the Evaluation Criteria and Weightings are appropriate for this project

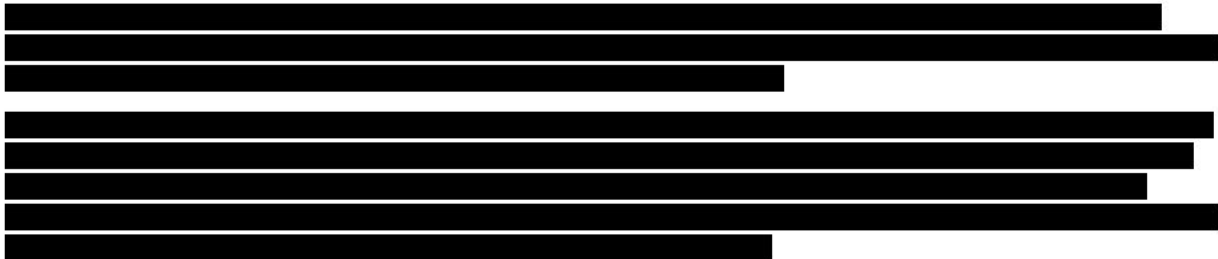
RFP Requirement	AECOM Comments on Tender Responses
Proposed dwelling yield, dwelling or product type and total Net Lettable Area	<ul style="list-style-type: none"> All three proponents provided dwelling yields/product type and/or total Net Lettable Area <ul style="list-style-type: none"> MAB provided the greatest diversity of housing product (including 15% affordable housing) and the highest amount of commercial space
Proposed total affordable housing provision	<ul style="list-style-type: none"> [REDACTED] [REDACTED] [REDACTED]
Demonstration of sympathetic integration with the existing Bowden project and the surrounding residential area	<ul style="list-style-type: none"> MAB integrates with Bowden and the surrounding community AFC/Pelligra approach was not contemplated in the initial Bowden scheme – whilst the 'green space' is positive, public access will be restricted, and the commercial/training use will likely generate significant vehicular traffic [REDACTED]
Be accompanied by a detailed statement of how the Draft Master Plan reflects and delivers on the vision and each Guiding Principle	<ul style="list-style-type: none"> [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
Set out how it will achieve a 6-Star Green Star Communities rating	<ul style="list-style-type: none"> MAB – 6-Star Greenstar Communities and 5-Star Greenstar Buildings – [REDACTED] AFC/Pelligra – 6-Star Greenstar Communities and minimum 5-Star Greenstar Buildings (with WELL Gold and Platinum ratings also being targeted across the site) [REDACTED]
Be accompanied by the completed Economic Impact Template	<ul style="list-style-type: none"> All three proponents completed the Economic Impact Template
Consider traffic management and existing infrastructure constraints	<ul style="list-style-type: none"> All three proponents consider traffic management and existing infrastructure constraints – AFC/Pelligra proposal has the greatest potential for off-site traffic impacts

4.1.2 Renewal SA Evaluation Scoring

The evaluation scores for Criterion 1 provided by Renewal SA in the URA Board of Management – Agenda and Papers – 17 January 2022 – FINAL are provided below.



Whilst a detailed community/social impact assessment has not been undertaken as part of all three submissions, the MAB and AFC/Pelligra submissions offer different community/social benefits.



4.1.3 AECOM Review of Renewal SA Criterion 1 Evaluation Scoring

- The Criterion 1 weighting (25 %) is considered suitably representative of the importance of providing a robust and achievable Draft Master Plan that delivers on the Vision, Guiding Principles and Project Specific Objectives
- The MAB submission provides the greatest diversity – including diversity of housing product (including 15% affordable housing) and the highest amount of commercial space – MAB submission has best responded to the proposed uses for the existing heritage buildings and structures
- The MAB submission has a significantly higher level of detail and is more closely aligned with the RFP requirements, when compared to the two other proponent submissions
- The MAB submission integrates well with the Bowden Urban Village and the surrounding community

General Observations

- *The AFC/Pelligra approach, with the focus of the Master Plan being on open space (for AFC and public use) and commercial space, was not contemplated in the initial Bowden scheme or the RFP. Whilst the extent of 'green space' is positive, public access will be restricted, and the commercial/training use will likely generate significant vehicular traffic (potential off-site traffic impacts)*

4.2 Criterion 2 – Commercial Offer

A commercial offer in the format of the Offer and Assumptions Proforma (Annexure 6), including Proposed Development Structure and Financial Statements

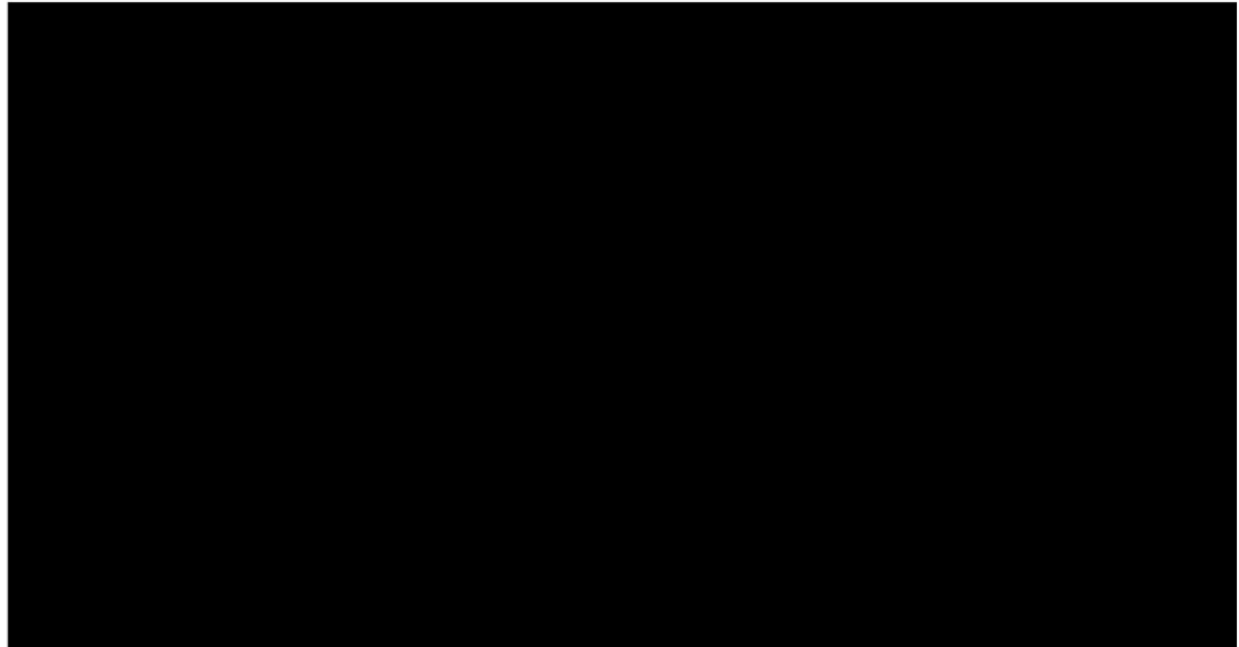
4.2.1 RFP Requirements and Tender Responses

Criterion 2 required proponents to provide a comprehensive financial proposal for the Site and address land payments and any development returns to Renewal SA.

RFP Requirement	AECOM Comments on Tender Responses
Full feasibility assessment for the Site	<ul style="list-style-type: none"> All three proponents provided the requested financial and commercial information <ul style="list-style-type: none"> o [REDACTED] ■ [REDACTED] ■ [REDACTED] MAB's commercial offer was convincing and credible based upon security provided and the improved financial position to the State Under the MAB and [REDACTED] offers, the liability for off-site groundwater contamination would remain with the State. This is consistent with the Renewal SA's position on other similar projects The evaluation criteria focus on strict economic values of gross value added and jobs, plus future site visitations. The higher the cost the higher the economic impacts. A broader community cost benefit assessment where social intangibles are considered and valued may produce a different outcome and ranking of proponents. Such intangibles could include, for example, open space creation, recreational opportunities, environmental impacts, entertainment opportunities and noise factors The PwC review of the MAB construction economic impacts are more than double the other two proposals and will clearly deliver greater job creation and economic activity benefits to the local community and the State during the project's construction phase The PwC review of the MAB construction economic impacts of the MAB and AFC/Pelligra operational economic impacts are similar for jobs (730 and 720 per annum respectively) but there is a large discrepancy in the GVA (\$94 million and \$46 million per annum). This is detailed further in Section 5.6 of this report
Detailed assumptions for revenue, capital, external consultant fees and operating costs during the project duration	
Whether any financial component is subject to conditions (including a detailed explanation of such conditions)	
Details of the commercial offer in the format of the Offer and Assumptions Proforma	
Proposed development structure, including: <ul style="list-style-type: none"> Proposed entity and ownership Proposed contract structure A summary of proposed responsibilities of each party, including Renewal SA Finance requirements of the Shortlisted Proponent to successfully undertake the project Requirement for any Foreign Investment Review Board (FIRB) approvals 	

4.2.2 Renewal SA Evaluation Scoring

The evaluation scores for Criterion 2 provided by Renewal SA in the URA Board of Management – Agenda and Papers – 17 January 2022 – FINAL are provided below.

