

**IN THE FEDERAL COURT OF AUSTRALIA (FCA)
NEW SOUTH WALES REGISTRY - FEDERAL COURT OF AUSTRALIA
GENERAL DIVISION** **No: NSD757/2012**

NOTICE OF FILING

This document was filed electronically in the FEDERAL COURT OF AUSTRALIA (FCA) on 31/03/2014.

DETAILS OF FILING

Document Lodged: Amended Document
File Number: NSD757/2012
File Title: Stephen Hopkins and another named in the Schedule as Trustees for the Hopkins Superannuation Fund v AECOM Australia Pty Ltd ACN 093 846 925 (formerly known as Maunsell Australia Pty Ltd)
District Registry: NEW SOUTH WALES REGISTRY - FEDERAL COURT OF AUSTRALIA



★ Dated: 1/04/2014

Warwick Soden
Registrar

Note

This Notice forms part of the document and contains information that might otherwise appear elsewhere in the document. The Notice must be included in the document served on each party to the proceeding.



Second further amended statement of claim

(Filed with leave of Nicholas J granted on 13 March 2014)

No 757 of 2012

Federal Court of Australia
District Registry: New South Wales
Division: General

Stephen Hopkins and another as Trustees for The Hopkins Superannuation Fund

Applicants

AECOM Australia Pty Ltd (ACN 093 846 925)
(formerly known as Maunsell Australia Pty Ltd)

First Respondent

RiverCity Motorway Management Limited (Administrators appointed) ACN 117 343 361

Second Respondent

RiverCity Motorway Services Pty Ltd (Administrators appointed) (Receivers and Managers appointed) ACN 117 139 992

Third Respondent

And others named in the Schedule

Preliminary

1. This proceeding is commenced as a representative proceeding under Part IVA of the *Federal Court of Australia Act 1976* (Cth) (**FCA Act**) by the Applicants on their own behalf and on behalf of other persons who or which:
 - (a) acquired an interest in stapled units in the RiverCity Motorway Investment Trust (**RCMIT**) and the RiverCity Motorway Holding Trust (**RCMHT**) on the Allotment Date on or about 4 August 2006; and
 - (b) suffered loss or damage because of the conduct of the Respondents pleaded below; and
 - (c) have, as at 27 July 2012, entered into a litigation funding agreement with IMF (Australia) Ltd (ACN 067 298 088).

(Group Members).

2. As at the date of commencement of this proceeding, the group, on whose behalf this proceeding is brought, comprised more than seven members.
3. The Applicants are the Trustees of The Hopkins Superannuation Fund.
4. The First Respondent AECOM Australia Pty Ltd (**AECOM**):
 - (a) is and was at all material times a company registered pursuant to the *Corporations Act 2001* (Cth) (the **Act**); and
 - (b) was, until on or about 10 March 2009, known as Maunsell Australia Pty Ltd.

RiverCity Motorway Group

5. The Second Respondent, RiverCity Motorway Management Ltd (ACN 117 343 361) (Administrators appointed) (**RCM Management**) is and was at all material times:
 - (a) a company registered pursuant to the Act; and
 - (b) the responsible entity of RCMIT and RCMHT; and
 - (c) a regulated person for the purpose of section 1022B(1)(c)(ii) of the Act.
6. The Third Respondent, RiverCity Motorway Services Pty Limited (Administrators appointed) (Receivers and Managers appointed) (**RCM Services**) is and was at all material times:
 - (a) a company registered pursuant to the Act; and
 - (b) a regulated person for the purposes of section 1022B(1)(c)(ii) of the Act.
7. In or about December 2005, RCM Management appointed RCM Services as Manager of the RiverCity Motorway Group and to perform all administrative and asset management functions of the RiverCity Motorway Group including preparation, issue and distribution of disclosure documents pursuant to an Appointment Agreement and the RiverCity Motorway Investment Group and RiverCity Motorway Holding Group Management Deeds between RCM Management, RCM Services and others.

Particulars of Appointment Agreement and Management Deeds

The Applicants refer to Sections 1, 5 and 10 of the Product Disclosure Statement defined in paragraph 14 below. Further particulars of the Appointment Agreement

and Management Deeds between RCM Management, RCM Services and others may be provided after discovery and inspection and the issuing of subpoenas.

8. On or about 25 February 2011:
 - (a) RCM Management and RCM Services and other companies in the RiverCity Motorway Group were placed in voluntary administration and Michael Owen, Stephen Parberry and Christopher Hill of PPB Advisory were appointed as voluntary administrators;
 - (b) RCM Services and other companies in the RiverCity Motorway Group were placed in receivership and Martin Madden and David Merryweather of KordaMentha were appointed as receivers and managers.
9. RCMIT is and was at all material times a managed investment scheme registered pursuant to the Act.
10. RCMHT is and was at all material times a managed investment scheme registered pursuant to the Act.
11. At all material times:
 - (a) RCMIT owned all of the issued shares in RiverCity Motorway Holdings Pty Ltd (**Holdings**);
 - (b) Holdings owned all of the issued shares in RiverCity Motorway Pty Ltd (**RCMPL**);
 - (c) RCMHT owned all of the issued units in the RiverCity Motorway Asset Trust 2 (**Asset Trust 2**); and
 - (d) Asset Trust 2 owned all of the issued units in the RiverCity Motorway Asset Trust (**RCMAT**).

Clem7 Tunnel

12. Pursuant to a series of deeds and other agreements between RCMAT, Brisbane City Council and others, RCMAT had the right and obligation, for a period of 45 years commencing in or about 2006 (**Concession Period**), to finance, design, construct and operate the North-South Bypass Tunnel (which later became known as the Clem Jones or Clem7 Tunnel) (**Tunnel**).

Particulars of Deeds and Other Agreements

The Applicants refer to Sections 5 and 10 of the Product Disclosure Statement defined in paragraph 14 below. Further particulars of the deeds and other agreements between RCMAT, Brisbane City Council and others may be provided after discovery and inspection and the issuing of subpoenas.

13. Construction of the Tunnel was completed, and the Tunnel was opened to traffic, on or about 16 March 2010.

Product Disclosure Statement

14. RCM Management in its capacity as responsible entity of RCMIT and RCMHT and as the holder of Australian Financial Services Licence (**AFSL**) No. 297867:
- (a) prior to 21 June 2006 appointed RCM Services as an Authorised Representative under its AFSL;
 - (b) engaged RCM Services to prepare a Product Disclosure Statement and to ensure that appropriate due diligence and verification was performed for the purposes of Division 2 of Part 7.9 of the Act for the issue by RCM Management of stapled units;
 - (c) on or about 21 June 2006 lodged with the Australian Securities and Investments Commission (**ASIC**) and then issued a Product Disclosure Statement dated 21 June 2006 (the **PDS**);
 - (d) was the Issuer making the offer under the PDS being an invitation to apply for stapled units in RCMIT and RCMHT;
 - (e) gave, or made the PDS available, to Applicants or Applicants' agents for the issue of stapled units in RCMIT and RCMHT.

Particulars

A copy of the PDS may be inspected at the Sydney office of the solicitors for the Applicants. The PDS was an altered version, prepared in accordance with section 1015E of the Act, of an earlier version of the PDS which had been lodged with ASIC.

15. RCM Services, on behalf of RCM Management, prepared all but the following sections of the PDS:
- (a) Section 5.2 regarding the appointment of JP Morgan Trust Australia Limited as external custodian;
 - (b) Section 6.3 regarding RCM Management board members;
 - (c) Section 6.5.2 containing corporate governance statements (as far as they related to RCM Management);
 - (d) Section 7.75 regarding RCM Management's directors' fees; and
 - (e) Section 9 containing expert and consultant reports.

Particulars

The Applicants refer to a section in the PDS titled "RiverCity Motorway Services and its role in preparing this PDS". Further particulars of the sections of the PDS not prepared by RCM Services may be provided after discovery and inspection and the issuing of subpoenas.

16. RCM Services consented pursuant to section 1013K of the Act to the issue of the PDS with the inclusion of the sections prepared by RCM Services in the form and context in which they were included and for which RCM Services accepted responsibility.
17. AECOM consented pursuant to section 1013K of the Act to the inclusion of statements made by it and statements said to be based on statements made by it in the PDS in the form and context in which they were included in the PDS.

Particulars of Consent

AECOM consented by:

- (a) *AECOM's letter entitled "Consent and confirmation in relation to the RiverCity Motorway Holding Trust and RiverCity Motorway Investment*

Trust Product Disclosure Statement” to the Directors of RCM Management and RCM Services dated 20 June 2006 (document ACM.001.015.4451) which states inter alia:

1. Consent to be named

- 1.1 *We refer to the replacement Product Disclosure Statement to be dated on or about 21 June 2006 (“PDS”), which relates to the offer of Stapled Units in the RiverCity Motorway Holding Trust and RiverCity Motorway Investment Trust (“Offer”).*
- 1.2 *The PDS names Maunsell Australia Pty Ltd as providing traffic consulting services.*
- 1.3 *Maunsell Australia Pty Ltd consents to being named in the PDS in the form and context in which it is named in the draft of the PDS dated on or about 20 June 2006.*

2. Consent to the inclusion of statement

- 2.1 *Maunsell Australia Pty Ltd consents to the inclusion of the Traffic Report Summary Letter and projections made by it:*
- (a) in the form and context in which they are included; and*
- (b) to all references to that information in the form and context in which it appears,*
- in the draft of the PDS dated on or about 20 June 2006.*

...

and;

- (b) *being named in the PDS at page 137 in the following terms:*

Maunsell Australia Pty Ltd has given and has not, before the date of this PDS, withdrawn its consent to be named in this PDS as providing traffic consulting services and to the inclusion of the Summary Letter of the full Traffic Report and ‘base’ scenario projections and all references to that Summary Letter or that information in this PDS in the form and context in which they are included. Maunsell Australia Pty Ltd expressly disclaims and takes no responsibility for any part of this PDS other than its Summary Letter

and projections and other references to that Summary Letter or that information in this PDS.

