

Ref. 79/2224



Government of South Australia

Green Industries SA

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Dear Ms Centofanti

I refer to your application (receipt number 20271601) pursuant to the *Freedom of Information Act 1991* (the FOI Act) on 3 October 2024 requesting access to:

*Documents as defined in the Freedom of Information Act (SA) 1991 regarding advice received by either - The Treasurer; and/or - The Deputy Premier in relation to the contract with Johns Lyng Disaster Management in the response to the 2022-23 River Murray Floods between 1 October 2022 and 3 October 2024.*

A total of 2 documents were identified within the scope of your application.

One document has been made publicly available under a previous FOI determination and can be located on GISA's website FOI log, determination date 27 November 2023, document 36:

<https://www.greenindustries.sa.gov.au/2023-foi-disclosure-log>

The information contained in the second document has been considered under the provisions of the FOI Act. My determination is to grant partial access to the document with information redacted relating to cabinet, business affairs and personal affairs. A copy of the document is enclosed with this determination.

In accordance with the FOI Act and *Freedom of Information (Fees and Charges) Regulations 2018* in relation to applications from Members of Parliament, no amount is payable for the costs associated with this determination.

Pursuant to the FOI Act, if you are dissatisfied with this determination you have a right to apply for an internal review. An application for internal review must be made in accordance with section 29(2) of the FOI Act.

Should you have any queries in relation to this matter, please contact me on telephone (08) 8204 2051 or email [marissa.king2@sa.gov.au](mailto:marissa.king2@sa.gov.au).

Yours sincerely

A handwritten signature in blue ink, appearing to read "M King".

Marissa King  
Accredited FOI Officer  
**GREEN INDUSTRIES SA**

1 November 2024



Security Classification: Official: Sensitive

File No. 79/1787

Document No.

TO: MINISTER FOR CLIMATE, ENVIRONMENT AND WATER

FOR NOTING

RE: FLOOD CLEAN UP PROGRAM – CHANGE IN MANAGEMENT APPROACH

Priority: High

Critical Date: 22/12/2023 – end of principal contractor on-the-ground activities

**1. RECOMMENDATIONS**

That you:

1. Note the status of the River Murray flood waste clean-up program (the program).
2. Note from 22 December 2023, Green Industries SA (GISA) will be responsible for the management of on-the-ground activities.

**NOTED**

Comments

A handwritten signature in blue ink, appearing to be "S. Close", written over a dashed line.

HON DR SUSAN CLOSE MP

Minister for Climate, Environment and  
Water

4 / 12 / 2023

## 2. PRIORITY

High. We are meeting on 5 December 2023 and your consideration of this briefing in advance will assist inform discussion on this matter. On 22 December 2023, the principal contractor will cease on-the-ground operations, on instruction by GISA.

## 3. BACKGROUND

As you are aware (briefing reference ENV23/00346), Johns Lyng Disaster Management Australia (DMA) was engaged to project manage the River Murray flood clean-up program and engage local contractors across the seven concurrent phases:

- Scoping, establishment and site assessment
- Hazard reduction
- Removal and disposal
- Demolition
- Other waste removal
- Sandbag removal; and
- Sign-off

Some highlights of the program have included: rapid deployment of assessment teams, tailored support for vulnerable property owners, landfill diversion, protection of Aboriginal cultural heritage; employment opportunities for local traditional owners, duty of care when hazardous materials have been illegally dumped, and debris clean up from barges and boats.

In September 2023 GISA set an end date of 22 December 2023 for DMA led activities in order to increase the speed of program delivery. This was communicated broadly as the date that 90% of the project would be complete. When the 'end date' was set it was anticipated that 220 to 300 demolitions would be completed by DMA out of a total forecast of 300 demolitions.

As of December 1, 2023 the program has demolished 150 properties, completed 45 hazard reduction jobs, removed over 10,000 tonnes of waste from kerbside and delivered other services to the impacted community. 1,156 property owners have advised GISA they no longer require services under the program.

As the river community prepares for an increase in tourism throughout the holiday period, demolition and other disruptive works will be paused in the region by 22 December 2023 with an intention to recommence these works from mid-February 2024.

The current engagement of DMA under the contract documents executed in March 2023 concludes on 31 March 2024, when a nine-month defects liability period starts. During the operational pause (December 2023 to mid-February 2024), DMA remain engaged under the contract and will complete handover to GISA.