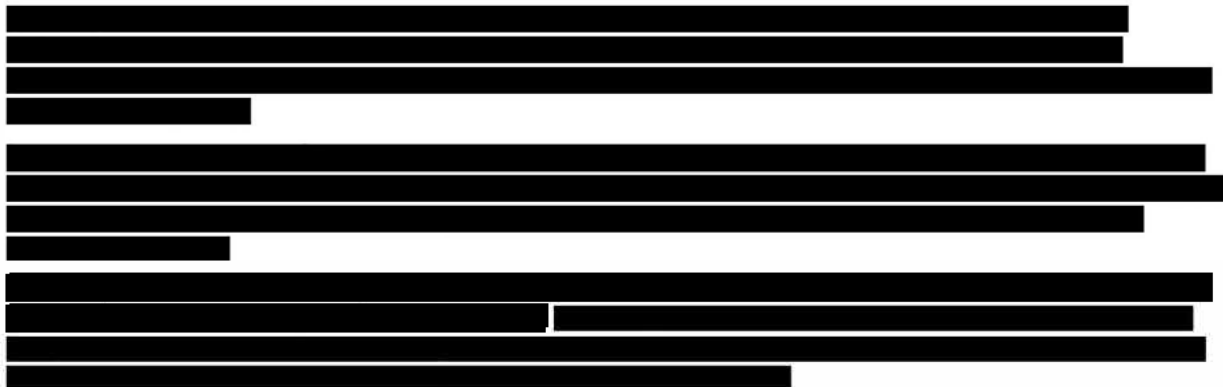


4.2.3 Governance Arrangements with MAB

Renewal SA could undertake the remediation works prior to offering the land to a prospective developer. This would likely de-risk the remediation and potentially result in a greater land value return for the SA Government. [REDACTED]

AECOM has not been provided with the Development Agreement between Renewal SA and the MAB consortia to understand the ongoing governance arrangements. It is understood that the Development Agreement will detail the commercial arrangements and the governance structure for the delivery of the project.

It is understood that the Development Deed and project control measures contained within the Development Agreement will be utilised to manage the project's financial performance by MAB. In addition, the security proposed to be held by Renewal SA will also ensure that financial performance is governed.



4.2.4 AECOM Review of Renewal SA Criterion 2 Evaluation Scoring

- MAB's commercial offer was convincing and credible based upon security provided and the improved financial position to the State
- Under the MAB and [REDACTED] offers, the liability for off-site groundwater contamination would remain with the State. This is consistent with the Renewal SA's position on other similar projects
- Based on AECOM's understanding of the Development Agreement, Development Deed and project control measures, the governance arrangements do not appear to have changed since the deal with MAB was struck

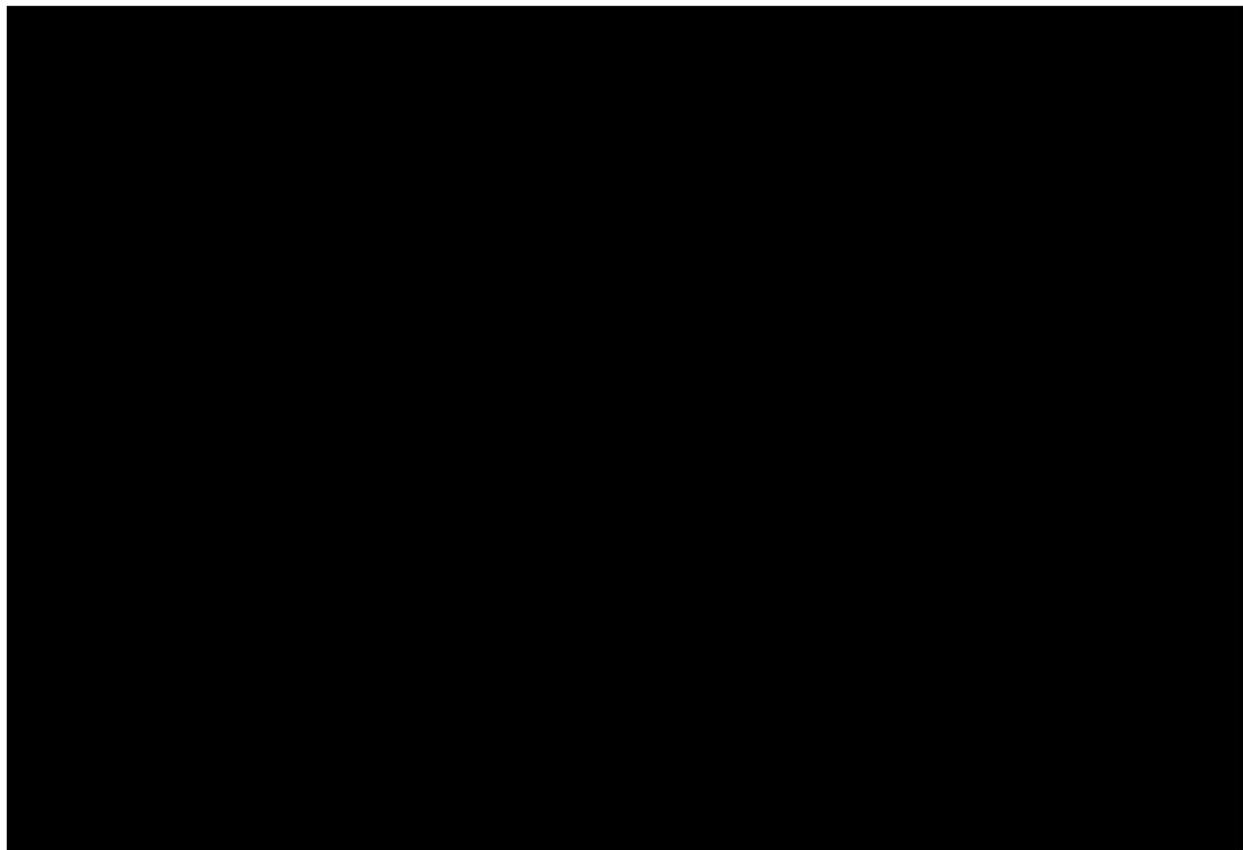
General Observations

- *The evaluation criteria focus on strict economic values of gross value added and jobs, plus future site visitations. The higher the cost the higher the economic impacts. A broader community cost benefit assessment where social intangibles are considered and valued may produce a different outcome and ranking of proponents. Such intangibles could include, for example, open space creation, recreational opportunities, environmental impacts, entertainment opportunities and noise factors*
- *The PwC review of the MAB construction economic impacts are more than double the other two proposals and will clearly deliver greater job creation and economic activity benefits to the local community and the State during the project's construction phase*
- *The PwC report states that the MAB and AFC/Pelligra operational economic impacts are similar for jobs (730 and 720 per annum respectively), but there is a large discrepancy in the GVA (\$94 million and \$46 million per annum)*
- *GVA for the MAB project is between 1.5 and double the GVA for AFC/Pelligra project*
- *The MAB commercial offer was convincing and credible based upon security provided and the improved financial position to the State*

RFP Requirement	AECOM Comments on Tender Responses
team from the ROI Submission and specifically including details on the: <ul style="list-style-type: none">▪ Environmental consultant▪ Site contamination auditor▪ Remediation contractor▪ Architects, engineering, surveying and other development consultants	

4.3.2 Renewal SA Evaluation Scoring

The evaluation scores for Criterion 3 provided by Renewal SA in the URA Board of Management – Agenda and Papers – 17 January 2022 – FINAL are provided below.



4.3.3 AECOM Review of Renewal SA Criterion 3 Evaluation Scoring

- MAB demonstrated a long and successful history of delivering similar large complex mixed-use projects
- MAB demonstrated the most experienced remediation team (demonstrating detailed knowledge of the site with the inclusion of the remediation contractor [REDACTED], and environmental consultant [REDACTED] and prior demonstratable experience on the remediation of similar large, complex former gasworks sites in sensitive urban environments)

General Observations

- [REDACTED]
[REDACTED]
- [REDACTED]

4.4 Criterion 4 – Environmental and Remediation Strategy

Environmental and Geotechnical Remediation and Site Contamination Liability

4.4.1 RFP Requirements and Tender Responses

RFP Requirement	AECOM Comments on Tender Responses
A demonstrable understanding of the environmental and geotechnical components	<ul style="list-style-type: none"> All proponents demonstrated a reasonable understanding of the environmental components/ requirements of the project. - [REDACTED] [REDACTED] [REDACTED] However, the lack of specificity in the RFP and supporting documents supplied by Renewal SA with regard to remediation volumes and the extent of works required led to varying remediation approaches, quantities and costs [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
Proposed remediation methodology including detail on the level of compliance with the EPA Guidelines	<ul style="list-style-type: none"> [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
Detailed information on inconsistencies between the proposed remediation methodology and the EPA Guidelines	<ul style="list-style-type: none"> No detailed information was provided on such inconsistencies. In any event, the remediation process requires the upfront approval of a Site Remediation Plan by the Site Contamination Auditor (and possibly the EPA), and then review of compliance with the Plan and the end of the work The key issue here will be the successful proponent's approach to remediating contamination to a practicable extent and reducing health and environmental risks to acceptable levels This process often requires negotiation with the Site Contamination Auditor and/or the EPA on what constitutes a practicable end-point for remediation. Each proponent will be familiar with this process
Detailed costing	<ul style="list-style-type: none"> [REDACTED] [REDACTED] [REDACTED]
A project schedule	<ul style="list-style-type: none"> Project schedules have been provided by each proponent

[illegible]