18. The statements made by AECOM and the statements said in the PDS to be based on statements made by AECOM to which AECOM consented to being included in the PDS include “the Summary Letter of the full Traffic Report and ‘base’ scenario projections and all references to that Summary Letter or that information in this PDS in the form and context in which they are included” in the PDS (**Consented Material**).

Particulars of Consented Material

- (a) *The Summary Letter referred to in paragraph 17 and in this paragraph is a copy of a letter from AECOM to the directors of RCM Management dated 13 June 2006 which appears in the PDS at pages 91 to 98 (**Summary Letter**).*
- (b) *The “base” scenario projections referred to in paragraph 17 are forecasts for annual average daily traffic (i.e. vehicles per day) under the “base” scenario for the Tunnel (**Forecasts**) which appear in the Summary Letter at page 97 of the PDS and which are set out at paragraph 23.*
- (c) *The Consented Material includes all traffic-related information provided by AECOM or traffic related statements made by AECOM or such statements said to be based on a statement made by AECOM in the PDS including diagrams, graphs, charts and maps as set out in Schedule A.*

Issue of stapled units to the Applicants

19. The Applicants were given the PDS and applied for 40,000 stapled units in RCMIT and RCMHT on the basis of the offer set out in the PDS on or about 20 July 2006 and were issued 40,000 stapled units in RCMIT and RCMHT on or about 4 August 2006.
20. On 26 February 2007 the Applicants were issued a further 2566 stapled units in RCMIT and RCMHT in accordance with the Dividend Reinvestment Plan as specified in the PDS.

Earlier Traffic Forecasts

21. In late 2004 and early 2005, AECOM prepared a range of detailed traffic forecasts including a *Low Case, Most Likely Case or Central Case, High Case* and a further *BOOT (Build, Own, Operate, Transfer) Case* for inclusion in a Feasibility Study and an

Environmental Impact Study (EIS) prepared by or for Brisbane City Council in relation to the Tunnel (**Earlier Forecasts**).

Particulars

- (a) *The traffic forecasts prepared by AECOM for Brisbane City Council's Feasibility Study were detailed in a report titled "North-South Bypass Tunnel, Traffic Forecasts Report" dated November 2004 (document ACM.001.002.3354).*
- (b) *The traffic forecasts prepared by AECOM for Brisbane City Council's EIS were detailed in a report titled "North-South Bypass Tunnel Traffic and Transport – Technical Paper" dated January 2005 (document ACM.002.002.2429).*

Full particulars of the Earlier Forecasts cannot be provided until the Applicants are provided with a full set of the specified reports and the further reports, models and analyses that went into preparing those reports.

22. The Earlier Forecasts:

- (a) were derived from a traffic model which modelled traffic estimates for three time periods for all hours of the day being AM Peak (7am – 9am), PM Peak (4pm – 6pm) and Off-Peak (the remaining hours or 12 midnight to 7am, 9am to 4pm and 6pm to midnight) periods (**All-Hour Modelling**).
- (b) were for annual average daily traffic (AADT) or annual average weekday traffic (AAWT), that is, vehicles per day or weekday in both directions.
- (c) were as follows:

Forecast	Traffic by 2011	Traffic by 2016
2004 Feasibility Study: Public Sector Comparator Low Case (AADT) (including ramp up for the first 2 years)	48,949	60,159
2004 Feasibility Study: Public Sector Comparator Most Likely or Central Case (AADT) (including ramp up for the first 2 years)	47,386	67,053
2004 Feasibility Study: Public Sector Comparator High Case (AADT)	53,249	79,706

Forecast	Traffic by 2011	Traffic by 2016
(including ramp up for the first 2 years)		
2004 Feasibility Study: BOOT Case (AADT) (including ramp up for the first 2 years)	57,285	83,706
2005 EIS (AAWT)	58,000 (AAWT)	73,800 (AAWT)
2006 Product Disclosure Statement Forecasts (included for ease of comparison)	Traffic by 2011	Traffic by 2016
<i>Forecasts (AADT) (including ramp up for the first 18 months)</i>	<i>94,706</i>	<i>116,384</i>

- (d) stated that the notional daily capacity of the Tunnel was 95,000 vehicles. The forecasts in the Feasibility Study additionally stated that once that notional daily capacity of vehicles was reached traffic growth thereafter would be limited to between 0.4 – 1.1% per annum.

The Consented Material contained misleading or deceptive statements

Forecasts

23. The Forecasts were:

Months After Opening/Year	Total traffic (AADT including ramp up) (Including cars, light and heavy commercial vehicles)
1 month	60,451
6 months	90,676
12 months	94,706
18 months	100,284
2012	101,129
2016	116,384
2021	128,360

Months After Opening/Year	Total traffic (AADT including ramp up) (Including cars, light and heavy commercial vehicles)
2026	136,188

Actual Traffic

24. The actual traffic volumes in the Tunnel compared to the Forecasts up to and including April 2012 have been:

Months after opening	Month	Forecast annual average daily traffic (total)	Actual average daily traffic (total)	Actual toll	Forecast car toll (approximate)
1	Mar 2010	60,451	59,109	Free from 16/3/10-5/4/10	\$4.36
2	Apr 2010		21,178	\$2.95 from 6/4/10	\$4.36
3	May 2010		21,424	\$2.95	\$4.36
4	Jun 2010		22,545	\$2.95	\$4.36
5	Jul 2010		27,618	\$2	\$4.36
6	Aug 2010	90,676	28,061	\$2	\$4.36
7	Sep 2010		28,419	\$2	\$4.36
8	Oct 2010		27,876	\$2	\$4.36
9	Nov 2010		28,455	\$2 until 14/11/10, \$3 from 15/11/10	\$4.36
10	Dec 2010		23,951	\$3	\$4.36
11	Jan 2011		22,255	\$3	\$4.49
12	Feb 2011	94,706	26,932	\$3	\$4.49
13	Mar 2011		26,559	\$3	\$4.49
14	Apr 2011		21,836	\$3 until 3/4/11, then \$3.95 from 4/4/11	\$4.49
15	May 2011		23,009	\$3.95	\$4.49
16	Jun 2011		23,074	\$3.95	\$4.49
17	Jul 2011		22,144	\$3.95	\$4.49
18	Aug 2011	100,284	22,781	\$3.95	\$4.49

Months after opening	Month	Forecast annual average daily traffic (total)	Actual average daily traffic (total)	Actual toll	Forecast car toll (approximate)
19	Sep 2011		22,302	\$3.95	\$4.49
20	Oct 2011		21,478	\$3.95	\$4.49
21	Nov 2011		22,685	\$3.95	\$4.49
22	Dec 2011		19,075	\$3.95	\$4.49
23	Jan 2012		17,819	\$3.95	\$4.62
24	Feb 2012	101,129	21,873	\$3.95	\$4.62
25	Mar 2012		22,272	\$3.95	\$4.62
26	Apr 2012		19,314	\$3.95	\$4.62

The Forecasts were misleading or deceptive

25. The Forecasts:

- (a) were representations with respect to future matters, within the meaning of section 769C(1)(a) of the Act;
- (b) substantially overestimated the annual average daily traffic volumes using the Tunnel; and
- (c) were misleading or deceptive.

26. AECOM did not have reasonable grounds for making the Forecasts, within the meaning of section 769C(1)(b) of the Act.

Particulars of Absence of Reasonable Grounds

The Applicants rely on each of the matters in Schedule B. In addition, the absence of reasonable grounds for making the Forecasts can be inferred from:

- (a) *the large discrepancy between the Forecasts and the actual traffic volumes since tolling commenced on 6 April 2010, as set out in paragraph 24 above (despite the fact that, for a substantial part of that period, the actual tolls imposed on vehicles travelling through the Tunnel were significantly lower than the assumed tolls on which the Forecasts were based); and*
- (b) *the large discrepancy between the Forecasts and the Earlier Forecasts.*

Further misleading or deceptive statements in the Consented Material

27. The Consented Material contained further misleading or deceptive statements, in that the Consented Material:

- (a) Stated wrongly that assumptions and inputs adopted by AECOM for its Forecasts were conservative (pages 91 paragraph 3, 92 paragraph 9 [twice], and 96 paragraphs 1 and 2, of the PDS) (collectively, the **Conservative Statements**), when the assumptions and inputs were not in fact conservative:

Particulars

(A) *The Conservative Statements were partly express and partly implied;*

(B) *Assumptions and inputs adopted by AECOM for the base case scenario were not conservative by reason of the matters pleaded in each of the particulars to paragraph 26 above and paragraphs (b), (e) and (f) below;*

(aa) Stated wrongly that:

- (i) the assumptions adopted by AECOM for the Forecasts were “reasonable” (page 97, paragraph 2 of the PDS);
- (ii) the Forecasts were “reasonable” for the assumptions made (pages 91, paragraph 4 and 97, paragraph 3 last bullet point); and
- (iii) that it was “reasonable” for AECOM to use those assumptions to prepare the Forecasts (page 92, paragraph 2);

(collectively, the **Reasonable Statements**), when the assumptions, Forecasts and AECOM’s use of assumptions were not in fact reasonable;

Particulars

(A) The Reasonable Statements were express;

(B) The assumptions, Forecasts and AECOM’s use of assumptions were not reasonable by reason of the matters

pleaded in each of the particulars to paragraph 26 above and paragraphs (b), (e) and (f) below;

- (ab) Stated wrongly that the Forecasts were “based on sound inputs and appropriate modelling processes” (pages 91 paragraph 4, and 97, paragraph 3, of the PDS) (collectively, the **Sound and Appropriate Statements**), when the inputs and modelling processes used were not in fact sound and appropriate.