## 4. DISCUSSION

GISA has determined that the services of a principal contractor (DMA) to oversee works in 2024 is not justified (discussed further below). DMA will cease all operational works that occur on ground by 22 December 2023 and GISA will manage works in 2024. This includes the procurement and delivery of any remaining property assessments, demolitions, hazard reduction and removal of waste. DMA will provide limited staff to assist with transition in early 2024, with DMA concluding all services by 31 March 2024.

The current estimate of services required to be delivered in 2024 is:

| Phase                                 | Units  | Estimate complete by 22 December | Total Forecasted | 2024 Estimate |
|---------------------------------------|--------|----------------------------------|------------------|---------------|
| <b>Phase 1</b><br>Flood assessment    | Jobs   | 650                              | 670              | 20            |
| <b>Phase 2</b><br>Hazard Reduction    | Jobs   | 92                               | 102              | 10            |
| <b>Phase 3</b><br>Kerbside Collection | Tonnes | 10500                            | 10500            | TBD           |
| <b>Phase 4</b><br>Demolition          | Jobs   | 200                              | 420              | 220           |
| <b>Phase 5</b><br>Other debris        | Items  | 5,195                            | 5,210            | 15            |
| <b>Phase 6</b><br>Sandbag collection  | Jobs   | 100                              | 100              | 0             |

#### Requirement of a principal contractor

DMA was engaged to project manage significant volumes of concurrent works and assist in expediting recovery for the benefit of the community. As discussed in GISA's briefing to you dated 22 March 2023 (ENV23/00346), the scale and complexity of the flooding event and the resources required to implement the clean-up component of recovery efforts exceeded GISA's capacity. It was determined that the River Murray flood clean-up program could not be implemented in the same manner as the response to the 2019-20 bushfires (i.e. GISA directly managing each contractor involved).

As outlined in the table above, many of the phases are forecast to be complete or are nearing completion by 22 December 2023. Demolition will be the only phase with a large volume of works in 2024. In consideration of the nature and volume of remaining works, GISA has reconsidered the need to complete the program using a principal contractor.

The costs to maintain a principal contractor to deliver 1 or 2 work streams cannot be justified as value for money given the staffing and overheads of a principal contractor. [REDACTED]

Clause 7 (1) (b)

GISA continues to provide oversight on operations to improve efficiencies [REDACTED] however, several operational challenges have impacted this.

Clause 7 (1) (b)

#### Operational challenges

Delays in approval processes such as insurance company assessments and payments, property owner decisions, electricity disconnections through SAPN, and some aspects of the management approach of DMA all contributed to slowing the progress of the program. While some of these challenges have been out of the control of GISA and/or DMA, other factors could have been mitigated or avoided.



[REDACTED]

Clause 7 (1) (b)

[REDACTED]

Clause 7 (1) (b)

#### Procurement approach 2024

[REDACTED] The clean-up program is continuing in accordance with that approval under a change in management approach.

Clause 1(1)  
exemption

To maintain consistency of service to the community and the South Australian businesses involved in the program, GISA intends to primarily rely on the contractors already operating on the program to deliver services in 2024 along with an uplift on internal resources. The direct engagement of contractors by GISA will require my approval of departures from procurement policies and procedures.

Many of the responsibilities currently performed by DMA can be required of contractors as they are services they can provide. For example, provision of site fencing, traffic management and service disconnections. Other functions like case management, tendering and quality assurance will be completed by GISA. This provides greater control of the works, enabling contractors to perform the functions they specialise in. The quantity surveyor engaged to provide oversight of payment claims from DMA and subcontractors will remain in place to provide this oversight on contractor claims received by GISA. DMA's role of review and quality assurance in this process will be fulfilled by GISA.

#### Preparation for 2024

Due to the demolition activity falling within the definition of 'construction works', GISA is seeking Department for Infrastructure and Transport (DIT) accreditation for project management which will enable GISA to utilise DIT's proven processes and contract documents. GISA is preparing relevant management plans as part of this process.

Handover preparation from DMA to GISA has been ongoing since October and GISA continues to provide management oversight to ensure as many works as possible are completed in 2023. This includes pre works inspections, approvals and consents to enable the commencement of on ground works in 2024.

DMA will continue to provide a limited number of key personnel and functions to assist the transition in early 2024. To ensure registrants and the community are not impacted during this period, the current call centre operations will continue until GISA's case management systems and process is finalised and operational in mid-February.