4.4.2 Renewal SA Evaluation Scoring

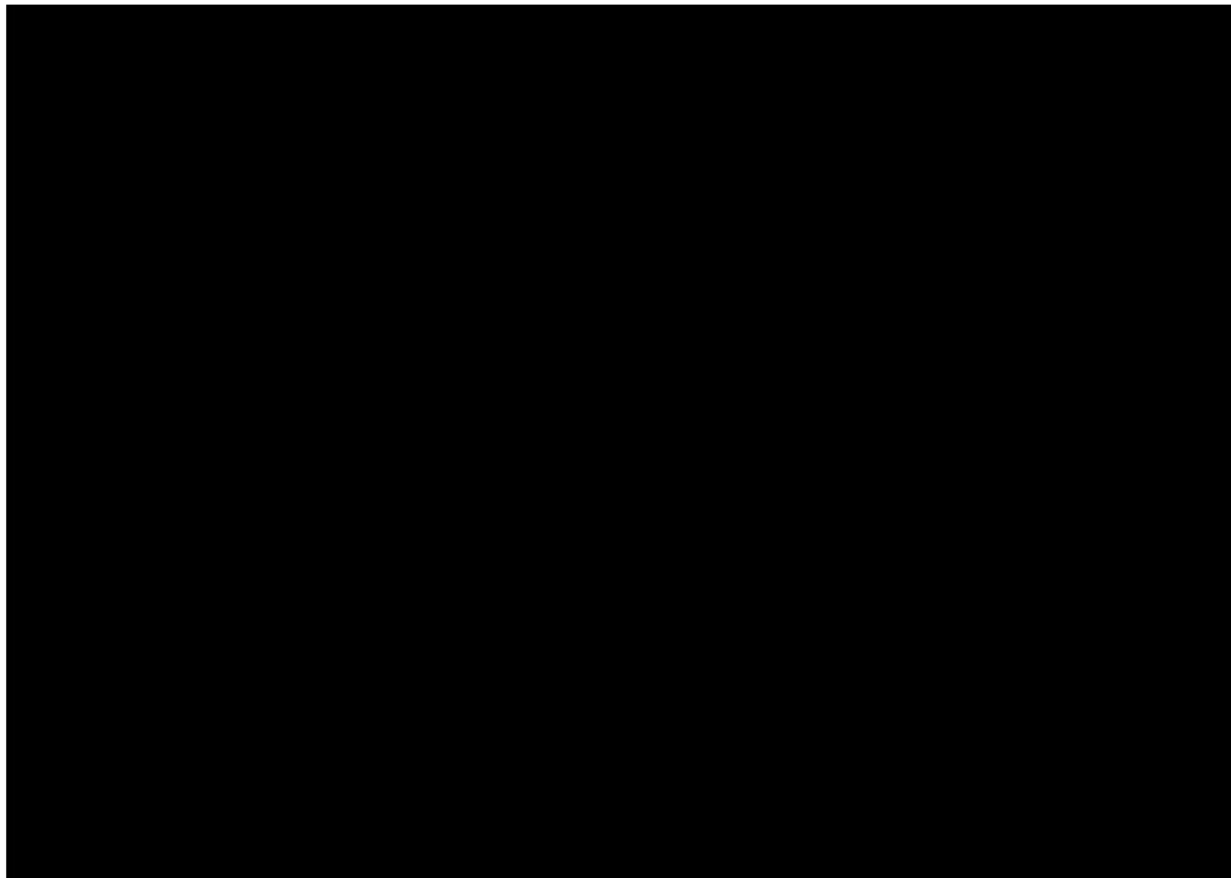
It is understood that in addition to the Tender submissions, Renewal SA also referred to the following specialists reports in order to inform their criterion evaluation scoring:

- *Bowden Former Origin Gasworks Site Evaluation Matrix, Environmental – Bluesphere, Environmental and Remediation Strategy and Site Contamination Liability*, Appendix 11.1 of the URA Board of Management – Agenda and Papers – 17 January 2022 – FINAL
- *Bowden Former Gasworks Site RFP, RFP Assessment Advice, CARAS*, 5 January 2022. Appendix 11.2 of the URA Board of Management – Agenda and Papers – 17 January 2022 – FINAL

Bluesphere is a recognised environmental consultant in the contaminated land management industry, with known experience with former gasworks sites. The accredited EPA Site Contamination Auditor Michael Seignior has been appointed by Renewal SA for the Audit services with regard to the Brompton Gasworks site and is currently the Auditor for a large scale gasworks remediation project in Melbourne (Fitzroy Gasworks). They are considered to be suitably experienced for the review that they have undertaken, and AECOM generally concur with the review they have undertaken.

CARAS is unknown to the AECOM reviewers in regard to their experience in the assessment and management of contaminated sites, particularly gasworks sites. [REDACTED]

The evaluation scores for Criterion 4 provided by Renewal SA in the URA Board of Management – Agenda and Papers – 17 January 2022 – FINAL are provided below.



4.4.3 AECOM Review of Renewal SA Criterion 4 Evaluation Scoring

- The Criterion 4 weighting (27.5%) is considered suitably representative of the importance of implementing an appropriate remediation and environmental strategy
- The MAB submission has a significantly higher level of detail and is more closely aligned with the RFP requirements, when compared to the two other proponent submissions
- MAB had demonstrated the most experienced remediation team (with regard to the remediation of large complex former gasworks sites in sensitive urban environments)
- AECOM supports the higher ranking allocated to MAB for this Criterion

General Observations

- *Care needs to be given to evaluating scores with regard to the extent of remediation works and associated timeframes and costs. Data gaps remain at the site with regard to contaminant characterisation and the full extent of remediation works remains to be detailed in a Site Remediation Plan and agreed to by the yet to be appointed Site Contamination Auditor (and possibly the EPA)*
- *There are significant differences between the quantity of remediation works and associated costs proposed by each proponent (reflected in their remediation methodologies, remediation quantities, timeframes and costs)*
- [REDACTED]
- [REDACTED]
- *Care needs to be made with perceptions that proposing less sensitive land uses at the site such as a sports oval, as per the AFC/Pelligra submission, could result in less remediation requirements and costs with regard to significant contaminant source material (e.g. coal tar and gross tar impacts). This material will still likely be required to be remediated to the extent practicable, regardless of the future land use, as the material presents an ongoing risk to groundwater contamination*

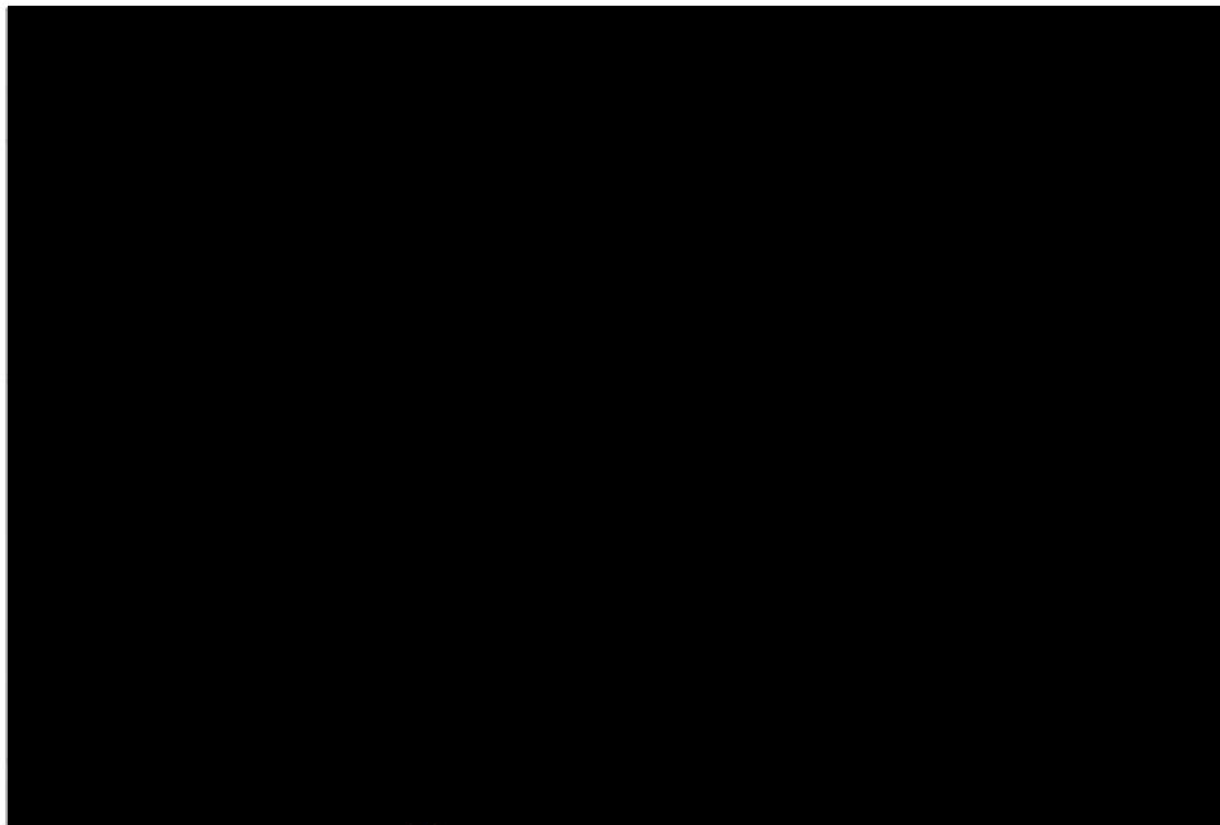
4.5 Criterion 5 – Development Program and Timing

4.5.1 RFP Requirements and Tender Responses

RFP Requirement	AECOM Comments on Tender Responses
A development program for the development of the Site, including remediation, civil and landscape construction, built-form and sales and marketing	<ul style="list-style-type: none"> The three proponents have submitted programs with varying degrees of detail with regard to the RFP requirements. There is typically greater detail in the remediation program compared to the other required aspects of civil and landscape, built form and sales and marketing
<p>The detailed program must include:</p> <ul style="list-style-type: none"> Estimated timing to obtain approvals for remediation The undertaking of the remediation works Completion of the full Development activities for the remainder of the Project Commencement and completion of civil works and built form works Commencement of sales and/or leasing (including pre-sale phase) Project staging Assumed length of Project Estimated Project completion 	<ul style="list-style-type: none"> <ul style="list-style-type: none"> [Redacted] [Redacted] [Redacted] [Redacted] <ul style="list-style-type: none"> [Redacted] [Redacted] [Redacted] Programs have been provided for the full development activities <ul style="list-style-type: none"> [Redacted] [Redacted] [Redacted] <ul style="list-style-type: none"> [Redacted] [Redacted] [Redacted] <ul style="list-style-type: none"> [Redacted] [Redacted] [Redacted] <ul style="list-style-type: none"> [Redacted] [Redacted] [Redacted] <ul style="list-style-type: none"> [Redacted] [Redacted] [Redacted]

4.5.2 Renewal SA Evaluation Scoring

The evaluation scores for Criterion 5 provided by Renewal SA in the URA Board of Management – Agenda and Papers – 17 January 2022 – FINAL are provided below.