Particulars

- (A) The Sound and Appropriate Statements were express;
- (B) The inputs and modelling processes were not sound and appropriate by reason of the matters pleaded in each of the particulars to paragraph 26 above and paragraphs (b), (e) and (f) below;
- (ac) Stated wrongly that AECOM had reduced the risks of inaccuracies in the Forecasts by a detailed process, including the adoption of reasonable assumptions, the use of standard traffic modelling techniques and procedures, peer review of model structure and key assumptions, and sensitivity testing of the effects on the traffic forecasts of changes to the modelling input assumptions (page 97, paragraph 2 of the PDS) (the **Reduction of Inaccuracies Statement**) when the risks of inaccuracies were not in fact reduced.

Particulars

- (A) The Reduction of Inaccuracies Statement was express;
- (B) The assumptions did not reduce the risk of inaccuracies because they were not reasonable assumptions, by reason of the matters pleaded in each of the particulars to paragraph 26 above (including Schedule B) and paragraphs (aa) above, and (b), (e) and (f) below.
- (C) The traffic modelling techniques and procedures did not reduce the risk of inaccuracies because they were not standard by reason of the matters pleaded in Schedule B (and in particular Items A(b) – A(f) (inclusive), B(a) and B(b),

D(a) – D(e) (inclusive), D(g) – D(i) (inclusive), E(b) - E(d) (inclusive), E(f) – E(j) (inclusive), G(b) - G(k) (inclusive), G(m), H(a), I(a), I(c) – I(g) (inclusive), J(a), K(a) and L(a)).

- (D) The peer review process did not reduce the risk of inaccuracies in the Forecasts because the key assumptions as to the capacity of the Tunnel, the split between heavy commercial vehicles and light commercial vehicles and expansion factors had not been peer reviewed.
- (E) The sensitivity tests were not of a kind capable of reducing inaccuracies, because they did not test the most sensitive parts of the model.
- (b) Overstated the size of the market for the Tunnel and misstated the operation of Brisbane’s existing road network in the event of the opening of the Tunnel by, amongst other things:
- (i) Wrongly stating that 80% of the 550,000 vehicle trips which crossed the Brisbane River each working day were not travelling to or from the Brisbane CBD, but were “through trips” i.e. journeys with a start-point and destination outside the Brisbane CBD (page 32 of the PDS);
 - (ii) Wrongly stating that approximately 75% of car trips across the Brisbane River via a CBD Bridge (being Story Bridge, Captain Cook Bridge, William Jolly Bridge and Victoria Bridge) were “through trips” that travel through the CBD (page 4 of the PDS);
 - (iii) Citing population, land-use, economic development and employment growth forecasts for Brisbane which were overly optimistic with a compounding inflationary effect in order to, amongst other things, generate forecasts of high congestion on alternative routes to the Tunnel (pages 5, 19 and 33 of the PDS);
 - (iv) Implying that the catchment areas for the Tunnel were broadly spread geographical zones (page 33 of the PDS), when in fact the “NSBT trips are distributed along a narrow north-south corridor” and the “majority of the trips originate within the vicinity of the Tunnel portals, dispersing as the distance increased to the

entrances”, as was stated in the traffic forecasts prepared by AECOM for Brisbane City Council’s Feasibility Study for the Tunnel in November 2004 (page 19).

- (c) Stated wrongly that AECOM had in its Full Report prepared traffic forecasts for two key scenarios, being a “base” scenario and a “bank” scenario “for consideration by the debt market” (pages 91 and 92 of the PDS), when in fact the “bank” scenario was a “low case” scenario prepared for consideration by equity and debt participants which forecast AADT of 96,472 vehicles in 2010 compared to 100,751 in the Forecasts (“**Low Case Scenario**”).
- (d) Stated wrongly that “the capacity of the tunnel and its feeder roads” were unable to be predicted by AECOM (page 96 of the PDS) when in fact AECOM could predict the capacity of the Tunnel and its feeder roads.
- (e) Stated that the Tunnel would allow motorists to avoid “up to 18 sets of traffic lights compared with alternative routes” (page 6 of the PDS) in circumstances where motorists travelling between north and south Brisbane via key feeder roads the Pacific Motorway and t Lutwyche Road could use the free alternative Captain Cook Bridge/ Inner City Bypass route without any traffic signals when travelling north and only three when travelling south.
- (f) Stated that the Tunnel was expected to reduce travel times by up to 33% in circumstances when in fact it was unlikely that many motorists using the Tunnel would enjoy time savings of that order or at all and up to 40% of traffic using the Tunnel was expected to experience a small (up to two minute) time saving, no time saving, or a negative time saving of up to 15 minutes (pages 3 and 6 of the PDS).
- (g) Stated wrongly that the Forecasts presented annual average daily traffic forecasts with the tolling strategy described in section 4.3 of the PDS (\$3.30 for cars, \$4.95 for light commercial vehicles and \$8.75 for heavy commercial vehicles) at September 2001 prices (page 97 of the PDS), where the model had employed toll values of \$3.30 for light commercial vehicles and \$8.25 for heavy commercial vehicles at 2005 prices.

Particulars

Further particulars may be provided after completion of discovery and inspection, and the issuing of subpoenas

Omissions from the Consented Material

28. There were omissions from the Consented Material, in that it did not contain:

(aa) Any disclosure that:

- (i) AECOM did not consider the Forecasts to be the most appropriate traffic forecast, but considered the Low Case Scenario to be most realistic;
- (ii) AECOM did not agree with what the Consented Material recorded RCM's view as being, namely that the Forecasts were the most appropriate traffic forecast to be included in the PDS or that it was the only scenario forecast that was material to potential equity investors;
- (iii) AECOM considered that the probability of the Forecasts being achieved was low.

Particulars

Email from A. Broadbent to D. Johnston and others (29 November 2005, 11:01AM) (ACM.001.111.7591)

Email from A. Broadbent to P. Hicks and others (5 May 2006, 5:30PM) (ACM.001.015.1933)

Email from D Johnston to A. Yelds (9 May 2006, 2:34AM) (ACM.001.015.3272)

Email from A. Broadbent to A. Yelds (10 May 2006, 9:01PM) (ACM.001.091.9771)

Email from A. Broadbent to D. Johnston and others (12 May 2006, 8:53PM) (ACM.001.015.1975)

Email from D. Johnston to C. Watson and others (7 July 2006, 2.16pm) (ACM.001.008.2472)

- (a) Any disclosure of the risks associated with the use of AM peak period modelling only, including the subsequent reliance on expansion factors and the sensitivity of the traffic and revenue forecasts to the values assumed for those expansion factors which thereby increased the risk that the Forecasts would not be achieved.

- (b) Any disclosure that the peer reviewer Parsons Brinckerhoff:
 - (i) had opined that ideally the model for the traffic forecasts would have extended to an All-Hour traffic model and that modelling only the morning peak period must be undertaken with “extreme caution” as it had “the potential to underestimate differential toll diversion during off-peak periods”; and
 - (ii) was not asked to review the forecasting process to be used by AECOM, the modelling assumptions or parameters adopted to produce traffic and revenue forecasts, the use of the model to produce traffic and revenue forecasts, or to review the traffic forecasts themselves.
- (c) Any disclosure that the Earlier Forecasts had been prepared by AECOM using an All-Hour traffic model rather than an AM peak period model.
- (d) The Earlier Forecasts and reference to the fact that the Earlier Forecasts for AADT were approximately 50% of the Forecasts.
- (e) Any reference to the failure of recently opened Australian toll roads to meet forecast traffic numbers including the Cross City Tunnel, which in common with the Tunnel was designed to play a CBD bypass role and which in February 2006 had AADT of ~30,000 in contrast to forecast AADT of ~90,000 and the Westlink M7 which opened at 50% of forecast traffic numbers in December 2005.
- (f) Any reference to the fact that AECOM used a consistent set of favourable assumptions and inputs in the traffic model.
- (g) Any reference to the fact that using a consistent set of favourable assumptions and inputs in the traffic model to generate the Forecasts increased the risk that the Forecasts would be overly optimistic and less reliable.
- (h) Any reference to the fact that in the off-peak period, the feeder routes for the Tunnel were not constrained by capacity in 2005.
- (i) Any reference to or explanation of the fact that the traffic forecasts prepared by AECOM for Brisbane City Council’s Feasibility Study for the Tunnel in November 2004 stated that the notional daily capacity of the

Tunnel was 95,000 cars and that once that notional daily capacity of vehicles was reached traffic growth thereafter would be limited.

