

# Market-led Proposal Stage Three Probity Plan

## Next Generation Power Supply to the Melbourne Metropolitan Rail Network

July 2018

### 1. Introduction

This probity plan sets out the principles and practices for conducting the stage three assessment of the Next Generation Power Supply to the Melbourne Metropolitan Rail Network proposal in accordance with the Market-led Proposals Guideline (guideline).

AusNet Services and Metro Trains Melbourne (the Proponent) submitted a proposal for an improved electricity supply to Melbourne's rail network, connected directly to the transmission network. The direct connection points will supply a new dedicated 22 kilovolt alternating current ring main along the entire metropolitan rail network with dual feeds to direct current rail traction substations on the metropolitan rail corridor.

The proposal could provide a more efficient and reliable power supply to meet the requirements of the existing rail network and support future growth. The proposal has unique characteristics.

Government has approved progression to stage three.

The stage three assessment will recommend whether the proposal should progress to stage four of the guideline.

### 2. Objectives

The market-led proposal (MLP) process is designed to ensure a transparent and fair process while maintaining the highest level of probity and public accountability.

The aims of this probity plan are to:

- ensure prescribed processes are followed and adhered to;
- ensure the processes are equitable and conducted with integrity;
- ensure conformity to processes designed to achieve value for money;
- provide accountability;
- preserve public and proponent confidence in government processes; and
- ensure defensibility of decisions to potential legal challenge or other external scrutiny.

### 3. Probity principles

Public officials undertaking or contributing to the stage three assessment should ensure:

- compliance with legal and policy requirements;
- fairness and impartiality;
- consistency and transparency of process;

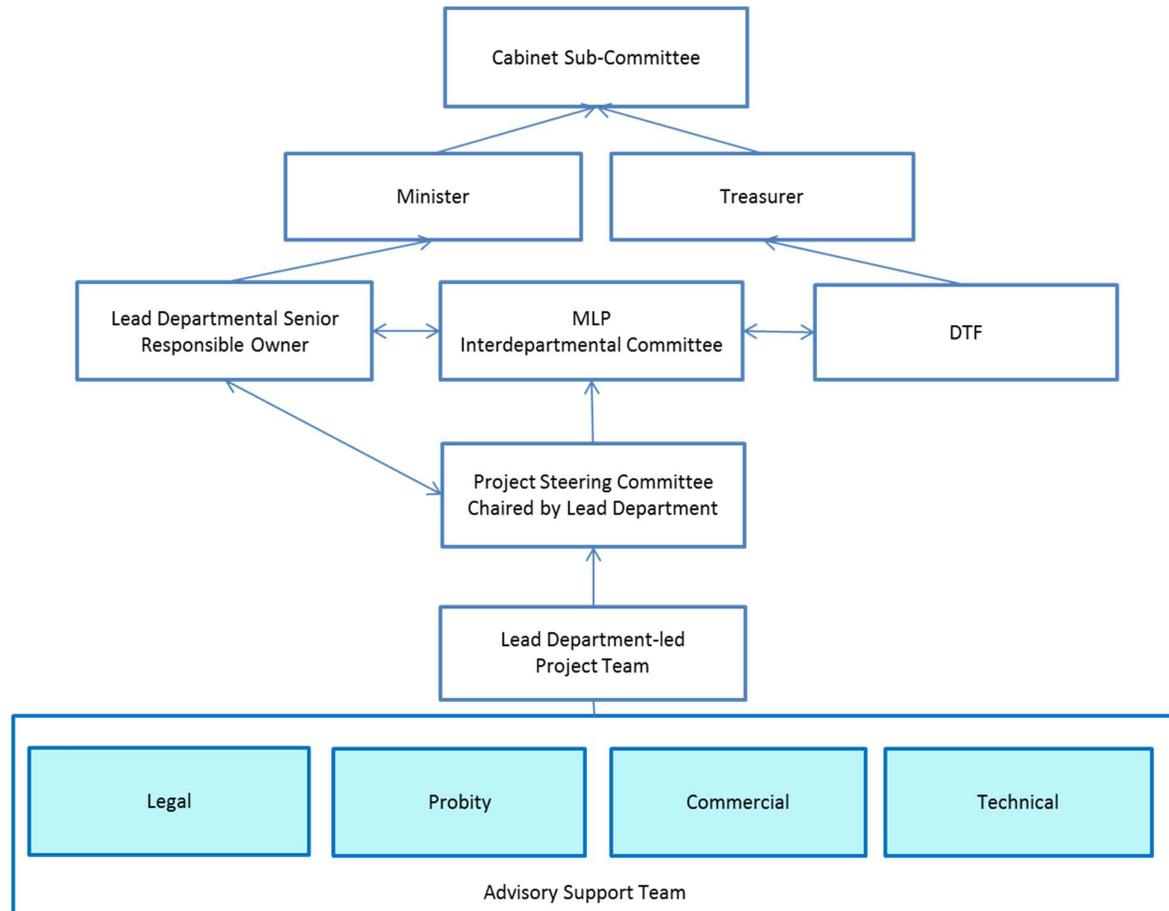
- security and confidentiality;
- identification and declaration of conflicts of interest; and
- compliance with this probity plan.