4.5.3 AECOM Review of Renewal SA Criterion 5 Evaluation Scoring

- The MAB program appears to be the most plausible. However, there is some concern that the overall program is too long
- [REDACTED]
- The AFC/Pelligra program for the remediation program is overly optimistic and likely unrealistic, particularly for the required approvals

General Observations

- *Programs for remediation works differ between the three proponents, largely due to the differing remediation strategies which have a large bearing on the program. Development of the final remediation program requires remaining data gaps to be addressed, the development of a Remediation Options Assessment and Site Remediation Plan, and endorsement of the Plan by an EPA accredited Site Contamination Auditor, and possibly the EPA*
- *Critical to the overall program will be integrating the remediation works with site development. This can, in part, occur in parallel but will depend upon how the remediation works are staged, particularly in relation to the location of on-site containment cells*

4.6 Criterion 6 – Key Contract Terms

4.6.1 RFP Requirements and Tender Responses

RFP Requirement	AECOM Comments on Tender Responses
Complete the Key Contract Terms Pro Forma in Annexure 4, indicating whether it accepts each Key Contract Term. Where it does not accept the specified Key Contract Term, the Shortlisted Proponent must set out its alternative contractual position including proposed amendments to the Key Contract Terms	No review observations or commentary provided

4.7 Criterion 7 – Commitments to Enter into Specific Agreements

4.7.1 RFP Requirements and Tender Responses

RFP Requirement	AECOM Comments on Tender Responses
Comply with the Tailored Industry Participation Plan to be negotiated with and prepared with Renewal SA and the OIA	No review observations or commentary provided
Complete the Statement of Intent provided by the OIA contained in Annexure 3	
Comply with the Renewal SA Works Program requirements set out in this RFP	
Comply with the Renewal SA Community and Stakeholder Engagement requirements set out in this RFP	
Comply with the Renewal SA Cultural Heritage requirements set out in this RFP	

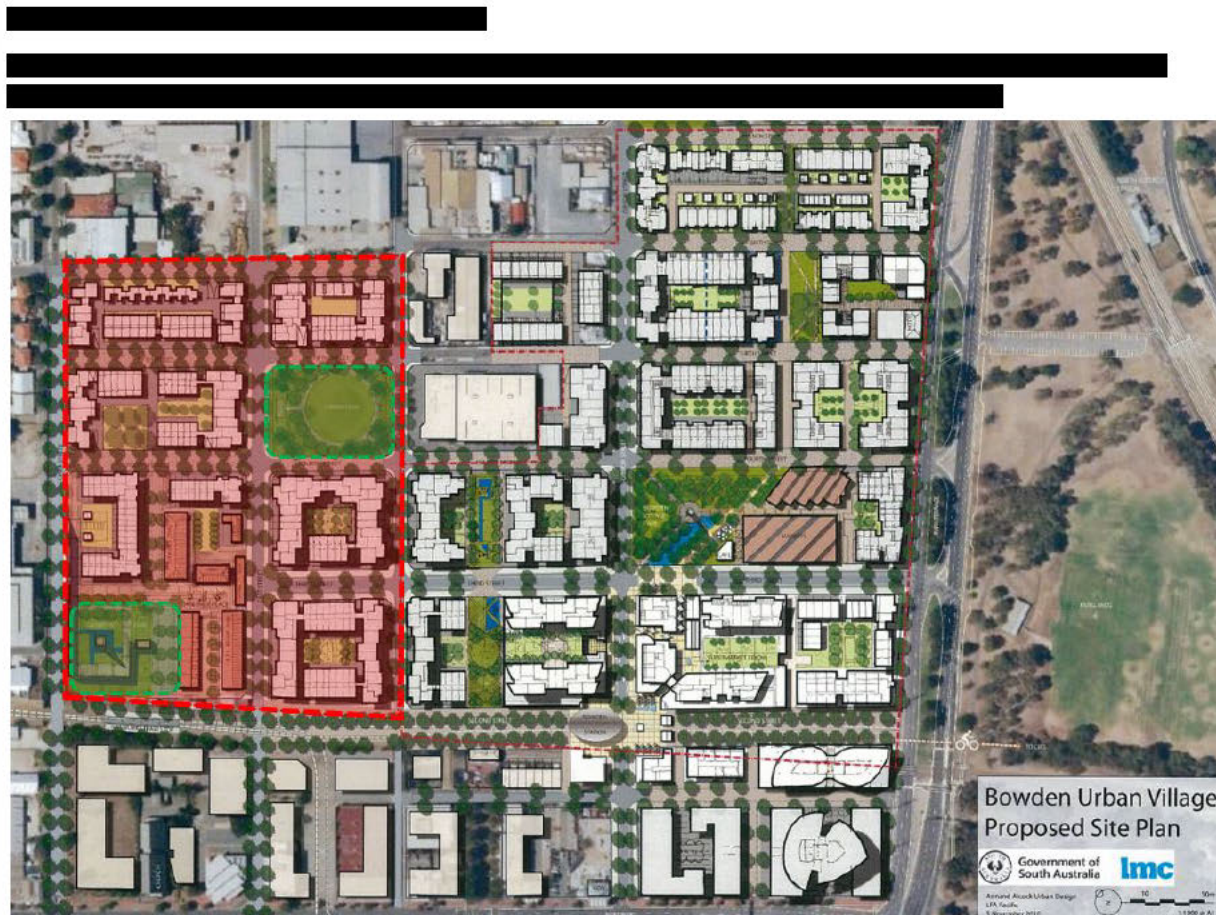
The following is a response to the 10 individual Topic Questions posed by the Department for Trade and Investment in relation to the Brompton project.

[illegible]

26-Jul-2022
Prepared for – Department for Trade and Investment – ABN: 93 360 064 417

Topic 1**Original Cabinet approval
for the Bowden Project**

Are the criteria and weightings consistent with the project scope, objectives and recommendations which were approved by Cabinet in the 2010 submission?



Note: AECOM outline (red dash line) of the Brompton former Gasworks site included on Bowden Urban Village Plan

Governance of the Process

The Public Works Committee of Parliament, operating under the *Parliamentary Committees Act 1991*, is the Standing Committee established to investigate and scrutinize individual and specific public capital expenditure projects (primarily public works projects exceeding \$4 million in construction value (exc. GST)).

The Public Works Committee fulfils its responsibilities to keep track of the efficiency and progress of construction of public works and any expenditure beyond the estimated costs of their construction, through the established quarterly reporting mechanism.

Topic 1 Original Cabinet approval for the Bowden Project	Are the criteria and weightings consistent with the project scope, objectives and recommendations which were approved by Cabinet in the 2010 submission?
<p>Since the Bowden Urban Village project [REDACTED] progress on the project has been reported to the Public Works Committee every quarter (commencing in September 2011). This represents more than 40 reports on the progress of the project.</p> <p>During this time, the Public Works Committee has monitored the progress, budget, scope and timelines for the project.</p> <p>Of relevance to the Brompton Former Gasworks Site development, delivery and procurement process, the following extracts from recent reports of the Public Works Committee are provided:</p>	
Public Works Committee Quarterly Report	Relevant Commentary in relation to Brompton Former Gasworks Site
March 2021 Quarterly Report	<ul style="list-style-type: none"> Following the Banking Royal Commission, the lending climate has changed, which has resulted in finance being more difficult to obtain and impacted the housing market, specifically the residential apartment market in Adelaide that has also experienced a large amount of supply over recent years. This has contributed to a reduced sales rate within the project over the last 18 months and will impact the project delivery timeframe. This issue has been considered in detail as part of the review of the project and in response there will be a revised delivery approach including product composition from predominantly apartments throughout the project to majority townhouses with a significantly reduced number of apartments. This will have the effect of accelerating the project through increased sales volume.
September 2021 Quarterly Report	<ul style="list-style-type: none"> Following heightened interest from developers and other entities, an open call for Registrations of Interest for the development of the 6 ha gasworks site will be released in late July 2021. This will be a 2-stage process with the second stage being a Request for Proposal (RFP Process for shortlisted parties from the stage 1 process. This will occur later in 2021.
March 2022 Quarterly Report	<ul style="list-style-type: none"> In July 2021, Renewal SA commenced a two-stage sales process via an initial Registration of Interest (ROI) and a subsequent Request for Proposal (RFP) to seek a development partner to acquire, remediate and develop the Site located within the Bowden project. The Stage 1 ROI process closed on the 2nd of September 2021, and Renewal SA received ten submissions assessed against five weighted evaluation criteria contained in the Evaluation and Probity Plan for the ROI and according to the scoring methodology included in that plan. In September 2021, following the evaluation of all ROIs, the Chief Executive approved the shortlisting of four Proponents to participate in the Stage 2 RFP process, including: <ul style="list-style-type: none"> MAB Corporation. [REDACTED] Adelaide Football Club and Pelligra Group; and [REDACTED] After evaluating proposals, MAB Corporation was selected as the preferred proponent to acquire, remediate and develop the Site. A Development Agreement is currently being negotiated between Renewal SA and MAB.