- (j) Any reference to the risks associated with assumptions that the Tunnel would or could operate at full capacity.
- (k) Any reference to or explanation of the fact that the traffic forecasts prepared by AECOM for the EIS stated that approximately 40% of traffic using the Story Bridge, William Jolly Bridge or Captain Cook Bridge were “through trips” (page 38 of the EIS) given that the PDS stated that the percentage of through trips was 75% (pages 4 and 32 of the PDS).
- (l) Any reference to the fact that if the AECOM’s figure of 40% for “through trips” included in the EIS was correct then that would likely result in a reduction of approximately 50% of the “through trip” market for vehicles which may wish to use the Tunnel.
- (m) Any disclosure that the Forecasts were prepared as part of RiverCity’s bid to win the Tunnel concession.
- (n) Any disclosure that a significant amount of AECOM’s consultancy fee (up to \$1 million of the \$2.5 million) would be paid only if and after RiverCity had won the concession and achieved financial close.
- (na) Any disclosure that AECOM had been given instructions and/or directions in respect of:
 - (i) a number of assumptions and methodological steps which AECOM had performed when preparing the Forecasts;
 - (ii) the preparation of the Summary Letter and Consented Material (including deciding that the Summary Letter and Consented Material would appear in the PDS in the form they actually did and not otherwise),

by each of RCM Management, RCM Services, the entities referred to in paragraph 11 above (Holdings, RCMPL, Asset Trust 2 and RCMAT), and Leighton Contractors Pty Ltd, RBS Group (Australia) Pty Ltd (formerly ABN AMRO Australia Ltd), Lend Lease Building Contractors Pty Limited (formerly known as Baulderstone Pty Limited and Baulderstone Hornibrook Pty Limited) and Bilfinger Project Investments Australia Pty Limited

(formerly Bilfinger Berger Project Investments Pty Limited and Bilfinger Berger Concessions Pty Limited), and/or by a person who AECOM considered to be a representative and agent of those entities (namely Mr Peter Hicks).

Particulars

In relation to subparagraph (i), the Applicants rely upon the letters from Baker & McKenzie dated 26 February 2014 and 6 and 11 March 2014 providing the following particulars of the matters alleged in paragraph [171(d)] of AECOM's Proposed Further Amended Defence in proceeding NSD 678 of 2012:

- (a) *As to "Toll choice model", paragraph 1(b), and Schedule 1, Item 2.*
- (b) *As to "Road Network Assumptions", paragraph 1(a), and Schedule 1, Item 1.*
- (c) *As to "Decision to only model AM Peak in deriving AECOM Australia's Traffic Forecasts and the use of Expansion Factors and Annualisation Factors":*
 - (i) paragraph 1(a) and (b) and Schedule 1, Item 1.*
 - (ii) paragraph 1(d),(iv) and Schedule 1, Item 5.*
 - (iii) paragraph 1(f),(i) and Schedule 1, Item 6.*
 - (iv) paragraph 1(g),(i) and Schedule 1, Item 7.*

In relation to subparagraph (ii), and the role of Mr Hicks, the Applicants rely upon paragraphs [29(e)], [92], [93(a)(ii) and (b)] of AECOM's Proposed Third Further Amended Defence in these proceedings.

- (o) Any disclosure that the road routes competing with the Tunnel included the Inner City Bypass as was stated in the traffic forecasts prepared by AECOM for Brisbane City Council's Feasibility Study for the Tunnel in November 2004 (page 7).
- (p) Any disclosure that in the traffic forecasts prepared by AECOM for Brisbane City Council's Feasibility Study for the Tunnel in November 2004, it was

forecast that in the off-peak period travel time savings would be around 5 minutes (page 41).

Contravention

29. AECOM consented to the inclusion of the Consented Material in the PDS pursuant to section 1013K of the Act (**Consent**).
30. Pursuant to sections 1013C and 1013E of the Act, the PDS was required to contain, inter alia, any information that might reasonably be expected to have a material influence on the decision of a reasonable person whether to acquire stapled units.
31. By reason of the matters pleaded in paragraphs 25 to 27 above, there were misleading or deceptive statements in the Consented Material for the purposes of section 1021L(1)(b)(i) of the Act (**Misleading Statements**).
32. By reason of the matters pleaded in paragraph 28 above there were omissions from the Consented Material for the purposes of section 1021L(1)(b)(ii) of the Act (**Omissions**).
33. Each of the Misleading Statements and the Omissions, either separately or in combination, would be materially adverse from the point of view of a reasonable person considering whether to proceed to acquire stapled units for the purposes of section 1021L(1)(c) of the Act.
34. The Applicants and Group Members have suffered loss or damage because the Consent was given by AECOM.

Particulars of Loss or Damage

Each of the Applicants and Group Members have either lost the whole of their investment in the stapled units or, if the stapled units were sold, the diminution of the value of the stapled units between the date of the purchase and the date of sale because:

- (a) *but for their reliance on the Consented Material they would not have acquired the stapled units;*
- (b) *had the PDS contained the omitted material they would not have acquired the stapled units; or*

(c) *if the Forecasts had not been significantly inflated the transactions contemplated by the PDS would not have occurred.*

35. By reason of the matters referred to in paragraphs 29 to ~~32~~ and/or 33 above, the Applicants and Group Members are entitled, pursuant to section 1022B(2) of the Act, to recover from AECOM the amount of the loss or damage referred to in paragraph 34 above.

Contraventions by RCM Management and RCM Services

36. By reason of the matters referred to in paragraphs 25 to 28 above the PDS was defective for the purposes of section 1022A of the Act.

37. The Applicants and Group Members were either given the PDS, or it was made available to them, by RCM Management or RCM Services in accordance with Division 2 of Part 7.9 of the Act.

38. For the purposes of section 1022B(3)(b)(i) of the Act:

(a) RCM Services was the person by whom the PDS was prepared; and

(b) RCM Management was the person on whose behalf the PDS was prepared.

38A. Further, or alternatively, RCM Services was a person involved in the preparation of the PDS who, directly or indirectly, caused the PDS to be defective or contributed to it being defective for the purposes of section 1022B(3)(b)(ii) of the Act.

38B. RCM Management and RCM Services did not take reasonable steps to ensure that the PDS would not be defective.

39. The Applicants and Group Members have suffered loss or damage because the PDS they were given, or the PDS that was made available to them, was defective.

Particulars of Loss or Damage

Each of the Applicants and Group Members have either lost the whole of their investment in the stapled units or, if the stapled units were sold, the diminution of the value of the stapled units between the date of the purchase and the date of the sale because:

(a) *but for the PDS as given or made available to them being defective they would not have acquired the stapled units; or*

(b) *if the PDS had not been defective the transactions contemplated by the PDS would not have occurred.*

40. By reason of the matters referred to in paragraphs 36 to 38 the Applicants and Group Members are entitled, pursuant to section 1022B(2) of the Act, to recover from RCM Management and/or RCM Services the amount of the loss or damage referred to in paragraph 39 above.

CLAIM IN NEGLIGENCE AGAINST AECOM

41. AECOM knew that the PDS containing the Consented Material was to be provided to potential acquirers of stapled units (**Potential Acquirers**):
- (a) so that Potential Acquirers and/or their advisors could consider and use the Consented Material in making decisions about whether or not the Potential Acquirers would acquire stapled units; and
 - (b) so that those Potential Acquirers and/or their advisors would rely on information contained in the Consented Material in making those decisions.
42. It was reasonably foreseeable that the Applicants and other Potential Acquirers would, directly or indirectly through their advisors, rely on the Consented Material in making a decision to acquire stapled units.
43. It would have been reasonable for the Applicants and other Potential Acquirers to rely, directly or indirectly, on the Consented Material in making a decision to acquire stapled units.
44. By reason of the matters pleaded in paragraphs 41 to 43 above, AECOM owed to the Applicants and other Potential Acquirers a duty to exercise reasonable care and diligence in preparing the Summary Letter and the Forecasts.
45. In preparing the Summary Letter and the Forecasts, AECOM failed to exercise reasonable care and diligence.

Particulars

A traffic forecaster exercising reasonable care and diligence would not have prepared a Summary Letter for inclusion in the PDS making the Misleading Statements and with the Omissions. Further particulars of the failure to exercise

reasonable care and diligence may be provided after discovery and inspection and the issuing of subpoenas.

46. By reason of the matters pleaded in paragraphs 41 to 45 above, the Applicants and Group Members have suffered loss or damage.

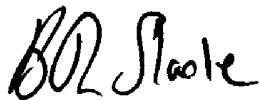
Particulars of Loss or Damage

The Applicants repeat the particulars to paragraph 34 above.

AND THE APPLICANTS AND GROUP MEMBERS CLAIM:

- A. An order, pursuant to section 1022B(2) of the Act, that AECOM, RCM Management and/or RCM Services pay to the Applicants and Group Members the amount of the loss or damage referred to in paragraphs 34, 39 and 46 above.
- B. Damages.
- C. An order, pursuant to section 51A of the FCA Act, that AECOM, RCM Management and/or RCM Services pay to the Applicants and Group Members interest on any amount ordered to be paid by it pursuant to paragraph A above.
- D. Costs.

