

Report on Corrupt Conduct at the Public Transport Authority

19 December 2025

ISBN: 978-1-7641739-1-9

© 2025 Copyright in this work is held by the Corruption and Crime Commission (the Commission). Division 3 of the *Copyright Act 1968* (Cth) recognises that limited further use of this material can occur for the purposes of 'fair dealing', for example, study, research or criticism. Should you wish to make use of this material other than as permitted by the *Copyright Act 1968* please write to the Commission at the postal address below.

This report and further information about the Commission can be found on the Commission Website at www.ccc.wa.gov.au.

Corruption and Crime Commission

Postal Address: PO Box 330 Northbridge Post Shop WA 6865	Email: info@ccc.wa.gov.au
Telephone: (08) 9215 4888	Twitter: @cccWestAus
	Office Hours: Monday to Friday 8.30 am to 5.00 pm

Special Needs Services

If you have a speech or hearing difficulty, contact the Commission via the National Relay Service (NRS) on 133 677 and ask for (08) 9215 4888, or visit the NRS website, www.relayservice.com.au.

If your preferred language is other than English, contact the Translating and Interpreting Service (TIS) for assistance on 13 14 50. TIS provides a free, national telephone interpreting service available 24 hours a day, seven days a week. TIS also provides on-site interpreters for face-to-face interviews by contacting 1300 655 082.



Image credit: This artwork was painted by Corruption and Crime Commission staff under the guidance of Justin Martin from Djurandi Dreaming.

AN OVERVIEW OF THE COMMISSION'S INVESTIGATION

What the Commission investigated

- 1 The Public Transport Authority (**PTA**) is responsible for operating all public bus, train and ferry services in Western Australia.
- 2 Mr Richard Clark joined the PTA in August 2020. He was the Manager Safety and Rail Access in the Network and Infrastructure Division (**N & I**) from July 2021.
- 3 Mr Clark was examined by the Commission in March 2025. He was on leave at the time and intended to retire. However, the Commission was subsequently advised that he continues to work part-time for the PTA.
- 4 Mr Clark's duties included managing protection officers who ensure safe access to the rail corridor for PTA employees and contractors. He was also concerned with safety training.
- 5 Railtrain Pty Ltd (**Railtrain**) is a member of the Railtrain Group of companies (**Railtrain Group**). It provides training services to the rail industry, including the PTA. Another member of the Railtrain Group, RMC Rail Services Pty Ltd (**RMC**), was the largest contract supplier of protection officers to the PTA.
- 6 Mr Graham Butler was a director of Railtrain and later, a director of the holding company for the Railtrain Group. Mr Clark and Mr Butler have known each other for more than 20 years.
- 7 Mr Clark has a long history of involvement with rail safety. In particular, he has 'a passion for education and safety' in the rail industry and a recognised skill in devising and drafting safety and other rail training materials.¹
- 8 Mr Clark acted as a consultant to Railtrain on the preparation and delivery of training materials and safety training courses while employed by the PTA. The courses on which he consulted included 'TLIF0045 - Investigate Rail Safety Incidents' (**Safety Incidents Course**) and 'Certificate IV - Rail Safety Management' (**Railtrain Cert IV Course**). The PTA subsequently engaged Railtrain to deliver those courses.
- 9 On 2 April 2024, the Commission commenced 'Operation Absecon' to investigate whether Mr Clark had corruptly used his position with the PTA to benefit himself and/or the Railtrain Group or to cause detriment to any person.²
- 10 The Commission's investigation focussed on the following issues:

¹ Richard Clark, private examination transcript, 18 March 2025, ts 5. See also the evidence of Mr Graham Butler referred to later in this report.

² *Corruption, Crime and Misconduct Act 2003 (CCM Act)* s 4(b). The investigation included examining Mr Graham Butler, Mr Elwyn Gearon and Mr Clark.