## 4. Governance

The stage three assessment will be led by the Department of Economic Development, Jobs, Transport and Resources (Transport for Victoria including Public Transport Victoria), in consultation with the Department of Treasury and Finance (DTF), and other key government stakeholders, including VicTrack, Level Crossing Removal Authority, Rail Projects Victoria, the Department of Environment, Land, Water and Planning and the Department of Premier and Cabinet.

The governance structure outlined in Figure 1 and the key accountabilities and responsibilities outlined in Table 1, are in accordance with the approved Stage Three Governance Plan for the proposal.

**Figure 1: Governance structure**



**Table 1: Accountabilities and responsibilities**

Role	Accountability and responsibilities
Cabinet Sub-Committee	<ul style="list-style-type: none"> <li>• Approve the proposal proceeding or not proceeding to the next stage of the guideline.</li> <li>• Approve supporting project documents, as required.</li> </ul>
Minister/Treasurer	<ul style="list-style-type: none"> <li>• Endorse the stage three assessment outcomes and supporting project documents, as required.</li> <li>• Make recommendations to Government in relation to the proposal proceeding or not proceeding to the next stage of the guideline.</li> </ul>
DTF	<ul style="list-style-type: none"> <li>• Contribute to the assessment as members on the project team and Project Steering Committee (PSC).</li> <li>• Provide advice to the lead department in relation to compliance with guideline requirements.</li> <li>• Brief the Treasurer in relation to the stage three assessment outcomes.</li> <li>• Contribute to the development of documentation to facilitate Government consideration of the assessment.</li> </ul>
Departmental Senior Responsible Owner	<ul style="list-style-type: none"> <li>• Contribute to the assessment as member of the PSC, as required.</li> <li>• Brief and consult senior executives in the lead department, as required.</li> <li>• Brief the portfolio Minister in relation to the stage three assessment outcomes.</li> </ul>
MLP Interdepartmental Committee (IDC)	<ul style="list-style-type: none"> <li>• Oversee the stage three assessment process.</li> <li>• Review the Stage Three Assessment Report including the Stage Four Probity and Process Deed and/or tender documents, as required.</li> <li>• Endorse Stage Three Assessment Report and make recommendations to the Government.</li> </ul>
Project Steering Committee	<ul style="list-style-type: none"> <li>• Oversee, direct and provide advice to the project team and advisers.</li> <li>• Endorse the stage three work plan.</li> <li>• Brief, provide advice and make recommendations to the IDC.</li> <li>• Review assessment reports and supporting advice, as required.</li> <li>• Ensure all stakeholder considerations and issues are canvassed and addressed.</li> <li>• Monitor compliance with the Stage Three Probity Plan and approve any changes to the plan throughout the stage three assessment.</li> </ul>
Project team	<ul style="list-style-type: none"> <li>• Coordinate project development activities to support the stage three assessment.</li> <li>• Oversee and/or undertake due diligence of the proposal, as required.</li> <li>• Oversee development of and/or draft the Stage Three Assessment Report.</li> <li>• Oversee development of and/or draft the Stage Four Probity and Process Deed and/or tender documentation, as required</li> <li>• Brief stakeholders, as required.</li> <li>• Document the assessment process and outcomes.</li> </ul>
Advisory Support Team (Commercial, Technical, Probity and Legal)	<ul style="list-style-type: none"> <li>• Provide specialist advice to the project team to support the stage three assessment.</li> </ul>

## 5. Public sector probity requirements

The PSC has overall responsibility for monitoring compliance with this probity plan and approving any changes to the plan throughout the stage three assessment.