Date: 31 March 2014



Signed by Ben Slade, Maurice Blackburn Pty Ltd

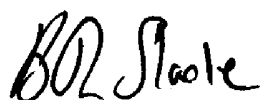
Lawyer for the Applicants

This pleading was prepared by Richard Ryan of Maurice Blackburn Pty Ltd and settled by William Edwards, counsel and Marcus Pesman, senior counsel

Certificate of lawyer

I Ben Slade certify to the Court that, in relation to the statement of claim filed on behalf of the Applicants, the factual and legal material available to me at present provides a proper basis for each allegation in the pleading.

Date: 31 March 2014

A handwritten signature in black ink that reads "Ben Slade". The signature is written in a cursive, slightly slanted style.

Signed by Ben Slade

Lawyer for the Applicants

Schedule

Federal Court of Australia No.

NSD 757 of 2012

District Registry: New South Wales

Division: General

Stephen Hopkins and another as Trustees for The Hopkins Superannuation Fund

Applicants

AECOM Australia Pty Ltd (ACN 093 846 925)
(formerly known as Maunsell Australia Pty Ltd)

First Respondent

RiverCity Motorway Management Limited (Administrators appointed) ACN 117 343 361

Second Respondent

RiverCity Motorway Services Pty Ltd (Administrators appointed) (Receivers and Managers appointed) ACN 117 139 992

Third Respondent

Details of all cross-claims in the proceeding

First Cross-claim:

Cross-claimant:	AECOM Australia Pty Ltd (ACN 093 846 925) (formerly known as Maunsell Australia Pty Ltd)
Cross-respondent	NATIONAL INSTITUTE OF ECONOMIC AND INDUSTRY RESEARCH PTY LTD (ACN 006 234 626)

Second Cross-claim:

Cross-claimant	AECOM Australia Pty Ltd (ACN 093 846 925) (formerly known as Maunsell Australia Pty Ltd)
Cross-respondent	PETER JEREMY HICKS

Third Cross-claim:

Cross-claimant	AECOM Australia Pty Ltd (ACN 093 846 925) (formerly known as Maunsell Australia Pty Ltd)
Cross-respondent	RiverCity Motorway Services Pty Ltd (Administrators appointed) (Receivers and Managers appointed) ACN 117 139 992

Fourth Cross-claim:

Cross-claimant **AECOM Australia Pty Ltd (ACN 093 846 925)**
(formerly known as Maunsell Australia Pty Ltd)

Cross-respondent **RiverCity Motorway Management Limited (Administrators appointed)**
ACN 117 343 361

Fifth Cross-claim:

Cross-claimant **AECOM Australia Pty Ltd (ACN 093 846 925)**
(formerly known as Maunsell Australia Pty Ltd)

Cross-respondent **LEIGHTON CONTRACTORS PTY LTD (ACN 000 893 667)**

Sixth Cross-claim:

Cross-claimant **AECOM Australia Pty Ltd (ACN 093 846 925)**
(formerly known as Maunsell Australia Pty Ltd)

Cross-respondent **RSB GROUP (AUSTRALIA) PTY LTD (ACN 000 862 797)** (formerly
known as **ABN AMRO Australia Limited**)

Seventh Cross-claim:

Cross-claimant **AECOM Australia Pty Ltd (ACN 093 846 925)**
(formerly known as Maunsell Australia Pty Ltd)

Cross-respondent **BILFINGER BERGER PROJECT INVESTMENTS AUSTRALIA PTY LTD (ACN 055 541 770)** (formerly known as Bilfinger Berger Concessions Pty Ltd)

Eight Cross-claim:

Cross-claimant **AECOM Australia Pty Ltd (ACN 093 846 925)**
(formerly known as Maunsell Australia Pty Ltd)

Cross-respondent **LEND LEASE BUILDING CONTRACTORS PTY LTD (ACN 002 625 130)** (formerly known as Boulderstone Hornibrook Pty Ltd)

Ninth Cross-claim:

Cross-claimant **AECOM Australia Pty Ltd (ACN 093 846 925)**
(formerly known as Maunsell Australia Pty Ltd)

Cross-respondent **BECA PTY LTD (ACN 004 974 341)**

Tenth Cross-claim:

Cross-claimant **AECOM Australia Pty Ltd (ACN 093 846 925)**
(formerly known as Maunsell Australia Pty Ltd)

Cross-respondent **MALLESONS STEPHEN JAQUES**

SCHEDULE A

	Subject	Statement in PDS and page reference	Statement in AECOM's Traffic Forecasts report dated 22 May 2006 (if relevant)
1.	Avoiding up to 18 sets of traffic lights	<p>Pg 3 (Chairman's letter): The Tunnel provides a bypass of the congested Brisbane CBD and Fortitude Valley, avoiding up to 18 sets of traffic lights.</p> <p>Pg 6: ...the Tunnel ...allows commuters to avoid up to 18 sets of traffic lights, compared with alternative routes – this benefit is expected to increase over time.</p> <p>Pg 18: Motorists using the Tunnel will avoid up to 18 sets of traffic lights, depending on travel direction.</p> <p>Pg 32: Motorists using the Tunnel will avoid up to 18 sets of traffic lights, depending on travel direction.</p>	<p>Pg iii: Motorists using the North-South Bypass Tunnel will avoid 17 or 18 sets of traffic lights, depending on their travel direction...</p> <p>Pg 11: Motorists using the North-South Bypass Tunnel will avoid 17 or 18 sets of traffic lights, depending on their travel direction...</p>
2.	Time savings	<p>Pg 3 (Chairman's letter): Motorists using the Tunnel are forecast by 2011 to save up to one third of travel time during peak periods compared to travelling on alternative routes.</p> <p>Pg 6: By 2011, the Tunnel is expected to reduce travel times by up to 33%.</p> <p>Pg 18: Travel time forecasts, during morning peak periods in 2011 between locations north and south of the Brisbane River, show possible savings of up to 15 minutes for the fastest available route via the Tunnel compared to the fastest route using an untolled river crossing. This represents a time saving of up to 33%. This time saving is expected to increase over time as congestion increases on competing roads.</p>	<p>Pg iii: Motorists using the North-South Bypass Tunnel will ... typically save 11 to 15 minutes during peak periods in 2011.</p> <p>Pg vii: Typical morning peak period travel time savings for most users of the North-South Bypass Tunnel in 2010 and 2011 are forecast to range between about 10 and 15 minutes</p> <p>Pg vii: In subsequent years these travel time savings are expected to significantly increase, as alternative routes become more and more congested.</p> <p>Pg 147: Table 5.5 <i>illustrates typical forecasts of travel time for morning peak period trips (containing time estimates from Kedron to Annerley).</i></p>
3.	Road network severely hampered by the Brisbane River	Pg 4: THERE IS A NEED FOR THE TUNNEL IN BRISBANE	Pg 7: The ability of Brisbane's road network to cope with this growth, and especially the growth in medium and longer distance "cross-city" travel

	Subject	Statement in PDS and page reference	Statement in AECOM's Traffic Forecasts report dated 22 May 2006 (if relevant)
	Brisbane River crossings and through trips	<ul style="list-style-type: none"> - Brisbane motorists make approximately 550,000 Brisbane River crossings every work day - Approximately 75% of car trips across the river via a CBD bridge* are "through trips" that travel through the CBD - River crossing capacity has recently lagged behind Brisbane's population growth <p>*CBD bridges are Story Bridge, Captain Cook Bridge, William Jolly Bridge and Victoria Bridge.</p> <p>Pg 4: Graph axes "Number of general traffic lanes crossing the Brisbane river/Population of Brisbane Statistical Division [millions]"</p>	<p>demand, is severely hampered by a barrier which physically divides the city: the Brisbane River.</p> <p>Although there are some 550,000 cross-river road trips per weekday, there are relatively few river crossings, at separations broadly equivalent to those of the harbour crossings in Sydney.</p> <p>Half of these crossings provide access directly into Brisbane's Central Business District (CBD) and immediately adjacent areas such as Fortitude Valley. In combination with the "central" location of the CBD, which contrasts with the "off centre" locations of the Sydney and Melbourne CBDs, and the absence of a "ring road" around the CBD, this means that even though some 80% of all cross river trip are "cross-city" trips, <i>not</i> trips to or from the CBD, a very high proportion of "cross-city" trips currently have to be made via the CBD.</p> <p>More specifically, approximately 75% of the 330,000 vehicles per weekday currently entering or leaving the Brisbane CBD via the Story (Bradfield Highway), Captain Cook (Pacific Motorway), Victoria and William Jolly (Grey Street) bridges are not travelling to or from the CBD, and 40% are not travelling to or from the CBD or Brisbane's innermost suburbs, but are instead making "cross-city" trips between locations in "middle ring" and outer suburbs.</p> <p>Pg iii (Figure B), Pg 7 (Figure 2.5), Pg 10: Graph axes "Number of general traffic lanes crossing the Brisbane river/Population of Brisbane Statistical Division [millions]"</p> <p>Pg 10 Figure 2.7: A more detailed view of the inner city sections of the proposed TransApex river</p>