- (a) the nature of the work performed by Mr Clark for Railtrain, including any benefit he and Railtrain may have derived from the work;
 - (b) the use Railtrain made of the work performed by Mr Clark in delivering training services to the PTA;
 - (c) Mr Clark's possible involvement in the decision to engage Railtrain to deliver the Safety Incidents Course to PTA employees;
 - (d) whether Mr Clark used his position to assist Railtrain to develop the Railtrain Cert IV Course and to market the course to the PTA;
 - (e) Mr Clark's possible involvement in decisions by the PTA to engage Railtrain to deliver its Cert IV course in preference to a similar course developed by another rail service provider, Alium Works Pty Ltd (**Alium** and the **Alium Cert IV Course**);
 - (f) Mr Clark's possible involvement in the awarding of a contract to a member of the Railtrain Group to develop a training program for new safeworking rules;
 - (g) whether Mr Clark's work for Railtrain was authorised by his external employment approval and the process by which the approval was granted;
 - (h) the timing of Mr Clark's declarations of conflict of interest and whether he fully disclosed the nature of the conflict arising out of his relationship with the Railtrain Group, Mr Butler and other Railtrain Group employees;
 - (i) whether Mr Clark acted corruptly within the meaning of s 4(b) of the *Corruption, Crime and Misconduct Act 2003*; and
 - (j) whether Mr Clark took advantage of his position within the PTA to obtain/confer a benefit or cause a detriment.
- 11 As part of its investigation, the Commission examined Mr Clark, Mr Butler, Mr Elwyn Gearon, the then general manager of N & I, and Ms Sharon Morris, a Railtrain manager;

Why the Commission investigated

- 12 Operation Absecon was commenced after the Commission received allegations concerning Mr Clark's relationship with Railtrain and RMC. The allegations raised questions about the nature of Mr Clark's relationship with Mr Butler and the Railtrain Group, and the extent to which he may have used his position to advance his own interests and those of the Group.
- 13 External employment (often referred to as secondary employment) can raise conflicts of interest in which an employee may potentially benefit by placing their private interests before those of their public sector employer. For that, and other reasons, public sector employees are not permitted to accept or engage in paid employment other than in

connection with their public sector position except with the written permission of their public sector employer.³

- 14 The allegations received by the Commission also raised questions concerning the PTA's management of the risks associated with external employment and conflicts of interest.
- 15 Management of the risks associated with external employment requires the applicant to fully disclose the nature and extent of their proposed employment and to identify and declare any conflicts that may arise. It is also necessary for the public sector employer to devise and implement an effective external employment strategy. That is especially where the proposed employment is in the same sector as the employee's public sector position and the employee can influence procurement decisions made by their public employer.
- 16 The Commission was concerned to ascertain whether Mr Clark had fully disclosed and properly managed the conflict that obviously arose out of his relationship with Railtrain, Mr Butler and other Railtrain Group employees and how the PTA dealt with that conflict and Mr Clark's external employment.

Section 86 of the CCM Act

- 17 Section 86 of the CCM Act provides that before reporting any matters adverse to a person or body in a report to Parliament, the Commission must give the person or body a reasonable opportunity to make representations to the Commission concerning those matters. The Commission provided a draft of its report to Mr Clark, Mr Gearon, Railtrain, Mr Butler and the Director General of the Department of Transport for that purpose.
- 18 The fact that a draft report is provided to a person or entity does not mean that the Commission has formed an opinion that is adverse to the person or entity. The Commission adopted a liberal approach to the requirement imposed by s 86 when circulating the draft report in this investigation.
- 19 Mr Clark made no representation other than to note one matter about his understanding of the development of the Railtrain Cert IV Course. Mr Butler made a similar representation and the report was amended to reflect those representations.
- 20 The Director General made no representation other than to note the recommendations contained in the draft report and confirm that it intended to work towards their implementation.
- 21 The Commission did not accept all the representations made by Mr Gearon but some aspects of the report were amended following his representations.

³ *Public Sector Management Act 1994* s 102. The risks associated with external employment include possible misuse of public resources and information and the impact of additional work on an employee's health and well-being.

- 22 The representations from Railtrain and Mr Butler came in two parts - a letter from their legal representative and a copy of the draft report annotated with detailed comments made by Mr Butler. Again, some aspects of the report were amended in response to those representations.