Topic 1 Original Cabinet approval for the Bowden Project	Are the criteria and weightings consistent with the project scope, objectives and recommendations which were approved by Cabinet in the 2010 submission?
	<ul style="list-style-type: none"> <i>The government is currently undertaking an independent review of the criteria used in the Gasworks tender and has made the criteria and weightings publicly known.</i>
<p>In response to these reports, it is AECOM's understanding that the Public Works Committee <u>has not</u> requested any further information from Renewal SA regarding the contents of the quarterly reports or invited Renewal SA to report directly on the progress of the project.</p> <p>Further, in relation to the governance applied to the overall process and the decision to appoint the MAB consortia as the preferred bidder:</p> <ul style="list-style-type: none"> The process has been the subject of a two-stage ROI and RFP process – with the Vision and Guiding Principles and the Evaluation Criteria and Weighting clearly articulated through this process The evaluation process of the three proponent submissions involved a detailed and thorough assessment of the submissions against the Evaluation Criteria, with independent specialist advice considered in relation to the information provided. This included: <ul style="list-style-type: none"> PwC Economic Report Bowden Design Review Panel Evaluation Summary Independent Specialist Remediation Advice Detailed Financial Analysis The Urban Renewal Authority (URA) Board of Management considered the submissions, evaluation report and supporting information at a number of meetings, sought clarification on specific elements of each submission, and endorsed the selection of MAB as the Preferred Proponent for the Former Gasworks site's acquisition, remediation, and development It is understood that a Development Agreement was to be negotiated between Renewal SA and MAB (the status of this Development Agreement is unknown to AECOM) The overall process has been the subject of review of a probity adviser from ArcBlue. The probity adviser's role was to ensure that the process was undertaken according to the Renewal SA probity framework and to ensure prudential levels of integrity and transparency. The probity adviser, in their report dated 12 January 2022, has concluded the following: <ul style="list-style-type: none"> <i>The process for the Former Gasworks site at Bowden completed to date has been undertaken in line with its planned approach, free from bias and in line with its stated objectives for the site</i> <i>The Project Team undertook a diligent and thorough evaluation process in alignment with the approved Evaluation and Probity Plan</i> <i>Bidders were afforded an equal and open opportunity to share their concepts, plans and overall approach to delivering their vision for the site</i> <i>The outcome that is consistent with the approved evaluation methodology</i> 	

Topic 1 Original Cabinet approval for the Bowden Project	Are the criteria and weightings consistent with the project scope, objectives and recommendations which were approved by Cabinet in the 2010 submission?
<p>AECOM Observations</p> <ul style="list-style-type: none"> • [REDACTED] ■ [REDACTED] • The project outcomes for the Bowden Urban Village project have been repeated as Guiding Principles in the current Brompton project – and have been strengthened through the addition of ‘Project Specific Objectives’ for the Brompton project • The Brompton project is now proposed to be delivered by a single proponent (consortia) to deliver all aspects of the project, including the remediation, finalisation of the design and overall development – placing greater weight on the commercial offer, development delivery team and development program/timing • Whilst being a different delivery approach to that proposed in 2011, the current approach to the redevelopment of the Brompton Former Gasworks site by a single proponent (consortia) to deliver all aspects of the project has enshrined the original Vision and Guiding Principles into the procurement process and the Evaluation Criteria and Weightings. Specifically, the process has placed greater weight on the commercial offer, development delivery team, remediation strategy and development program/ timing • The initial stages of the Bowden Urban Village project were critical in promoting place making and encouraging innovative and leading edge mixed use and higher density development, and greater inclusion of environmental sustainability initiatives within the South Australian market. This market has matured and expanded as a result of the original delivery approach for the Bowden Urban Village • [REDACTED] ■ [REDACTED] • AECOM considers the Evaluation Criteria and Weighting used for the current Brompton project are aligned with the Bowden Urban Village project and are appropriate • The Public Works Committee has been kept informed of the progress of the Bowden Urban Village project since September 2011 • The Public Works Committee was informed of the change to the approach for the redevelopment of the Brompton Former Gasworks Site in the September 2021 and March 2022 Quarterly Reports. Renewal SA advised the Committee of the “... <i>heightened interest from developers and other entities</i> ...” and the 2-stage procurement process for a “... <i>development partner to acquire, remediate and develop the Site [Brompton Former Gasworks Site] located within the Bowden project.</i>” • It is AECOM’s understanding that the Public Works Committee has not requested any further information from Renewal SA regarding the contents of the quarterly reports or invited Renewal SA to report directly on the progress of the project. • The governance applied to the overall process and decision of the URA Board of Management to appoint the MAB consortia as the preferred bidder (subject to the approval of the Treasurer) appears to be sound and aligned with the approved Evaluation and Probity Plan 	

5.2 Topic Question 2 – Consistency

Topic 2

Consistency

Are criteria consistent with the approach adopted for similar projects in South Australia which may include the Bowden Project, original Bowden Plan and the original remediation plan?

The URA Board of Management, at its meeting of 17 January 2022, was provided information by Renewal SA on the Evaluation Criteria and Weighting used for similar projects in South Australia.

The following comparison was provided for the current Brompton project (named Bowden in the table) [REDACTED]. Similar criteria elements have been included in the same general groupings for comparative purposes.

Criteria	Bowden
Masterplan, Development Vision, Principles:	25%
• Draft Masterplan, Vision and Guiding Principles	25%
• Draft Masterplan	
• Completed draft Principles, Project Objectives, KPIs proforma and Value add opportunities	
• Development Vision	
Development Delivery Team:	10%
• Development Delivery Team	10%
• Experience, expertise & financial capacity	
• Organisational and Team Profile	
• Capability and Capacity	
• Financial Capacity	
Commercial Offer, Economic Return	27.5%
• Commercial Offer	27.5%
• Completed Key Commercial Terms Proforma	
• Economic return to Government / Terms of Financial Offer	
• Economic return to Government, special conditions and terms of purchase	
Other	37.5%
• Remediation and Environmental Strategy	27.5%
• Development Program and Timing	10%

The Board were advised that the criteria for each project is different and is site specific. It is dependent on whether it is a straight land sale or a JV arrangement. The Board were also advised that the Brompton site is complicated due to the level of remediation required, which was taken into account in the weightings.

The [REDACTED] and Brompton (named Bowden in the table) project sites have the closest synergy (inner city brownfield development sites, close to public transport, etc.). The Evaluation Criteria and Weighting differ in that greater weighting has been given to the remediation and environmental strategy for Bowden – given the site history and existing environmental conditions.

Topic 2**Consistency**

Are criteria consistent with the approach adopted for similar projects in South Australia which may include the Bowden Project, original Bowden Plan and the original remediation plan?

The Bowden project review endorsed by the URA Board in December 2020 provided a lower density strategy across the remaining project, including the Brompton Former Gasworks site, and included an increased proportion of townhouses with a lower ratio of apartments. The intention was to respond to market conditions prevailing at the time, with the clear goal to accelerate the delivery of the Bowden project. The endorsed timeframe provided a program to completion of approximately ten years (2030/31).

Renewal SA noted, in its March 2021 Quarterly Report to the Public Works Committee of Parliament (see Section 4 of this Memo), that:

- *The lending climate had changed, which had resulted in finance being more difficult to obtain and impacted the housing market*
- *The residential apartment market in Adelaide has experienced a large amount of supply over recent years – this has contributed to a reduced sales rate within the project over the last 18 months (prior to March 2021) and will impact the project delivery timeframe*
- *Renewal SA considered this issue in detail as part of the review of the project (reported to the Board in December 2020)*
- *Renewal SA proposed a revised delivery approach (including product composition from predominantly apartments throughout the project to majority townhouses with a significantly reduced number of apartments)*

Following heightened interest from developers and other entities and as part of its revised delivery approach, Renewal SA undertook an open call for Registrations of Interest for the development of the Brompton Former Gasworks site – which generated significant interest (three proponents at the conclusion of the RFP process).

The URA Board of Management Decision Paper (attached to the URA Board of Management Meeting No. 110 – 17 January 2022 – Item 2.1.1), highlighted that since the completion of the project review in December 2020, the Bowden market has improved substantially (significant growth in residential and commercial land sales).

Commentary in relation to the anticipated 'benefits' of the early sale of the site when compared to the original approach for the remainder of the Bowden Urban Village development is provided below.

[REDACTED]

[REDACTED]

Topic 2 Consistency	Are criteria consistent with the approach adopted for similar projects in South Australia which may include the Bowden Project, original Bowden Plan and the original remediation plan?
<p>[REDACTED]</p> <p>[REDACTED]</p> <ul style="list-style-type: none"> [REDACTED] [REDACTED] 	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>
<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>
<p>[REDACTED]</p> <p>[REDACTED]</p>	<p>[REDACTED]</p> <p>[REDACTED]</p>
<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>

In addition to the above:

- The MAB Master Plan proposes a higher density than was previously proposed by Renewal SA for the Brompton Former Gasworks site (an additional 300 dwellings – over five market segments)
- [REDACTED] This is not the approach undertaken by Renewal SA. Renewal SA generally takes a wholesale land development approach, with development partners or builders taking the built form margin
- The South Australian Government is still achieving its strategic outcomes – redevelopment of an abandoned and derelict site in a timely manner for the broader benefit of the State and the local community
- A single entity managing both the remediation works and the site development is likely to be best placed to integrate both activities. Early sale of the site will enable the transfer of the on-site contamination liability to the developer/site owner
- Should there be a future expansion of remediation works and associated costs, greater than is currently anticipated, this will likely be borne by the developer/site owner, not the South Australian Government
- It is likely to be more advantageous to undertake site remediation works under the current regulatory framework as any future changes in legislation and/or guidelines may drive more conservative remediation requirements
- The Development Deed and project control measures contained within the agreement will be utilised to manage the project's financial performance. In addition, the security proposed to be held by Renewal SA will also ensure that financial performance is governed

There is potential for continued cost escalation for labour and construction materials, and uncertainty around future demand for medium/high density residential and commercial development. Early sale of the site and commitment to remediation/site development will provide some level of confidence in relation to cost and market demand

Topic 2 Consistency	Are criteria consistent with the approach adopted for similar projects in South Australia which may include the Bowden Project, original Bowden Plan and the original remediation plan?
<p>AECOM Observations</p> <ul style="list-style-type: none"> • Evaluation Criteria and associated Weightings need to be tailored for each individual land development project – reflecting the unique aspects and delivery mechanisms for each project • The Evaluation Criteria and Weightings for the Brompton project have been tailored to reflect the unique aspects of the site, alignment with the original Bowden Urban Village Master Plan and surrounding development, extent of contamination/remediation works required and the delivery mechanism for this project • There is some consistency in Criteria and Weightings between the Brompton Former Gasworks site and other recent development projects undertaken by Renewal SA, but there are specific differences – which are to be expected given the different site settings, drivers for development, and particular issues such as remediation requirements • The current approach of the South Australian Government to offer the Brompton Former Gasworks site to a single proponent (consortia) to deliver the project responds to changing market conditions and the heightened interest from development industry • The MAB Master Plan proposes a higher density than was previously proposed by Renewal SA for the Brompton Former Gasworks site (an additional 300 dwellings – over five market segments) • There is likely to be very little difference in the South Australian Government being the development coordinator/master developer and a single proponent managing both the remediation works and the site development – both are able to achieve the Vision and Guiding Principles for the development of the Brompton Former Gasworks site • The current approach of a single proponent managing both the remediation works and the site development allows a ‘fast-track’ method of delivering the project in a master planned and coordinated manner • AECOM considers that the Evaluation Criteria and Weightings are appropriate for this project 	