	Subject	Statement in PDS and page reference	Statement in AECOM's Traffic Forecasts report dated 22 May 2006 (if relevant)
			crossings and other new tunnelled road connections shown in Figure 2.6, including the North-South Bypass Tunnel. Even with all these projects and the proposed duplication of the Gateway Bridge, the capacity of Brisbane River road crossings will continue to lag behind forecast population growth.
4.	Through-trips	<p>Pg 4: Approximately 75% of car trips across the river via a CBD bridge* are "through trips" that travel through the CBD.</p> <p>*CBD bridges are Story Bridge, Captain Cook Bridge, William Jolly Bridge and Victoria Bridge.</p> <p>Pg 32: In 2005 there were approximately 550,000 vehicle trips which crossed the Brisbane River each working day. Approximately 80% of the daily cross-river trips are not travelling to or from the Brisbane CBD, that is, they are "through trips". The high cross-river demand is focused on Brisbane river crossings close to the CBD (Story Bridge, Captain Cook Bridge, William Jolly Bridge and Victoria Bridge) ("CBD Bridges") which carry approximately 330,000 vehicles each working day. Despite their proximity to central Brisbane, approximately 75% of trips using these bridges are not travelling to or from the CBD.</p>	Pg iii: Approximately 75% of the 330,000 vehicles per weekday currently entering or leaving the Brisbane CBD via the Story (Bradfield Highway), Captain Cook (Pacific Motorway), Victoria and William Jolly (Grey Street) bridges are not travelling to or from the CBD, and 40% are not travelling to or from the CBD or Brisbane's inner suburbs, but are instead making "cross-city" trips between locations in "middle ring" and outer suburbs.
5.	Large proportion of non-discretionary trips means greater driver willingness to pay tolls	Pg 32: Significantly, the CBD Bridges are characterised by a large proportion of trips for work or work-related purposes. 63% of the through trips on the CBD Bridges river crossings are journeys between home and work or other work-related purposes compared to only 37% of trips on the Brisbane road network as a whole. Notably, these trip purposes are non-discretionary trips travelled by people who typically place a high value on time and have a greater willingness to pay tolls in return for travel time savings.	Pg 31: Significantly... <ul style="list-style-type: none"> - 63% of the "through the CBD" trips on the bridges into and out of the Brisbane CBD- the Story (Bradfield Highway), Captain Cook (Pacific Motorway), Victoria and William Jolly (Grey Street) bridges-are journeys between home and work or other trips for work-related purposes, compared to 37% for the Brisbane road network as a whole, and As discussed later in this report, drivers

	Subject	Statement in PDS and page reference	Statement in AECOM's Traffic Forecasts report dated 22 May 2006 (if relevant)
			<p>making these non-discretionary trips between home and work and other trips for work-related purposes typically place a higher value on their time than other drivers, making them more willing than others to pay tolls in return for travel time savings.</p>
6.	<p>Forecast demand for the tunnel underpinned by Brisbane growth and car dependence</p>	<p>Pg 3 (Chairman's letter): Forecast demand for the Tunnel is underpinned by its central position in South-East Queensland which is the fastest growing region in Australia in terms of the rate of population, economic and employment growth. Brisbane is also one of the most car dependent cities in Australia with approximately 75% of journeys to work being made solely by motor vehicle. These factors are expected to lead to increasing congestion in Brisbane over the Concession Period. Expert traffic forecasts have been prepared for RiverCity Motorway Group (see Traffic Expert's Report Summary Letter in Section 9).</p> <p>Pg 5: BRISBANE IS THE FASTEST GROWING METROPOLITAN CENTRE IN AUSTRALIA</p> <p>Pg 5: Queensland's rate of economic growth has outpaced the rest of Australia in each of the last five years.</p> <p>Pg 5: The population of Brisbane is expected to grow by more than 40% between 2004 and 2026, an increase of around 700,000 people.</p> <p>Pg 5: This economic, employment and population growth is expected to contribute towards increasing congestion on Brisbane's major roads.</p>	<p>Pg i & ii: The project's contexts</p> <p>Brisbane is a rapidly expanding city of just under 1.8 million people in South East Queensland, with just under 1 million of these people living within the extensive area governed by Brisbane City Council.</p> <p>It is the fastest growing metropolitan centre in Australia, in the fastest growing region in Australia, and the city's rapid population, employment and economic growth is expected to continue, even as growth slows elsewhere in Australia.</p> <p>The city is extremely dependent on cars for transport with more than 80% of journeys to work using private vehicles.</p> <p>Pg 20: Over the last 15 years economic growth in Queensland has significantly outpaced that in other Australian States, producing a significant increase in Queensland's contribution to the nation's economy (<i>Figure 2.16</i>)...</p> <p>The population of the Brisbane Statistical Division, which includes all of the extensive Brisbane City Council area, Pine Rivers Shire, Logan City, Redlands Shire, the City of Redcliffe and parts of Gold Coast City, Beaudesert Shire, Caboolture Shire and Ipswich City, is expected to increase by more than 40%, from 1.77 million people in 2004 to</p>

	Subject	Statement in PDS and page reference	Statement in AECOM's Traffic Forecasts report dated 22 May 2006 (if relevant)
			more than 2.48 million people in 2026.
7.	Car dependence in Brisbane	<p>Pg 19: Brisbane is already a very "car orientated" city, with sprawling low density suburbs extending at least as far as the metropolitan areas of much larger cities, such as Sydney. Given Brisbane's relatively limited public transport services, this dominance of car travel is expected to continue with the growth in private vehicle travel forecast to continue to outpace the rapid rate of population growth in Brisbane.</p> <p>Brisbane is heavily reliant on private transport, with an average of 1.52 vehicles per household, compared, for example, with 1.41 vehicles per household in Sydney. In 2001 approximately 75% of journeys to work in Brisbane were made solely by car, 89% of them with only one occupant.</p> <p>Only 13% of all journeys to work in Brisbane involved public transport, either on its own or in conjunction with another mode of travel, such as a car.</p> <p>Pg 32: [Brisbane] residents have a high rate of car ownership and usage. In 2001, approximately 75% of journeys to work in Brisbane were made solely by car, 89% of them with only one occupant.</p> <p>Pg 33: The Brisbane metropolitan area is characterised by sprawling low-density residential development and as a result, is heavily reliant on private transport with an average of 1.52 vehicles per household, compared with 1.41 vehicles per household in Sydney.</p> <p>In 2001, approximately 75% of journeys to work in Brisbane were made solely by car, 89% of them with only one occupant, only 13% of all journeys to work</p>	<p>Pg 3: Brisbane is already a very "car centred" city, with sprawling, low-density suburbs extending at least as far as the metropolitan areas of much larger cities such as Sydney (<i>Figure 2.3</i>) and with relatively poor public transport services, and this dominance of car travel is expected to accelerate.</p> <p>Pg 7: ...the growth in private vehicle travel is forecast to continue to outpace the rapid rate of population growth in the city.</p> <p>Pg 30: 2.5.5 Car dependency Brisbane is heavily reliant on private transport, with an average of 1.52 vehicles per household, compared with 1.41 vehicles per household in Sydney.</p> <p>...</p> <p>In 2001 some 75% of journeys to work in Brisbane were made <i>solely</i> by car, 89% of them with only one occupant while only 13% of all journeys to work involved public transport, either on its own or in conjunction with another mode of travel such as a car. Cars were most heavily relied upon by residents of "middle" and outer suburbs, but were used much more than public transport even by the residents of areas with relatively good public transport services, such as the inner suburbs and suburbs along railway lines.</p>

	Subject	Statement in PDS and page reference	Statement in AECOM's Traffic Forecasts report dated 22 May 2006 (if relevant)
		involved public transport, either on its own or in conjunction with another mode of travel such as a car. Cars were most heavily relied upon by residents of middle and outer suburbs, but were used much more than public transport even by the residents of areas with relatively good public transport services, such as the inner suburbs and suburbs along railway lines.	
8.	Growth in Queensland and Brisbane over the last 15 years	<p>Pg 19: Over the last 15 years, the rate of economic growth in Queensland has significantly outpaced that in other Australian States, producing a significant increase in Queensland's contribution to the Australian economy. In 2004–05 the rate of employment growth in Queensland more than doubled the rate of employment growth in the rest of Australia. Some of the factors that have contributed to, and are expected to continue to contribute to, this rapid economic growth, include:</p> <ul style="list-style-type: none"> – Brisbane's strong population growth, especially among younger age groups relative to other Australian State and Territory capital cities; and – An intensification of the city's skills base in areas such as IT, marketing and business, media, law and economics. These types of professions accounted for 15% of Brisbane's workforce in 2001, compared with 5% in 1991. 	<p>Pg 20: Over the last 15 years economic growth in Queensland has significantly outpaced that in other Australian States, producing a significant increase in Queensland's contribution to the nation's economy (<i>Figure 2.16</i>)...</p> <p>...The factors contributing to this rapid growth, and providing a strong base for continued economic growth in the future, include:</p> <ul style="list-style-type: none"> - Brisbane's strong population growth, especially among younger age groups (<i>Figure 2.17</i>) – a trend that is in marked contrast to the dominance of retirement population growth elsewhere in Queensland—and through the attraction of a high proportion of Australia's international immigrants, a factor that will become increasingly important in counteracting the effects of the ageing of Australia's "natural" population - An intensification of the city's skills base, with "global knowledge workers", in occupations at critical points of information flow within the economy such as information technology and computing, marketing and business support, media, law and economics, accounting for 15% of Brisbane's workforce in 2001, compared to 5% in 1991.