What the Commission found

- 23 In summary, the Commission found that:
- (a) Mr Clark acted in the position of Manager Safety and Rail Access from 26 July 2021 until his permanent appointment on 15 July 2022. His duties included managing contract protection officers, including by supervising the PTA contract manager for the supply of protection offices by RMC. He had a delegated authority to approve invoices for the supply of contract protection officers up to an amount of \$100,000. He exercised that authority on occasions to approve payment of invoices submitted by RMC. Mr Clark was also responsible for processing and transferring payment of invoices above his authority and for managing the budget for the supply of contract protection officers.
 - (b) Mr Clark was responsible for managing the Safety and Quality Branch (**S & Q Branch**) within N & I. His duties included ensuring that N & I staff were trained in rail safety. He had a discretion over the way in which training was delivered, including by using external trainers. In November 2022, he assumed responsibility for training requests within the S & Q Branch.
 - (c) In addition to knowing Mr Butler for about 20 years, Mr Clark had known Ms Sharon Morris for many years (Ms Morris became Railtrain's General Manager for training on Mr Butler's retirement) and had a close relationship with the RMC manager responsible for supplying protection officers to the PTA.
 - (d) Mr Clark consulted to Railtrain on the development of training materials shortly prior to and following the commencement of his employment with the PTA. He continued to periodically consult to Railtrain until at least mid-2024. He submitted the following invoices to Railtrain:
 - (i) 12 November 2022 (included work undertaken after August 2020) - \$3,990 plus a laptop;
 - (ii) 11 and 28 August 2022 and 28 September 2022 - invoices totalling \$12,175;
 - (iii) 27 November 2022 - \$6,780;
 - (iv) 9 April 2023 - \$7,900;
 - (v) 10 April 2023 - \$3,795;
 - (vi) 24 September 2023 - \$9,600;

(vii) 14 April 2024 - \$2,808.

- (e) Mr Clark assisted the Railtrain Group and Mr Butler in other ways - he answered a request by Mr Butler to provide a 'who's who' within the PTA; he supplied a form of words to describe the Safety Incidents Course which was to be marketed to the PTA; he conducted a workshop on PTA training and operational issues facing the Authority; he responded to requests by Mr Butler for feedback on a tender proposed to be submitted by Railtrain to the PTA; he provided assistance in relation to the Railtrain Cert IV Course and he sent a brochure about the Alium Cert IV Course to Mr Butler.
- (f) Mr Clark ought to have declared a conflict arising out of his relationship with Railtrain (consulting work in 2020/2021), Mr Butler and other Railtrain Group employees on being appointed Acting Manager Safety and Rail Access in July 2021.⁴ He had not declared a conflict when he undertook work for Railtrain in about August and September 2022.
- (g) Mr Clark did not seek approval for external employment until August 2022 and did not declare a conflict of interest arising out of his relationship with Railtrain until November 2022. Neither the external employment application nor the declaration fully disclosed the nature of Mr Clark's relationship with Railtrain, Mr Butler and other Railtrain Group employees.
- (h) Mr Clark did not update his external employment approval or his declaration of conflict of interest to take account of the work he had performed for Railtrain in developing the Safety Incidents Course and the payment he had received for that work.
- (i) Mr Clark rightly declared a conflict of interest in September 2023 in relation to a tender for providing training on the new PTA safeworking rules.⁵ However, his declaration did not fully disclose the nature and extent of his work with Railtrain and his relationship with Mr Butler and other Railtrain Group employees. The declaration suggested Mr Clark had undertaken work for Railtrain 'some time ago'. However, he rendered an invoice to Railtrain for \$9,600 two days after submitting the declaration.
- (j) Mr Clark was involved in approving procurement of the Safety Incidents Course and in making arrangements for PTA employees to participate in the course. He did not

⁴ Possibly, Mr Clark ought to have declared a perceived or potential conflict on becoming an employee of the PTA. However, the Commission made no finding to that effect having regard to his position on commencing with the Authority and the fact that the Commission did not inquire into the duties and delegated authority attached to his initial position.

⁵ The tender referred to in para (e) above.

advise Mr Gearon that he had been paid to assist in developing the course. Railtrain was paid approximately \$66,000 for delivering the course to the PTA.