Public officials will ensure systems, policies and procedures are in place that maintain the integrity of the assessment process. Table 2 sets out the probity requirements and recommended actions.

**Table 2: Probity requirements**

Probity requirements	Recommended actions
Compliance with legal and policy requirements	<p>Officers should ensure compliance with government legislation and codes, including the:</p> <ul style="list-style-type: none"> <li>• Public Administration Act 2004;</li> <li>• Freedom of Information Act 1982;</li> <li>• Code of Conduct for Victorian Public Sector Employees;</li> <li>• Victorian Public Sector Commission (VPSC) Ethics Framework;</li> <li>• VPSC Conflict of Interest Policy Framework;</li> <li>• VPSC Gifts, Benefits and Hospitality Policy Framework; and</li> <li>• Commonwealth legislation and relevant trade agreements.</li> </ul>
Consideration of competitive requirements	<p>Organisations and officers must ensure appropriate consideration and implementation of competitive processes to deliver a value for money outcome to the State in accordance with the guideline.</p>
Fairness and impartiality	<p>Organisations and officers should:</p> <ul style="list-style-type: none"> <li>• be honest, open and transparent in their dealings;</li> <li>• use their powers responsibly;</li> <li>• address improper conduct;</li> <li>• manage any real or apparent conflicts of interest; and</li> <li>• strive to earn and sustain a high level of public trust.</li> </ul> <p>Officers should demonstrate impartiality by:</p> <ul style="list-style-type: none"> <li>• making decisions and providing advice based on merit without bias, caprice, favouritism or self-interest; and</li> <li>• acting fairly by objectively considering all relevant facts and fair criteria.</li> </ul>
Consistency and transparency of process	<p>Organisations and officers should:</p> <ul style="list-style-type: none"> <li>• apply transparency and fairness throughout the assessment process;</li> <li>• maintain records throughout the process, providing enough information to enable independent review; and</li> <li>• ensure any change or variation to the assessment process does not unfairly disadvantage the Proponents and minimises additional costs.</li> </ul>
Security and confidentiality	<p>Organisations and officers should:</p> <ul style="list-style-type: none"> <li>• set up processes to ensure that information from Proponents, in particular intellectual property, remains confidential; and</li> <li>• ensure assessment information is kept appropriately confidential.</li> </ul>
Identification and declaration of conflicts of interest	<p>Organisations and officers should:</p> <ul style="list-style-type: none"> <li>• avoid conflicts of interest;</li> <li>• identify and address actual, potential or perceived conflicts of interest; and</li> <li>• record all actions taken to address any actual, potential or perceived conflict of interest.</li> </ul>
Compliance with probity plan	<p>Organisations and officers should ensure the stage three advice records compliance with this probity plan.</p>

## 5.1 Conflict of interest and confidentiality declarations

As a condition of participating in the assessment process, public officials and external advisers/consultants, are required to:

- declare any actual, potential or perceived conflicts of interest to the chair of the PSC and/or the lead of the project team; and
- complete confidentiality declarations.

Only public officials and external advisers/consultants that have completed a conflict of interest and confidentiality declaration may access proposal related information. If any new public officials and external advisers/consultants are required to support the project team throughout the assessment, they must complete a conflict of interest and confidentiality declaration before having access to proposal related information.

A register of public officials and external advisers/consultants who have signed the conflict of interest and confidentiality declarations is to be maintained by the chair of the PSC (or a delegate).

The chair of the PSC and/or the lead of the project team will consider any declarations, seek external probity advice as necessary and jointly implement controls to manage any identified conflicts. Where there are declared conflicts and/or relationships, assessment or treatment plans must be developed and signed off by the chair of the PSC, in consultation with the lead of the project team.

## 5.2 Transparent and fair decision making

Public officials will ensure that the proposal is assessed in accordance with the probity requirements and the objectives and criteria of the guideline in order to demonstrate a transparent and fair decision making process.