	Subject	Statement in PDS and page reference	Statement in AECOM's Traffic Forecasts report dated 22 May 2006 (if relevant)
9.	Travel time estimates to and from key suburbs	<p>Pg 7: Travel time Kedron to Annerley Fastest alternative route¹: 40 minutes On Tunnel: 26 minutes</p> <p>Travel time Annerley to Kedron Fastest alternative route¹: 31 minutes On Tunnel: 23 minutes</p> <p>REDUCED TRAVEL TIMES BY UP TO 33%</p> <p>Note: 1. Forecast morning peak travel times in 2011</p>	<p>Pg 147: 5.4 Forecast morning peak period travel time savings</p> <p>Table 5.5 <i>illustrates typical forecasts of travel time for morning peak period trips (containing the same time estimates from Kedron to Annerley).</i></p>
10.	Limited recent increases in capacity in Brisbane River crossings	<p>Pg 20: Only limited new road infrastructure (and none providing an additional motor vehicle crossing of the Brisbane River) has been undertaken in Brisbane since the mid-1980s. Under these circumstances, the Lord Mayor of Brisbane (Mayor of Brisbane City Council, the largest local council in Australia) released the Transport Plan for Brisbane 2002–2016 in 2001. The plan included the Tunnel as its first priority, with the Airport Link, expected to be constructed by 2012, linking the Tunnel to Brisbane's northern suburbs and Brisbane Airport.</p>	<p>Pg iii Figure B: Since 1986 there has been no increase in the capacity of the Brisbane road network's river crossings, despite the city's continued rapid population growth and even faster traffic growth. Even with the North-South Bypass Tunnel, the other TransApex projects and the proposed duplication of the Gateway Bridge, the capacity of Brisbane River road crossings will continue to lag behind forecast population growth.</p>
11.	Feeder routes	<p>Pg 34: Feeder routes Figure 1 shows the principal existing and proposed major road routes that will "feed" the Tunnel.</p> <p>The essential role of the North-South Bypass Tunnel, linking six of Brisbane's major motorways and arterial roads either side of the Brisbane River, will be to provide a high-quality, free-flowing bypass of the CBD.</p> <p>The Tunnel will benefit from having direct connections to high standard roads carrying significant traffic at either end of the tunnel. In the north, the Tunnel will link with the Inner City Bypass (65,000 vehicles per</p>	<p>Page 31: Figure 2.47 shows:</p> <ul style="list-style-type: none"> • The principal existing and proposed road routes that are expected to feed traffic into the North-South Bypass Tunnel, and • The principal existing and proposed road routes that are expected to compete with the tunnel.

	Subject	Statement in PDS and page reference	Statement in AECOM's Traffic Forecasts report dated 22 May 2006 (if relevant)
		<p>day in 2004) and Lutwyche Road (65,000 vehicles per day in 2005). In the south, there will be a high capacity connection to the Pacific Motorway (106,000 vehicles per day in 2004) and to Ipswich Road (51,000 vehicles per day in 2005) and Shafston Avenue (50,000 vehicles per day in 2005). The proposed future connection to the Airport Link will provide a high standard motorway connection to the northern suburbs.</p> <p>Page 34 Figure 1: The key expected feeder routes for the Tunnel.</p>	
12.	Capacity of key feeder roads	Pg 6: It is forecast that by 2010 sections of the key feeder roads (Pacific Motorway, Ipswich Road, Lutwyche Road, Inner City Bypass and Newmarket Road) will be running at more than 95% capacity during peak periods.	<p>Pg 131 Figure 5.7: Morning peak period traffic volume to capacity ratios on major Brisbane roads in 2005. [Key: Less than 75%, 75-90%, 90-95%, more than 95%].</p> <p>Figure 5.8 Forecast morning peak period traffic volume to capacity ratios on major Brisbane roads, including the North-South Bypass Tunnel (final project configuration), in 2010. (Key says: "Morning peak period traffic volume: capacity ratios in 2010 with the North-South Bypass Tunnel (final project configuration) [Key: Less than 75%, 75-90%, 90-95%, more than 95%]").</p>
13.	Bus services affected by congestion	Pg 19: The speed, reliability and quality of bus services in Brisbane's inner suburbs and the CBD are affected by general traffic congestion, much of it arising due to the lack of a Brisbane CBD bypass route at present and the limited number of river crossings.	Pg 49: The speed, reliability and quality of bus services in the inner suburbs and the CBD are seriously affected by general traffic congestion, much of it arising because of the lack of a CBD bypass route at present.
14.	Cross-river bridges	<p>Pg 33: 3.2.3 Congestion on competing routes</p> <p>Cross-river capacity in Brisbane is currently provided by the following inner city bridges:</p>	<p>Pg 31: Figures 2.40 to 2.46 show the primary catchments of the existing road crossings of the Brisbane River. It may be seen that:</p> <ul style="list-style-type: none"> • The Centenary and Walter Taylor Bridges primarily

	Subject	Statement in PDS and page reference	Statement in AECOM's Traffic Forecasts report dated 22 May 2006 (if relevant)
		<ul style="list-style-type: none"> – Centenary and Walter Taylor Bridges primarily serve Brisbane's western suburbs; – William Jolly (Grey Street) Bridge is used mainly for trips between the Inner South, the Brisbane CBD and the west; – Victoria Bridge primarily services journeys between the Inner South and the Brisbane CBD; – Captain Cook Bridge is used mainly by long-distance traffic with Brisbane CBD the destination; – Story Bridge is used by Brisbane CBD and cross-city traffic, and while it mainly serves the inner and middle ring suburbs it is also used for significant numbers of long distance trips; and – Gateway Bridge is used mainly for long-distance eastern corridor trips. 	<p>serve Brisbane's western suburbs</p> <ul style="list-style-type: none"> • The William Jolly (Grey Street) Bridge is used mainly for trips between the inner south, the CBD and the west • The Victoria Bridge is used mainly for trips between the Inner south and the CBD • Captain Cook Bridge is used mainly by long-distance CBD traffic • Story Bridge is used by CBD and cross-city traffic, and while It mainly serves the inner and middle ring suburbs it is also used for significant numbers of longer distance trips, and • The Gateway Bridge is used mainly for long-distance eastern corridor trips.
15.	Captain Cook and Story Bridges	<p>Pg 33: The Tunnel will potentially compete with the Captain Cook Bridge and Story Bridge for traffic. Presently, Captain Cook Bridge and Story Bridge provide for approximately 80% of trips to/from the Brisbane CBD and suffer from regular traffic congestion. Future growth will place these bridges under additional strain. The primary objective of the Tunnel is to relieve these bridges by providing a high-standard alternative for cross-river through trips. As a result, CBD generated trips are likely to be increasingly served by the Captain Cook Bridge and Story Bridge, with the Tunnel providing a quality alternative for the longer distance through trips. Analysis of trip origins and destinations has shown that the Tunnel will predominantly serve different markets to the Captain Cook Bridge and Story Bridge.</p>	<p>Pg iii: [The role of the Tunnel] is in marked contrast to the roles of other Brisbane River crossings in the area, including Story Bridge and Captain Cook Bridge, which primarily carry large volumes of traffic to and from the CBD and immediately adjacent areas and are forecast to continue to do so in the future.</p> <p>In other words, despite the physical proximity of these other inner city river crossings, they are serving, and will continue to serve, quite different markets.</p> <p>Pg 40 Figure 2.47: The principal existing and proposed major road routes that will "feed" the North-South Bypass Tunnel (blue) and compete with the tunnel (red). In the case of the competing inner city routes, analyses of trip origins and destinations have demonstrated they will primarily serve quite different markets and compete only to very limited extents (see section 5.3 of this report).</p>

	Subject	Statement in PDS and page reference	Statement in AECOM's Traffic Forecasts report dated 22 May 2006 (if relevant)
16.	The proposed tunnel is analogous to Sydney's Harbour Tunnel and Eastern Distributor	<p>Pg 36: In short as its name suggests, the essential role of the North-South Bypass Tunnel will be to provide a high-quality, free-flowing bypass of the CBD and Fortitude Valley analogous to the role of Sydney's successful Sydney Harbour Tunnel and Eastern Distributor.</p> <p>Pg 98 (pg 8 of Summary Letter): The North-South Bypass Tunnel will, as its name suggests, primarily play a "Central Business District Bypass" role, analogous to the roles of Sydney's Sydney Harbour Tunnel and Eastern Distributor.</p>	<p>Pg iii: As its name suggests, the essential role of the North South Bypass Tunnel ... will be to provide a high-quality, free-flowing bypass of the CBD. This role – analogous to that of Sydney's very successful Sydney Harbour Tunnel and Eastern Distributor tollroads..."</p> <p>Pg 7: Although there are some 550,000 cross-river road trips per weekday, there are relatively few river crossings, at separations broadly equivalent to those of the harbour crossings in Sydney (Figures 2.3 and 2.4).</p>
17.	RiverCity's Financial Model based on traffic volume estimates produced by the Traffic Expert	<p>Pg 64: 7.5 BID ASSUMPTIONS ... In determining the amount of Council works required, RiverCity Motorway Group made a number of assumptions about key variables used in a financial model (Base Case Financial Model) which is incorporated in the Project Deed (see Section 10.5.2).</p> <p>In making the bid assumptions, RiverCity Motorway Group obtained advice from experts in various fields. However, actual outcomes may be different from the assumptions and in many cases the actual outcomes are beyond the control of the Issuer and of the RiverCity Motorway Group Board.</p> <p>The key assumptions made in RiverCity Motorway Group's bid for the Tunnel relate to:</p> <ul style="list-style-type: none"> – traffic volumes; – traffic Ramp-up; ... <p>7.5.1 Traffic volumes RiverCity Motorway Group's Base Case Financial Model is based on traffic volume estimates that were produced by the Traffic Expert. A summary of these estimates and details of the traffic model methodology</p>	