- (k) In late 2023/early 2024, PTA proposed engaging Alium to deliver the Alium Cert IV Course. Mr Clark sent a copy of a brochure concerning the course to Mr Butler. Mr Clark provided the brochure to Mr Butler to enable him to 'see the competition'. The information contained in the brochure was publicly available but the fact that PTA was proposing to procure the Alium Cert IV Course was not known to Railtrain.
- (l) Railtrain responded by immediately identifying 'gaps' in its existing training units that needed to be filled for an equivalent course to be offered to the PTA. Mr Clark assisted in developing materials required to fill the gaps.
- (m) Mr Clark communicated his belief that the Alium Cert IV Course was 'not good' to the PTA procurement officer who was responsible for offering the course to PTA employees. Mr Clark subsequently prevented members of his team from participating in the Alium course and encouraged some team members to complete the Railtrain Cert IV Course.
- (n) Mr Clark's external employment approval expired on 8 August 2023. He did not submit a fresh application. All work done by Mr Clark after 8 August 2023 - including all work undertaken on the Railtrain Cert IV Course - was not authorised by any external employment approval.⁶
- (o) Through his relationship with Mr Clark, Mr Butler was able to obtain information about the PTA which may have assisted the Railtrain Group to market itself to, and develop its relationship with, the PTA.

24 There was a pattern of Mr Clark not providing a full and accurate statement of his relationship with Railtrain, Mr Butler and other Railtrain Group employees, and the work he had performed for Railtrain, in his declarations of conflict and application for external employment. It would have been easy for Mr Clark to make a proper disclosure. The Commission inferred that Mr Clark deliberately minimised the nature of his relationship with Railtrain and the type and extent of work that he was undertaking for the company. The Commission was fortified in that conclusion by a text that Mr Clark sent to a Railtrain employee in February 2024 requesting that the employee 'please explain to [his] team not to mention the work I do for you.'⁷

⁶ Mr Gearon noted in his representations that Mr Clark had inserted the word 'ongoing' next to the section of the application form that required the applicant to nominate the end date of the proposed external employment (exhibit 00078-2024-0004). However, that section was obviously directed to the possibility that an applicant would complete their proposed external employment within 12 months. It did not, in the Commission's view, relieve an applicant from making a fresh application on expiry of the initial 12 month approval.

⁷ Exhibit 0078-02024- 0353.

- 25 The Commission found there was an obvious misconduct risk associated with Mr Clark's external employment with Railtrain. He was responsible for managing a significant procurement relationship between the PTA and the Railtrain Group, including authorising payment on occasions of RMC invoices and managing the budget for contract protection officers. He was responsible for ensuring that protection officers and others were properly trained in rail safety and, in November 2022, he assumed responsibility for training requests in S & Q. He had a long relationship with Mr Butler and he was known to have specialist skills that were undoubtedly valuable to both the PTA and Railtrain.
- 26 The Commission considered that Mr Clark ought not to have been involved in any decision by PTA to procure training courses delivered by Railtrain given his conflict of interest.
- 27 Further, notwithstanding the misconduct risk, there was no meaningful and documented inquiry by Mr Gearon or other PTA management into the nature of the work Mr Clark proposed to undertake for Railtrain. There was little real follow up on whether the work he was performing had changed from what he had initially informed Mr Gearon. His uninformative application for external employment and declarations of interest did not prompt greater scrutiny. Any inquiry was in the form of an undocumented 'chat' with Mr Gearon who concluded that there was no real conflict on the assumption that Mr Clark was doing small tasks for Railtrain on projects that did not directly affect the PTA. There was no attempt to oversee a proper plan to manage Mr Clark's obvious perceived/potential conflict (a conflict that subsequently became an actual conflict).
- 28 Further, there was no misconduct risk identified by the Integrity & Investigation division when a complaint was made to the division in October 2022. That was despite the obvious conflict alleged in the complaint.
- 29 Mr Gearon stated in his representations that the fact complaints about Mr Clark favouring Railtrain had not been sustained following internal investigations was a factor that influenced his decision on Mr Clark's application for external employment and, by inference, his declaration of a conflict. The Commission accepted that Mr Gearon was entitled to have regard to the views expressed by Integrity & Investigation in considering Mr Clark's external employment and his conflict of interest. However, that did not relieve Mr Gearon and other senior managers of the requirement to make a proper inquiry and ensure a proper management plan was in place.
- 30 The facts on which those findings were made are further considered in the balance of this report.

The benefits and detriment flowing from Mr Clark's conduct

The Railtrain Group

- 31 The benefit to the Railtrain Group conferred by Mr Clark's conduct was both direct and indirect. Railtrain and the Group benefitted from:

- (a) Mr Clark's expertise and the work he performed on their training materials;
- (b) Mr Clark's actions in facilitating the procurement by the PTA of the Safety Incident Course and the Railtrain Cert IV Course;
- (c) access to Mr Clark for feedback and other assistance on training materials and programs that Railtrain was marketing or intending to market to the PTA.