5.3 Topic Question 3 – Master-planning

Topic 3 Master-planning	Was the level of master-planning and market strategy appropriate for this size and location of land and does it continue to be appropriate including in the broader Bowden precinct and in the current market environment?
<p>The market strategy approach undertaken by Renewal SA is consistent with other similar projects in South Australia – through a two-stage process involving:</p> <ul style="list-style-type: none"> • Stage 1 – Registration of Interest (July 2021) • Stage 2 – Request for Proposal (October 2021) <p>The master planning undertaken and communicated by Renewal SA is consistent with the original Bowden Urban Village project Master Plan.</p> <p>Throughout the procurement process, Renewal SA has communicated the Vision and Guiding Principles for the project – these are aligned with original Bowden Urban Village project (see response to Review Topic 1).</p> <div data-bbox="188 938 1391 1317"> <p>AECOM Observations</p> <ul style="list-style-type: none"> • AECOM considers that the level of master planning and market strategy for Brompton project is acceptable, aligned with the original Bowden Urban Village Master Plan • The MAB and [REDACTED] submissions align with the original Bowden Urban Village project Master Plan and the Vision and Guiding Principles for the project • The AFC/Pelligra submission is a very different concept which reflects the current market environment in which the AFC has sought to develop a sports and community centre with associated training facilities within close proximity to the Adelaide CBD </div>	

5.4 Topic Question 4 – Remediation

Topic 4 Remediation	What is the appropriate strategy to manage remediation (including groundwater) issues on this site, including if the government or private owner is best placed to manage this (outcome and cost)?
	<p>Gasworks were present in many countries across the world from the 1800s until about the 1960s/1970s when cleaner, more efficient energy sources were identified.</p> <p>Many gasworks sites operated for over 100 years. These sites often generated significant contamination through the storage, handling and disposal of waste by-products generated by the coal-gasification process, which was the accepted practice at the time. As such, a significant contamination legacy was left behind particularly in Europe, USA and Australia. The extent of contamination left behind can be extensive and complex, which explains why many of these sites remain un-remediated today.</p> <p>In Australia, both government and private companies have commissioned gasworks remediation projects. Both government departments, usually at state/local-level, and private companies have either had in-house expertise to manage gasworks remediation projects or have engaged external remediation practitioners to manage and undertake these projects.</p> <p>The nature of gasworks contamination provides limited options for remediation. Coal tar, the predominant waste by-product, and other waste by-products don't degrade easily and can be problematic to manage. The majority of gasworks projects around the world have involved remediation approaches that included:</p> <ul style="list-style-type: none"> • Excavation of contaminated soil and disposal to landfill • Treatment via mixing with cement-based products and placement in purpose built on-site or off-site containment cells • In situ solidification, involving mixing of soil contamination with cement-based solidification agents • Excavation of contaminated soil and treatment in and on-site or off-site thermal soil treatment plant • Usually in combination with one of the above approaches, construction of a physical cap across the contamination <p>Other remediation approaches have been implemented and continue to be researched and trialled, but the approaches listed above are the most common. Groundwater remediation is typically less common as the removal of the primary contamination usually has a beneficial effect on groundwater and coal tar is often too viscous to pump as a liquid. Where groundwater remediation has occurred it has usually been by extraction of the groundwater and treatment in an aboveground treatment system.</p> <p>Data Gaps</p> <p>The <i>Site Specific Risk Assessment</i> [SSRA] (Senverson, 30 April 2021), that was included in the Data Room, included details on 9 data gaps.</p> <p>In order to commence the remediation work, a Site Remediation Plan will have to be prepared and endorsed by the Site Contamination Auditor. The EPA may also be involved with a review of the SRP. It is likely that the Site Remediation Plan will have to address the data gaps detailed in the SSRA.</p> <p>Information obtained for some of the data gaps, such as (#4 and #5) the extent of NAPL [dense non-aqueous phase liquid]/ dense NAPL [DNAPL] in the Q1 Aquifer beneath the site and beyond the site boundary, and (#6) the lateral extent of pugholes and contamination within, has the potential to have material impact on the extent of remediation required and hence remediation scope and cost.</p> <p>A further data gap is the geotechnical data that will be required to inform the construction of on-site repositories that have been proposed by all three proponents.</p>

Uncertainty and Risk with the Remediation Approaches Proposed

No specific information was included in the Renewal SA RFP documentation regarding the remediation extents or volumes. The *Preliminary Remediation Options Assessment* [pROA] (Senversa, 25 June 2019) included detail (Section 4.2) that the approximate volume of tar impacted soils and fill, classifiable as high-level contaminated waste (HLCW), was estimated to be **150,000 m³ or 225,000 tonnes**. In addition, Section 4.3 of the pROA included detail of approximately **5,700 m³** of stockpiled soil that will have to be managed in some manner. No specific quantities of DNAPL were provided.

In accordance with EPA guidance, the pROA sets out the principal objectives for remediation at the site (Section 6):

- *Make the site suitable for the proposed future residential, commercial and open space land uses.*
- *Address, to the extent practicable, contamination which presents an unacceptable risk of harm to groundwater and the environment.*

In accordance with these objectives, a Site Remediation Plan needs to set out the remediation extents and volumes, and the remediation approach, to meet these objectives. Different interpretations are likely as to the extent of remediation work required to meet the objectives, particularly regarding issues such as acceptable risks for specific land uses (e.g. less conservatism for industrial land use compared to residential land use) and the practicable limits of remediation. The proposed site development may also include additional requirements such as the removal of contaminated soil to facilitate the construction of a basement or underground car parks.

Due to the lack of specificity of remediation extents/volumes in the RFP documents, the different interpretations offered by the three proponents, and the different development proposals submitted, there were significant differences in the environmental and remediation strategies proposed. Some key details, with a focus on remediation volumes, are provided in the following table.

Item	Description	Quantity
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

<ul style="list-style-type: none"> ████████████████████ ████████████████████ ████████████████████ ████████████████████ 	████████████████████ ████████████████████ ████████████████████ ████████████████████ ████████████████████ <ul style="list-style-type: none"> ████████████████████ ████████████████████ ████████████████████ 	
████████████████████ ████████████████████	████████████████████ ████████████████████	████████████████████ ████████████████████

Risk and Benefits between Public Vs Private Sector Remediation Projects

Over the past 20 to 30 years, there have been a number of gasworks remediation projects in Australia of a similar scale and urban setting to Brompton. These have included:

Remediation Project	Location	Entity undertaking Remediation
Fitzroy Gasworks	Melbourne, Victoria	Public Sector
West Melbourne Gasworks	Melbourne, Victoria	Public Sector
Barangaroo Gasworks	Sydney, NSW	Public Sector
Macdonaldtown Gasworks	Sydney, NSW	Public Sector
Mortlake Gasworks	Sydney, NSW	Private Sector
HMAS Platypus (former gasworks site)	Sydney, NSW	Public Sector
Newstead Gasworks	Brisbane, QLD	Private Sector
Ipswich Gasworks	Ipswich, QLD	Private Sector

The entities undertaking such remediation works have included both the public and private sectors.

AECOM is aware of two of the above gasworks remediation projects that had legal disputes:

- Newstead Gasworks Remediation Project (Private Sector)** – The remediation contractor (Thiess Services Pty Ltd) was engaged by Mirvac Queensland Pty Ltd (Mircvac) to remediate the site located in Brisbane. Thiess entered into a contract to remediate the site for a lump sum fee. During the remediation works, the remediation volumes were greater than anticipated and a dispute arose between the parties. The matter was brought to the Queensland Supreme Court and then went on to the Queensland Court of Appeal. The Court decisions were in favour of Mirvac in each instance.
- West Melbourne Gasworks Remediation Project (Public Sector)** – The remediation contractor (Enterra Pty Ltd) was engaged by the Docklands Authority to remediate the site. As per the Newstead site, a dispute arose regarding greater than anticipated remediation volumes. The dispute was managed via an Alternative Dispute Resolution process. The outcome was in favour of the remediation contractor, Enterra.

There is no significant benefit of whether a remediation project of this scale should be run by either a public or private sector entity. Each State and Territory in Australia have their own environmental regulatory framework that must be adhered to when undertaking remediation works. Both public and private sector entities will be held accountable to the same regulatory standard for the remediation works.

Most States, including South Australia, have a Contaminated Land Audit Scheme, where appropriately experienced environmental practitioners are accredited by the environmental regulator to undertake an independent audit to ultimately ensure the remediated site will be suitable for its future intended use, that there will be no unacceptable health or environmental risks, and that regulatory requirements have been adhered to.

Key risks and mitigation measures for a remediation project could include:

- Sufficiently characterising the contamination that needs to be remediated (i.e. minimise potential for increased remediation volumes identified during remediation works).

- Selecting the most suitable remediation approach.
- Having appropriately experienced staff to manage the remedial planning activities, the remediation contractor procurement process, and the management of the remediation contractor and the remediation works.

These risks and mitigation measures will be relevant to both public and private sector entities.