GISA assuming direct management of the program results in various changes to obligations and responsibilities and the setting up of various new systems. This includes developing new contractor agreements, establishing a new customer relationship management

database, case management workflows, the preparation and evaluation of tenders, coordination of cultural heritage monitoring, and direct oversight over on-ground works with additional WH&S obligations.

The table below outlines GISA timeframes for activities:

| Project Phases and Tasks                                      | Activities and Milestones   | Timeframe                                |
|---|---|--|
| Proving Phase – Initiation / Handover                         | <ul style="list-style-type: none"> <li>Prepare for operational handover from JL-DMA to GISA</li> </ul>  | Nov-Dec 2023                             |
| Pre-Delivery Phase - Design / Documentation                   | <ul style="list-style-type: none"> <li>Finalise detailed plans: <ul style="list-style-type: none"> <li>Project Management Plan</li> <li>Environmental Management Plan</li> <li>Cultural Heritage Plan</li> <li>Construction Risk Management Plan</li> <li>Work Health &amp; Safety Plan</li> </ul> </li> <li>Prepare tendering and contracting documents</li> </ul>   | Nov-Dec 2023                             |
| Pre-Delivery Phase - Design / Documentation                   | <ul style="list-style-type: none"> <li>Milestone -Initiation Phase - Complete</li> </ul>  | Mid Dec 2023                             |
| Pre-Delivery Phase - Planning                                 | <ul style="list-style-type: none"> <li>Milestone -Transition from JL- DMA to GISA</li> </ul>  | 22 Dec 2023                              |
| Pre-Delivery Phase – Planning - Design / Documentation        | <ul style="list-style-type: none"> <li>Finalise property database and schedule of works. <ul style="list-style-type: none"> <li>aggregate property demolitions</li> </ul> </li> <li>Contract agreement signed with demolition and hazard reduction suppliers for the anticipated provision of goods or services as and when required for the project.</li> <li>On-going stakeholder and community engagement</li> </ul> | By 31 Jan 2024                           |
| Delivery Phase - Construction - (Demolition-Hazard Reduction) | <ul style="list-style-type: none"> <li>Release first tenders – by 14 Feb. <ul style="list-style-type: none"> <li>Assess tenders – by 29 Feb.</li> </ul> </li> <li>Construction (demolitions) – start 1 March.</li> <li>Hazard reductions – quotes by 19 April</li> <li>On-going stakeholder and community engagement</li> <li>Inspections by GISA project team and specialist waste consultants</li> </ul>              | First quarter of 2024 to end 2nd quarter |
| Delivery Phase - Construction activity complete               | <ul style="list-style-type: none"> <li>Milestone - Hazard reductions and demolitions completed.</li> </ul>  | 30 June 2024                             |
| Completion Phase – Project Closure / Review                   | <ul style="list-style-type: none"> <li>Final report required to satisfy DRFA requirements.</li> <li>Final budget reconciliation</li> </ul>  | Late September 2024                      |
| Completion Phase  | <ul style="list-style-type: none"> <li>Milestone – Project Completion</li> </ul>  | Late September 2024                      |

Establishing these systems and the experience of directly managing the remainder of the program will increase GISA's capability to manage disaster waste events in the future while functional lead under the Disaster Waste Management Capability Plan. An evaluation of the clean-up program will be completed to also inform these learnings.

GISA is increasing internal resourcing and engaging additional contractors to assist complete remaining works. However, there will be an impact on GISA's ability to deliver 'business and usual' activities under the 2023-24 Business Plan. Should priorities and budget allocations require realignment, you will be asked to approve variations to GISA's Business Plan in 2024 following consideration by the GISA Board.

## 5. CONSULTATION

GISA continues to consult with and receive advice from DEW and DIT on the procurement approach in 2024.

A contractor briefing was held on 28 November 2023 to inform and prepare existing contractors for works to commence under GISA in 2024

## 6. FINANCIAL IMPLICATIONS

Are there financial implications?

To be determined

As of 28 November, \$32.19 million has been spent. Whether the program is completed within the total \$60 million budget (joint SA and Australian governments) will depend on planning and scheduling of remaining works as efficiently and cost-effective as possible. GISA's direct management will assist to keep these costs as low as possible and reduce overheads.

Should the clean-up program look like it may exceed the total \$60 million, GISA will inform you and the Department of Treasury and Finance, as well as the Australian Government in relation to Disaster Recovery Funding Arrangements.

## ATTACHMENTS - Nil



Ian Overton  
**Chief Executive**  
**Green Industries SA**

Date: 01/12/2023