32 It should be noted that the Railtrain Group and Mr Butler were not the subject of the Commission's investigation and the Commission expresses no opinion about their conduct in dealing with Mr Clark and the PTA. In particular, there was no evidence that the Railtrain Group or Mr Butler knew that Mr Clark:

- (a) had not complied with the PTA's policies on conflicts of interest and external employment in his dealings with the Group, Mr Butler or other Railtrain Group employees; or
- (b) had taken an improper advantage of his position in the PTA to benefit the Railtrain Group.

Mr Butler and the Railtrain Group and its employees were entitled to proceed on the assumption that Mr Clark had complied with whatever PTA policies conditioned his dealings with them.

Mr Clark

33 Mr Clark benefitted from his conduct in the form of the payments he received from Railtrain. He also derived an indirect benefit - the fostering of a relationship with the Railtrain Group which might continue after his retirement from the PTA.

Alium

34 Alium suffered harm when Mr Clark alerted Railtrain to the possibility that the PTA were in the process of procuring the Alium Cert IV Course - when Mr Clark decided to allow Railtrain to 'see the competition'. Although it had been contemplating developing and marketing an equivalent course for some time, Railtrain immediately commenced filling the gaps necessary to provide the course so that it could compete with Alium.

35 Further, Mr Clark used his position to favour Railtrain over Alium with the result that Alium lost an opportunity to deliver its course to more PTA employees than ultimately participated in its course. Obviously, that affected the revenue that Alium might have received from providing the Alium Cert IV Course to the PTA.

The Commission's opinion

36 The Commission formed an opinion of serious misconduct by Mr Clark. The Commission concluded Mr Clark corruptly took advantage of his position as Manager Safety and Rail

Access to confer a benefit on the Railtrain Group and himself and to cause a detriment to Alium.⁸ The opinion was formed under s 4(b) of the CCM Act.⁹

- 37 An opinion that serious misconduct has occurred is not, and is not to be taken as, a finding or opinion that Mr Clark or any other person referred to in this report has or may have committed a criminal offence or a disciplinary offence.¹⁰
- 38 The reasons why the Commission formed an opinion of serious misconduct are further explained in the last part of this report.

⁸ CCM Act s 217A(3). The Commission makes findings and forms opinions on the balance of probabilities, taking into account the seriousness of the issues that must be decided.

⁹ CCM Act s 4(b) provides that misconduct occurs if a public officer corruptly takes advantage of the public officer's office or employment as a public officer to obtain a benefit for himself or herself or for another person or to cause a detriment to any person'. Misconduct of the kind described in s 4(a) or s 4(b) is defined to mean serious misconduct (CCM Act s 3).

¹⁰ CCM Act s 217A.

THE PTA

The Network and Infrastructure Division

- 39 N & I manages, maintains and upgrades the metropolitan rail infrastructure. The Division's functions include managing safe access to the rail network.
- 40 Mr Gearon was the General Manager, N & I at the time relevant to this investigation. Mr Clark stated that he met with Mr Gearon 'virtually every morning ... to talk about what had happened overnight'.¹¹
- 41 Mr Gearon noted in his representations that his routine discussions with Mr Clark concerned maintenance work performed the previous night. Much of the PTA's track maintenance occurs after services have ended and at the relevant time, major work was also being undertaken on the Metronet program. A significant part of Mr Clark's role was to ensure that 'work on track' across the rail network was completed safely.
- 42 The Commission accepted, of course, that there were good operational reasons for Mr Gearon and Mr Clark to meet frequently.

Protection officers

- 43 Protection officers play a crucial role in ensuring workers in the rail corridor are safe. Their role is to assess work conditions and adhere to appropriate safety methods to protect workers from rail traffic. The PTA employs some protection officers but the majority are provided by labour hire contractors, including RMC.
- 44 Although there is a panel of contractors, RMC is the main supplier of contract protection officers as it has the largest available pool.¹² Mr Clark gave evidence that 'we were always told the contract, to the best of my recollection, was that you had to use RMC first out of, like - we had a box A, box B, and you had to use them first'.¹³

Staff Training and Accreditation

- 45 The PTA is registered with the Australian Skills Quality Authority (ASQA) as a training organisation. It can conduct its own accredited training programs and training is generally undertaken in-house. However, it also engages external contractors to provide trainers and training programs.
- 46 Learning and Organisational Development Division (**LOD**) is responsible for organising and procuring staff training and recording accreditations for all PTA divisions, including N & I.¹⁴

¹¹ Mr Clark, 18 March 2025, ts 12.