AECOM Observations

- The remediation approaches proposed by three proponents are, in general, aligned with typical remediation approaches for former gasworks sites and would likely be acceptable to the EPA. However, there is a high degree of variability in remediation volumes and costs
- This variability is to be expected given the quantum of data presented, the data gaps remaining to be addressed and the remediation scope being somewhat open to interpretation
- The key issue for an Auditor (and possibly EPA acceptance) will be the extent of remediation proposed so that it can be demonstrated that potential risks to human health and the environment have been reduced to an acceptable level
- There is a considerable risk of increased costs associated with the finalised and endorsed remediation approach of the preferred proponent
- Large contaminated sites differ in terms of setting, scale and complexity of contamination, stakeholder and regulator involvement and community issues
- These sites are required to be remediated to a standard driven by the State-based environmental protection legislation and related regulations and guidelines. To that end, the remediation works at the Brompton Former Gasworks site will be closely scrutinised by an EPA accredited Site Contamination Auditor and possibly the EPA
- For site remediation works, either government or a private owner will be held to the same regulatory standard and there is no general advantage of having one of these entities manage it over the other. The better outcome will most likely be based on the experience and skill sets of the specific management team
- There are no significant benefits or risks as to whether a private or public sector entity manages the remediation of the Brompton Former Gasworks site
- Both the public and private sectors will be held accountable to the same regulatory standard
- The works will be reviewed for regulatory compliance by an independent EPA accredited Site Contamination Auditor, regardless of whether a public or private entity manages the works
- Recent Australian large scale gasworks remediation projects in sensitive urban settings have been successfully managed by a relatively even split between public and private sector entities

5.5 Topic Question 5 – Community and local considerations

Review Topic 5 Community and local considerations	Do the criteria and weightings adequately address the projects impact on the local community including, local infrastructure and accessible public open space?
	<p>As described in Section 4.1 of this report, Criteria 1 identifies a number of RFP requirements that specifically address the project's impact on the local community. These include:</p> <ul style="list-style-type: none"> • Proposed land uses (including proposed uses for the existing heritage buildings and structures) • Proposed public open space • Proposed road, pedestrian and cycling network • Consideration of traffic management and existing infrastructure constraints <p>The Evaluation Criteria and Weightings adequately address community and local considerations.</p> <p>Of the three submissions, the MAB submission integrates best with the Bowden Urban Village and the surrounding community and addresses the above RFP requirements. The submission provides the greatest land use diversity, [REDACTED] and best responds to the existing heritage buildings and structures.</p> <p>Whilst the extent of 'green space' in the AFC/Pelligra submission is positive, public access will be restricted, and the commercial/training use will likely generate significant vehicular traffic (potential off-site traffic impacts).</p> <div data-bbox="188 1115 1388 1424" style="border: 1px solid black; padding: 10px; margin-top: 10px;"> <p>AECOM Observations</p> <ul style="list-style-type: none"> • The Evaluation Criteria and Weightings adequately address community and local considerations • MAB submission integrates best with the Bowden Urban Village and the surrounding community • Whilst the extent of 'green space' in the AFC/Pelligra submission is positive, public access will be restricted, and the commercial/training use will likely generate significant vehicular traffic (potential off-site traffic impacts) </div>

- [REDACTED]
- Finally, it is noted that the evaluation criteria focus on strict economic values of gross value added and jobs, plus future site visitations. The higher the cost the higher the economic impacts. A broader community cost benefit assessment where social intangibles are considered and valued may produce a different outcome and ranking of proponents. Such intangibles could include, for example, open space creation, recreational opportunities, environmental impacts, entertainment opportunities and noise factors

The following is a summary of PwC's assessed economic impacts for the 3 shortlisted proponents (real 2020/21 costs):

[REDACTED]

[REDACTED]

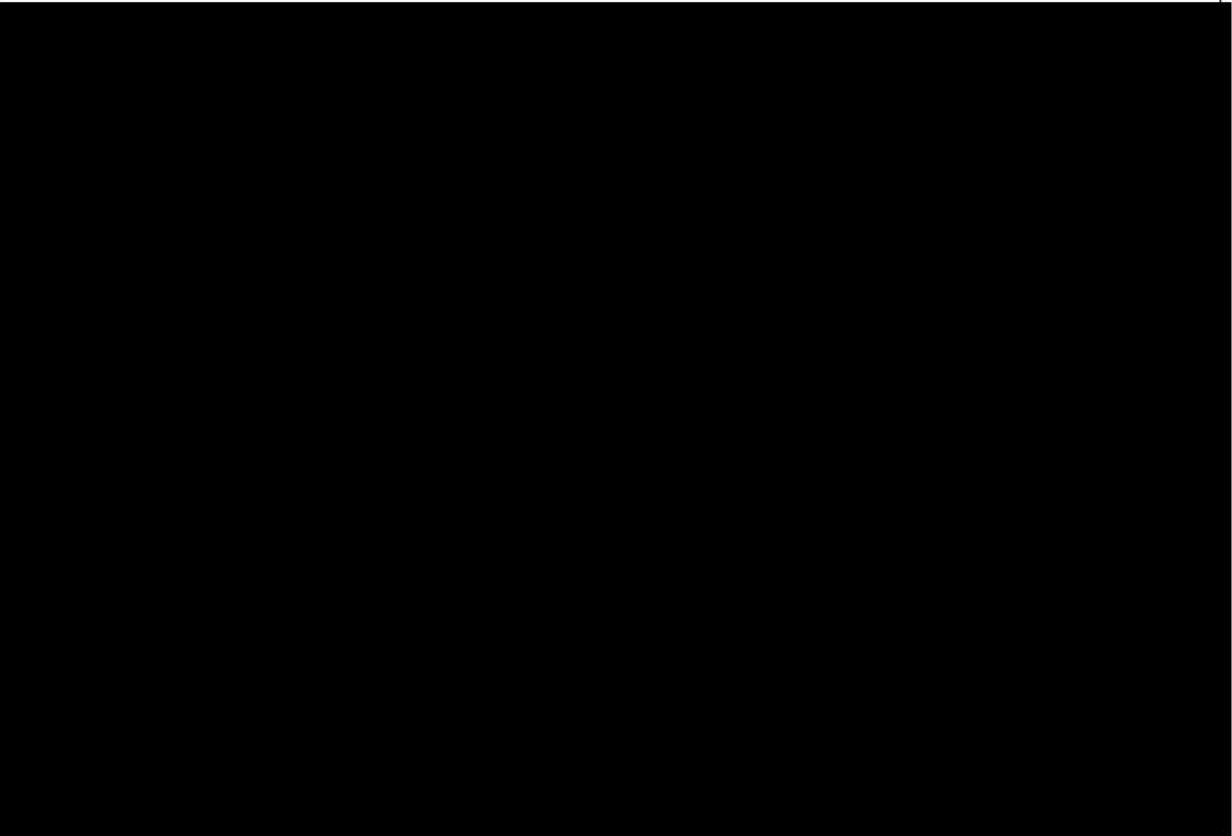
Hudson Howells has advised that the methodology used by PwC is correct (accepting that they exclude consumption multipliers), but the PwC report does not detail how the ongoing annual GVA has been calculated (i.e. the detailed values and actual multipliers used).

For clarity and assurance, Hudson Howells has undertaken a high-level economic impact assessment utilising the PwC methodology to confirm the GVA calculations per employee and the respective GVA based on the Hudson Howells Input-Output model.

The output from this assessment has confirmed that the GVA for the MAB project is between 1.5 and double the GVA for AFC/Pelligra project.

To clarify, the economic value of the on-going jobs generated by the MAB project (i.e. the majority of the jobs generated are in the retail, hotel and office sector) are higher than the jobs generated by the AFC/Pelligra project (i.e. office and community/recreation/sport-related jobs).

In further reviewing the financial analysis between the three proposals, the following is a summary of the financial offers by each of the proponents.



[Redacted text block]

Hudson Howells Observations

- The economic impact criteria nominated and applied by PwC, including gross value added and jobs in construction and operations, are considered appropriate for testing that job creation and economic activity benefit the local community and the State
- As there are no weightings applied to the economic criteria, it has not been possible to assess their appropriateness for testing that job creation and economic activity benefit the local community and the State. Economic impact appears to have little consideration in the overall weightings and scores
- The PwC methodology used to measure the economic impact of the three proposals, Input/Output analysis, is considered appropriate for proposal economic impact comparisons. However, it is noted that a broader State based community benefit cost assessment may deliver different scores, relativities and rankings

- The PwC economic impacts of the three proposals are considered to be low due to the non-inclusion of consumption impacts, but it is considered that this does not materially affect the relative economic impacts as it is excluded for each proposal
- [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
- The PwC review of the MAB construction economic impacts are more than double the other two proposals and will clearly deliver greater job creation and economic activity benefits to the local community and the State during the project's construction phase
- The PwC review of the MAB and AFC/Pelligra operational economic impacts are similar for jobs (730 and 720 per annum respectively) but there is a large discrepancy in the GVA (\$94 million and \$46 million per annum)
- The GVA for the MAB project is between 1.5 and double the GVA for AFC/Pelligra project
- The MAB commercial offer was convincing and credible based upon security provided and the improved financial position to the State

5.7 Topic Question 7 – Environmental impact

Topic 7 Environmental impact	Do the criteria and weightings ensure delivery of an outcome that achieves appropriate remediation of the site given the level of risk and cost impacts, including who is best placed to manage the remediation?
<p>The criteria and weightings, with regard to the remediation of the site, are considered to be appropriate given the nature and extent of contamination at the site. The criteria and weightings don't necessarily 'ensure' the appropriate remediation approach is undertaken but they give due consideration to key factors that could contribute to achieving a successful outcome with regard to cost, timing and regulatory compliance.</p> <p>The criteria most relevant to environmental impacts include:</p> <ul style="list-style-type: none"> Commercial offer <ul style="list-style-type: none"> The commercial offer, with regard to environmental impacts, needs to be of an appropriate value for the extent of remediation work that will be required to address regulatory requirements associated with health and environmental impacts. There is risk with the scale of work and cost increasing, which could have broader impacts on the overall commercial offer. The equal highest weighting of 27.5% is considered to be appropriate given the risks involved Development delivery team <ul style="list-style-type: none"> There is a limited number of remediation practitioners that have delivered large scale remediation projects to this scale, and less so for large former gasworks sites in sensitive urban environments It is important that the remediation team complete the works to the required regulatory requirements but also that environmental impacts are managed during the works. The generation of air quality issues, particularly odours, is often a prominent theme for gasworks remediation projects. Not managing this appropriately can result in escalating stakeholder and community concerns and potential suspension of works Selecting a suitable development delivery team (and remediation team) is a key factor in assessing remediation approaches for large scale gasworks remediation projects. It is appropriate to have the remediation team, as part of the overall development team, selected as an evaluation criterion. The weighting of 10% is considered appropriate Remediation and environmental strategy <ul style="list-style-type: none"> An understanding and carefully considered remediation and environmental strategy is important to achieving a successful outcome for the remediation of the former Brompton Gasworks General remediation approaches for gasworks are well established in Australia and around the world. An experienced remediation practitioner should be proposing to implement these proven and practical remediation approaches and not more experimental approaches or approaches with limited demonstratable application. Management of environmental impacts must also be undertaken to an appropriate level to ensure the surrounding community and environment aspects are not adversely impacted by the works The weighting (27.5%) is considered suitably representative of the importance of implementing an appropriate remediation and environmental strategy Development program and timing: <ul style="list-style-type: none"> The development program (with regard to the remediation works program) and timing is an important factor to consider. An extended remediation program can be of cause for concern to some community members exposed to nuisance aspects of remedial works, e.g. construction activities, environmental emissions etc. An extended program can also increase the risk of experiencing non-compliant environmental emissions from the remediation works; e.g. odours The weight of 10% is considered appropriate for this criterion <p>Remediation and Environmental Strategy (Criterion 4) has been given the equal highest evaluation weighting (27.5%), along with the Commercial Offer (Criterion 2).</p>	

The criteria and weightings are considered appropriate given the complex nature and scale of the remediation, and the risks involved. The remediation and environmental strategy are critical to completing the remediation in a safe, effective and timely manner, and to a level that is acceptable to the EPA.