	Subject	Statement in PDS and page reference	Statement in AECOM's Traffic Forecasts report dated 22 May 2006 (if relevant)
		<p>developed by the Traffic Expert to produce these estimates are set out in the Traffic Expert's Report Summary Letter in Section 9.</p> <p>7.5.2 Traffic Ramp-up The Traffic Expert anticipates that the Ramp-up period for the Tunnel will be 18 months and expects that traffic volumes will commence at 60% of initial steady-state traffic volumes based on observations from other Australian toll roads. RiverCity Motorway Group has adopted this profile for the purposes of its Base Case Financial Model. The Ramp-up profile and details of the methodology developed by the Traffic Expert are set out in the Traffic Expert's Report Summary Letter in Section 9.</p>	
18.	Tunnel capacity	<p>Pg 105: Beca et al report dated 13 June 2006</p> <p>5.2 Traffic Capacity ... In addition Beca reviewed the assumptions of tunnel capacity made by Maunsells. The Maunsell analysis indicates that the starting NSBT lane capacities are in line with the Sydney Harbour Tunnel actual throughput. This is considered an appropriate approach.</p>	

SCHEDULE B

Particulars of Absence of Reasonable Grounds

The Applicants rely on each of the matters set out below.

Defined terms used below which are defined in the Expert Report of Peter Davidson dated 13 February 2014 (**Davidson Report**) have the meanings given to them in the Davidson Report.

A. Model Architecture

- (a) AECOM's approach to the architecture of the PDS model was flawed.
- (b) AECOM only modelled the morning peak, when three different time periods should have been modelled: morning peak, off-peak and afternoon peak.
- (c) AECOM did not segment by trip purpose in the toll choice and assignment models.
- (d) AECOM did not segment by income group in the demand and toll choice models.
- (e) AECOM did not adopt an explicit mode choice model which was able to take into account changes in mode choice such as that set out in the TPfB and BCC targets for reducing car trips by 2016.
- (f) AECOM did not adopt a trip frequency model

B. Data Collection and Organisation

- (a) AECOM failed to collect new origin-destination data.
- (b) AECOM failed to collect new link and junction capacity data.

C. The Base and Future Year Networks

- (a) AECOM coded some important parts of the highway network incorrectly including the number of lanes on a link, link capacities, and junction turning capacities (refer Davidson Report, Appendix D), and did not detect and correct these errors through undertaking checks.

D. The Base and Future Year Demand Model

Base Year

- (a) AECOM did not implement their demand model correctly.
- (b) AECOM modelled the special generators by using the Fratar method on the outputs of a gravity model (which was a non-standard process).
- (c) AECOM used an out-of- date distribution model, being a gravity model and not a discrete choice logit model, and also used out-of-date data to calibrate it.
- (d) AECOM changed the 'K' factors in the distribution model without recalibrating them.

- (e) AECOM introduced a minimum generalised cost to match trip length distributions better without recalibration, when a minimum generalised cost should only be introduced at the calibration stage.

Future Year

- (f) AECOM's demand forecasting model contained fundamental flaws which made the PDS model unsuitable for forecasting traffic on Clem7.
- (g) AECOM used the Fratar method as the demand model, and in using it did not use the 2005 base year trip matrix as the starting trip matrix.
- (h) AECOM did not use a logit destination model, but a gravity model, and in using it used a biased impedance matrix because skims from the base year assignment were not used to prepare it.
- (i) AECOM performed the base year adjustment to derive the future year matrix by using only the positive part of the adjustment matrix without also using the negative part.
- (j) The matters described in (g) to (i) contributed to funnelling of traffic towards the Clem7 corridor, an effect which was obvious and ought to have been identified by AECOM at each step in building the demand model, and corrected.

E. Toll Choice Model

- (a) AECOM's toll choice model was not suitable for forecasting traffic on Clem7.
- (b) AECOM used invalid coefficients for cost, free flow travel time, stop start travel time, the Gateway ASC, the Clem 7 perception ASC, and an electronic toll ASC coefficient which was not justified by the values estimated.
- (c) AECOM used the revealed preference coefficients for free flow travel time and stop start travel time, when there was insufficient evidence to support them because of imprecision in the RP surveys undertaken.
- (d) AECOM did not use the relative coefficient values from SP surveys (that is scale them), but used absolute coefficient values.
- (e) AECOM used a coefficient for the value of free flow time which was significantly higher than an Australian average value of time drawn from independent sources available at the time.
- (f) AECOM applied the volume-delay function to both links and junctions, which involved double counting as, when applied to links, it meant the function included an element of junction delay, especially for over-capacity links, and when applied to junctions the functions included junction delay again.
- (g) The Clem7 ASC was much higher than ASCs used on other toll roads at the time, and was not supported by the SP data.
- (h) AECOM's methodology used to calculate the HCV time coefficient was inconsistent with good practice.

- (i) AECOM did not define the choice set properly, and allowed paths to use Clem 7 as long as they did not take more than 15 minutes longer than an untolled route.
- (j) AECOM did not segment the toll choice model by purpose, income or time period.

F. Common Sense Check on the Toll Choice Model

- (a) AECOM's toll choice model showed that drivers would take the tunnel (and pay the toll) even if it took a longer travel time than the free alternative.

G. The Base and Future Year Assignment Models

- (a) AECOM's base year assignment model and future year assignment model is unfit for forecasting traffic on Clem7.
- (b) AECOM's warm up assignment in the PDS model was undertaken only with cars and LCVs and excluded heavy commercial vehicles.
- (c) In the capacity restraint model, AECOM's model updated junction delay in the assignment process inconsistently (in that link speeds were updated at each iteration, but junction delay was only undertaken every 5th main iteration).
- (d) AECOM did not segment the assignment model by time period and purpose.
- (e) AECOM assigned HCVs to the warm up speeds (which had been undertaken only with cars and light commercial vehicles, and excluded HCVs), which were too fast, such that the heavy commercial vehicle assignment was flawed.
- (f) AECOM did not assign LCVs separately from cars.
- (g) AECOM applied the volume-delay function twice to both links and junctions, when the volume-delay functions represents the combined delay on the link and the junction
- (h) AECOM overestimated the delay along routes with multiple junctions and thereby biased routes towards Clem7.
- (i) AECOM used the Akcelik volume-delay function in a way which was not appropriate for the PDS model.
- (j) AECOM's coding of the volume-delay function's J parameter was not sufficiently justified for certain links.
- (k) AECOM did not have the correct tolls (which were reported in AECOM's Traffic Report) coded into the model, but used different tolls.
- (l) AECOM did not de-escalate toll values in future years (to represent an increase in the value of time) proportionally to the increase in GDP, and when performing that de-escalation did not apply this increase to any other model inputs (when it should have been applied to all or none of them).
- (m) AECOM used fixed proportions which were stated to be based on traffic counts applied to the LCV assignment to forecast HCV traffic on Clem7, and did not use the HCV outputs from the toll choice and assignment models.

H. Non–Convergence

- (a) The future year assignment model did not converge.

I. The Base Year Matrix Estimation, Calibration and Validation

- (a) AECOM drew inferences as to the correlation between modelled and observed trip tables from the 2001 modelled matrices with data from the Census and SEQTS, when the 2001 matrices were derived from different data with different characteristic and without taking account of those differences.
- (b) AECOM's matrix estimation made large changes to the matrix, which were not apparent from simply comparing the 2005 synthesised trip matrix and the estimated trip matrix as the percentage of total matrix at sector level.
- (c) AECOM performed the base year adjustment to derive the future year matrix by using only the positive part of the adjustment matrix without also using the negative part.
- (d) AECOM did not perform validation with independent counts, but used matrix estimation to try to make the model match the counts (then used the same counts as the validation).
- (e) AECOM's validation did not match the counts for matrix estimation.
- (f) AECOM did not perform separate validations for the LCVs and for the HCVs.
- (g) AECOM's checking of the base year behavioural responses against known elasticities (toll elasticity for cars and LCVs, journey time elasticities for all vehicle types and fuel cost (measured using distance as proxy) elasticities for all vehicle types) was insufficiently detailed to support their forecasts.

J. Expansion and Annualisation Factors

- (a) AECOM applied expansion and annualisation factors which were not well founded.

K. Clem7 Capacity

- (a) AECOM made the assumption that Clem7, together with its approaches and exits, could carry the traffic forecast from the PDS model, and did not calculate and model it.

L. Sensitivity Tests

- (a) AECOM undertook sensitivity tests which were not effective to test the sensitivities in the model.