¹² Mr Clark, 18 March 2025, ts 14; Mr Gearon, ts 10.

¹³ Mr Clark, 18 March 2025, ts 16.

¹⁴ LOD was, in turn, part of the People and Organisational Development Division of the PTA .

PTA employees can submit training requests for approval by their branch manager. The requests are directed through the 'Skills Central' system to LOD and ultimately, to the employee's general manager for final approval.

- 47 The PTA provides training and accreditation for protection officers. It has its own trainers for that purpose but Railtrain had been engaged to supplement the PTA's training capacity since July 2021. That was necessary to accommodate increased demand for accredited protection officers under the Metronet program.¹⁵

PTA's External Employment Policy

- 48 The PTA has a policy that governs when employees can engage in external employment. The PTA's 'External Employment Policy' defines 'external employment' as any work outside of normal employment with the PTA for which an employee will be paid or rewarded or any unpaid work which may lead to a potential conflict of interest with the employee's public duties.¹⁶

- 49 An application for external employment will only be approved if the relevant General Manager is satisfied that the proposed employment will not:

- (a) potentially interfere with the employee's normal duties;
- (b) create any issues with fatigue management that may adversely affect the employee's physical or mental performance or ability to protect their own safety or that of the general public and other workers;
- (c) interfere with the employee's availability to fulfil normal rostered hours, including reasonable overtime or recall to duty;
- (d) cause a conflict of interest with the employee's duties for the PTA.

- 50 An approval is for twelve months and a fresh application must be submitted at the end of that period. An employee must also re-apply for approval if they are appointed to a new position in the PTA or the requirements of their external employment change.

Conflict of interest policy

- 51 Section 9 of the *Public Sector Management Act 1994* provides that all public sector employees are to comply with:

- (a) the Act;

¹⁵ Railtrain and Mr Butler noted that Railtrain had provided safeworking and accreditation training to the PTA since 2010.

¹⁶ Exhibit 00078-2024-0009.

- (b) the Public Sector Commissioner's instructions, public sector standards and codes of ethics; and
 - (c) any code of conduct applicable to the public sector employee concerned.
- 52 The section further provides that public sector employees are to act with integrity in the performance of their official duties and are to be scrupulous in the use of official information, equipment and facilities.
- 53 The Public Service Commissioner has:
 - (a) Developed a Code of Ethics, which among other things, requires public sector employees to make considered and unbiased decisions based on merit and declare and manage conflicts.
 - (b) Issued Instruction 40: *Ethical Foundations*. The Instruction requires public sector bodies to develop and implement a code of conduct. It also reproduces the Code of Ethics as a requirement for all public sector employees.
- 54 As required by Instruction 40, the PTA has developed a Code of Conduct. The Code includes provisions relating to conflicts of interest.¹⁷ An employee must:
 - (a) ensure that personal or financial interests do not conflict with their ability to perform their official duties in an impartial manner; and
 - (b) consider, identify and disclose conflicts of interest that may be actual, perceived to exist or potentially exist in the future.

¹⁷ Exhibit 00078-2024-0090, section 5.6.

THE RAILTRAIN GROUP

- 55 Railtrain was first registered as a corporation in 2010. It provides various services to rail operators, including training staff and supplying contract protection officers. It is an ASQA registered training organisation.
- 56 Mr Butler was a director of Railtrain following its incorporation. He gave evidence that the company's business activities were restructured in mid-2018.¹⁸ The services provided by Railtrain were distributed across several companies which together comprise the Railtrain Group, with Railtrain Holdings Pty Ltd acting as the ultimate holding company. Railtrain continues to provide training services, while RMC provides contract protection officers and other services.
- 57 The PTA is a major client of the Railtrain Group, with services provided under a number of 'umbrella' contracts.¹⁹ As previously noted, the services include developing and delivering training programs and supplying protection officers. Generally, the training services involve Railtrain trainers delivering material that has been developed by the PTA.²⁰
- 58 Mr Butler retired in July 2024. He was a director of Railtrain Holdings and General Manager Training for the Railtrain Group prior to his retirement. He remains, indirectly, a member of Railtrain Holdings and a non-executive director of Railtrain Holdings and each of the companies comprising the Railtrain Group.