The decision making process will be documented in accordance with standard departmental or agency documentation procedures.

### 5.2.1 Records

Records will be maintained throughout the process to provide sufficient information to enable independent review consistent with the applicable records management policy requirements.

### 5.2.2 Secure and confidential proposal information

Proposal information and information generated through the assessment process will be managed to maintain confidentiality with access and distribution limited to those officials and advisers/consultants involved in the stage three assessment and for other purposes in accordance with guideline.

Electronic documents will be stored securely and will have controls in place to limit access to approved project team and PSC members. Specifically:

- common drive sub-directories being used to store proposal information in assessing departments and agencies will only have access enabled for approved project team and PSC members;
- electronic document storage servers for the proposal will have appropriate access controls put in place;
- project documents will be emailed to key project stakeholders using Victorian Government email servers and Victorian government email addresses; and

- email communication between public officials internally and with the Proponent will be undertaken cognisant of the commercial in confidence nature of the material being emailed, including consideration to requiring that attachments to emails be password protected.

## 6. Interaction with proponent

The Proponent will be advised of a single point of contact within government for the stage three assessment. The Proponent will be requested to direct all enquiries to that person to ensure consistent and transparent interactions and allow a documented exchange of information.

### 6.1 Stage Three Probity and Process Deed

The lead department and Proponent will agree the terms of a Stage Three Probity and Process Deed to guide interaction during stage three. A standard deed will be provided to Proponents by the lead department at the commencement of stage three and the terms will be negotiated where reasonable.

### 6.2 Meetings

Any meetings held with the Proponent as part of the stage three assessment must adhere to the following requirements:

- meetings must be structured around an agenda;
- at least two project team members must be in attendance any meeting;
- there must be a record of the meeting; and
- the probity adviser may choose to attend any meeting if deemed appropriate.

The chair of the PSC and lead of the project team will jointly reinforce the conflict of interest and confidentiality requirements for those attending meetings.

### 6.3 Business as usual activities

Any business as usual activities that the Proponent undertakes with government which are unrelated to the assessment may continue, subject to specific probity advice on these interactions.

### 6.4 Debriefs

The Proponent will be informed of the assessment outcome through written communication at the conclusion of the stage three assessment. The Proponent will be offered a debrief if the proposal does not proceed past stage three. Officers conducting the debrief will prepare for the discussion based on the outcomes of the assessment process.

## 7. Administration

### 7.1 Probity adviser

The probity adviser for the stage three assessment is:

Name: Anne Dalton

Title: Probity Adviser

Phone number: 03 92255430 0417417647

Email address: anne@daltonandassoc.com

The probity adviser is available to any project team or PSC member to discuss probity issues and all dealings with the probity adviser will be treated confidentially.

## **7.2 Probity issues**

The lead of the project team and/or the chair of the PSC should be advised if a probity issue arises. It is preferred that the matter be preliminary discussed with the lead of the project team and/or the chair of the PSC and the probity adviser to agree on a position on the probity issue. The chair of the PSC has ultimate decision-making authority in relation to identified probity issues.

All identified probity issues will be documented in a Probity Issue File Note (Appendix A) completed by the project team. The status of all probity issues should be reported to the chair of the PSC on a regular basis.

## **7.3 Probity breaches**

If a breach of this probity plan occurs it is essential that the breach is identified, reported, documented and investigated. A breach does not necessarily lead to a compromise of the entire process, however, all breaches must be managed according to their risk to the process. Where appropriate, reliance is placed on legal advice where enabling legislation exists.

# Appendix A – Probity Issue File Note

<b>Reference</b>	Number:		Date:
<b>Issue</b>			
<b>Notifications</b>	<b>Position</b>	<b>Person</b>	<b>Date</b>
	Project Director/Chair of PSC		
	Probity Practitioner		
	Legal Advisor (optional)		
<b>Advice/Options</b>	Probity:		
	Legal:		
<b>Action/Resolution</b>	<b>Date</b>	<b>Comment</b>	
<b>Process changes</b>			
<b>Proponent informed (If deemed necessary)</b>	<b>Company</b>	<b>Position/Person</b>	<b>Date</b>