AECOM Observations

- The criteria and weightings don't necessarily 'ensure' the appropriate remediation approach is undertaken but they give due consideration to key factors that could contribute to achieving a successful outcome with regard to delivery team experience cost, timing and regulatory compliance
- The criteria and weightings are considered suitable to achieving the appropriate remediation of the site regardless of whether the works are managed by government or private company, provided an appropriately experienced management team is in place
- As noted in Review Topic 4, the 'manager' of the remediation works will be held to the required regulatory standards, so there is no specific advantage or disadvantage of having either government or a private owner manage the works

5.8 Topic Question 8 – 30-Year Plan for Greater Adelaide

Topic 8 30-Year Plan for Greater Adelaide	Do the criteria and weightings adequately address the objects of the 30-Year Plan for Greater Adelaide to ensure that the proposed project delivers on the key objectives of the Plan?
<p>The 30-Year Plan for Greater Adelaide (2017 update) includes objectives, principles, targets, policy themes and policies.</p> <p>The three Objectives of the Plan are:</p> <ul style="list-style-type: none"> • Maintain and Improve Liveability • Increase Competitiveness • Drive Sustainability and Resilience to Climate Change <p>The Plan further defines six high level strategic targets to deliver on these Objectives:</p> <ul style="list-style-type: none"> • Target 1 – Containing our urban footprint and protecting our resources • Target 2 – More ways to get around • Target 3 – Getting active • Target 4 – Walkable neighbourhoods • Target 5 – A green liveable city • Target 6 – Greater housing choice <p>For inner urban infill redevelopment projects, the 30-Year Plan for Greater Adelaide seeks deliver mixed-use walkable and sustainable neighbourhoods, providing housing choice (including affordable housing), capitalising on adjacent public transport.</p> <p>Within such areas, the Plan also seeks appropriate community and green infrastructure, including:</p> <ul style="list-style-type: none"> • Walking and cycling paths and facilities • Local stormwater and flood management, including water sensitive urban design • Public open space • Sports facilities • Street trees • Community facilities <p>The Brompton project Vision and Guiding Principles (reviewed in Section 3.0 of this report) and the Evaluation Criteria and Weightings (reviewed in Section 4.0 of this report) align with the Objectives and strategic targets of the 30-Year Plan.</p> <p>In considering all three submissions against the Objectives and six high level strategic targets of the 30-Year Plan, the following comments are made:</p> <ul style="list-style-type: none"> • [REDACTED] ■ [REDACTED] ■ [REDACTED] 	

Council Open Space Strategies

Aligned with the 30-Year Plan, the City of Charles Sturt and the City of Adelaide have prepared *City of Charles Sturt Open Space Strategy 2025* and the *Adelaide Park Lands Management Strategy 2015-2025*, respectively.

The City of Charles Sturt Open Space Strategy highlights that within the City's East Precinct (incorporating Brompton and surrounding suburbs), a good provision of quality open space will be required to support the infill mixed use and multi-storey development within the area. Specifically, the Strategy encourages:

- Good quality centralised parks
- Improved connections within streets through landscaping and defined walking and bike routes
- Family oriented recreation spaces with play spaces, particularly for smaller children
- Accessible connection to the Park Lands
- Railway line greenway enhancement opportunities

The Adelaide Park Lands Management Strategy identifies the Adelaide Park Lands immediately to the south-east of the Bowden Urban Village (Bonython Park/Tulya Wardli (Park 27)) as a hub to service the recreation and community open space needs and to provide improved pedestrian connection to the adjacent Bowden community, along with the upgrade of existing infrastructure to support community sport.

AECOM Observations

- Based on AECOM's review, the Brompton project Vision and Guiding Principles and the Evaluation Criteria and Weightings align with the Objectives and strategic targets of the 30-Year Plan
- The MAB submission more closely aligns with the Objectives and strategic targets of the 30-Year Plan (when compared to the other two submissions)

5.9 Topic Question 9 – Planning and Development Outcomes

Topic 9

Planning and Development Outcomes

Do the criteria and weightings facilitate development consistent with the planning policies in the Planning and Design Code?

The Brompton site is contained within the Urban Neighbourhood Zone of the Planning & Design Code (the Code). This Zone envisages a mixed-use area comprising residential, retail, office, commercial and civic land uses in compact and higher-density growth or regeneration areas.

This Zone has been applied in urban areas to support significant opportunities to increase the density of development around major public transit nodes, corridors or significant places of interest (e.g. West Lakes, Bowden, Seaton, Tonsley, Bedford Park and the Paradise Interchange).

The Code includes a Concept Plan covering the Bowden Urban Village (including the Brompton site).

The Concept Plan contemplates:

- Retention of the original street grid
- Open space in the south-west corner of the Brompton site
- Building heights up to 8-storeys in height

The Code also recognises the heritage and cultural values of the State Heritage Place (portion of the former Gasworks site) – encouraging conservation and adaptive reuse.

The Brompton project Vision and Guiding Principles (reviewed in Section 3.0 of this report) and the Evaluation Criteria and Weightings (reviewed in Section 4.0 of this report) align with the Code.

In considering all three submissions against the relevant provisions of the Code, the following comments are made:

- The MAB submission aligns with the Code, delivering a mixed-use walkable and sustainable neighbourhood, providing housing choice (including affordable housing), capitalising on adjacent public transport. The submission has a strong emphasis on placemaking and re-use of existing heritage elements
- The AFC/Pelligra submission does not include residential development and the open space proposed has limited community access
- [REDACTED]



AECOM Observations

- Based on AECOM's review, the Brompton project Vision and Guiding Principles and the Evaluation Criteria and Weightings align with the Objectives and strategic targets of the Planning & Design Code
- The MAB submission more closely aligns with the relevant provisions of the Planning & Design Code (when compared to the other two submissions)

5.10 Topic Question 10 – 20-Year State Infrastructure Strategy

Topic 10 20-Year State Infrastructure Strategy	Do the criteria and weightings facilitate infrastructure outcomes identified as priorities within the Strategy, specifically housing priorities and/or public transport priorities?
<p>The 20-Year State Infrastructure Plan takes a statewide view and aims to set the priorities and direction for infrastructure investment to achieve the following objectives:</p> <ul style="list-style-type: none"> • Sustained economic and jobs growth • Planned population growth • Connected and productive regions • A vibrant, global Adelaide • Enviably liveability <p>The role of the Strategy is to identify the key needs and challenges and provide priorities to guide government policy and investment in infrastructure to achieve efficient outcomes and support economic growth.</p> <p>Key Principles include:</p> <ul style="list-style-type: none"> • Optimise current assets before building new • Adopt a lifecycle approach to new infrastructure • Prioritise infrastructure that contributes to economic and jobs growth • Make evidence-based planning decisions • Break down silos through integrated planning • Expand funding and procurement models and leverage private sector capital • Build capability and capacity across public and private sectors <p>Specifically, Priorities 11 and 17 are particularly relevant to the Brompton project:</p> <p style="padding-left: 40px;">Priority 11 – Increase private sector investment in the supply of affordable housing</p> <p style="padding-left: 40px;">Priority 17 – Develop business cases for investment in sports infrastructure based on strategic need and prioritise multi-use facilities</p> <p>The Brompton project Vision and Guiding Principles (reviewed in Section 3.0 of this report) and the Evaluation Criteria and Weightings (reviewed in Section 4.0 of this report) are generally aligned with the 20-Year State Infrastructure Plan.</p> <p>Both the MAB and [REDACTED] align with Priority 11, increasing private sector investment in the supply of affordable housing.</p> <p>In relation to Priority 17, Infrastructure SA has not been directly involved in the development of a business case to support the AFC/Pelligra proposal to invest in multi-use sports infrastructure on this site. Whilst beyond the scope of this assessment, such involvement could assist in providing strategic guidance in relation to the most suitable site within a metropolitan context for such a facility.</p> <p>State Sport and Recreation Infrastructure Plan 2020-2040</p> <p>A review of the <i>State Sport and Recreation Infrastructure Plan 2020-2040</i> recognises the economic, health and social benefits of investment in sport and recreation infrastructure, including new sporting facilities and access to green spaces in built-up communities.</p>	

It is noted that the State Sport and Recreation Infrastructure Plan highlights the redevelopment of Thebarton Oval as the administrative and training base and grand final venue for the Adelaide Football League (the South Australian Amateur Football League).

AECOM Observations

- Based on AECOM's review, the Brompton project Vision and Guiding Principles and the Evaluation Criteria and Weightings are generally aligned with the 20-Year State Infrastructure Plan
- Both the MAB and [REDACTED] align with the 20-Year State Infrastructure Plan Priority 11, by increasing private sector investment in the supply of affordable housing
- Infrastructure SA has not been directly involved in the development of a business case to support the AFC/Pelligra proposal to invest in multi-use sports infrastructure on this site. Whilst beyond the scope of this assessment, such involvement could assist in providing strategic guidance in relation to the most suitable site for such a facility