¹⁸ Graham Butler, private examination 12 March 2025, ts 5 and ts 7.

¹⁹ Mr Butler, ts 4.

²⁰ Mr Butler, ts 8

MR CLARK

- 59 Mr Clark has worked in the rail industry for approximately 20 years and holds qualifications in rail safety management, rail operations and safeworking rules and procedures. He is a qualified workplace trainer, holding advanced diplomas in management, training and assessment, training design and development.²¹
- 60 Mr Clark was employed by the Centre of Excellence for Rail Training (CERT) between 2015 and 2020. CERT is a private entity providing consulting, training and other services to the rail industry. Mr Clark undertook training and consulting work for the PTA while employed by CERT.²²
- 61 On 1 August 2022, Mr Clark registered as a sole trader with the Australian Securities and Investment Commission. He stated that he had 'a passion for education and safety' and his intention had been to 'do a bit of consultancy' once he retired.²³
- 62 As it transpired, Mr Clark acted as a consultant to Railtrain while still employed with the PTA.

Mr Clark's role in the PTA

- 63 Mr Clark commenced employment with the PTA on 3 August 2020 as a Workplace Trainer and Assessor. He was promoted to Rail Safety Management Superintendent within N & I and in July 2021, he was appointed acting Manager Safety and Rail Access. He was appointed permanently to that position in July 2022.
- 64 Mr Clark managed the Safety and Quality Branch (**S & Q Branch**) within N & I. The branch is responsible for operational safety across the urban rail network. It supervises access to the rail network for construction and maintenance work including by using protection officers.

Mr Clark's duties

- 65 Mr Clark's core duties included reviewing infrastructure access across the rail network and ensuring protection officers were 'undertaking the correct protection' by complying with rail safety rules. He was also required to ensure rail works were planned and undertaken according to those rules.²⁴ Consequently, he was responsible for managing protection officers supplied by RMC and other independent contractors.
- 66 Mr Clark was asked, by reference to an organisational chart, whether he was responsible for engaging contracted protection officers as manager of the S & Q Branch. He replied:²⁵

²¹ Exhibit 00078-2024-0183.

²² Mr Clark, 18 March 2025, ts 4-5.

²³ Mr Clark, 18 March 2025, ts. 5.

²⁴ Mr Clark, 18 March 2025,, ts 11.

²⁵ Mr Clark, 18 March 2025, ts 14.

I was accountable. The responsibility led – if we look on here, the responsibility would've been through Stacey Sweeting's team. Yes, if we look at rail access, manager rail infrastructure access, Stacey's team would've done that, and he had a team of approximately eight or nine people that would've been on that.

You oversaw Mr Sweeting?---Yes.

(Mr Sweeting was the Manager Rail Infrastructure Access.²⁶)

- 67 Mr Clark's duties included ensuring N & I staff were trained in rail safety and related matters. Although the procedure by which training was provided varied, the effect of Mr Clark's evidence was that he had significant discretion and authority over the way in which training was delivered to N & I staff including by using external trainers.²⁷

Payment of Railtrain invoices

- 68 As Railtrain and Mr Butler noted in their representations, invoices for the provision of protection officers by RMC were first directed to Mr Sweeting as he was the contract manager. However, that did not mean that Mr Clark had no role in approving payments to Railtrain and RMC. He gave the following evidence about the payments made by PTA for protection officers:²⁸

[counsel assisting]: As the manager, were you responsible for authorising payments to those contracted protection officers? --- I would sign the payments off and P2P, but they would first go to Stacey. They would come through the P2P system, and I think had up to a hundred thousand, which I would sign-off against, if I remember rightly. But he would check and then say, "Look, we're paying X and Y, we do nothing."

- 69 Mr Clark was asked about Mr Sweeting's delegated authority. He said:²⁹

[Deputy Commissioner]: What payments could he authorise? --- I think he would – I don't think it was taken in terms of monetary authority, your Honour. It was taken under the – the works he could – if he went up to – we – we knew what – what the – through the contract, what they – what each protection officer would charge per hour, which – what level we would charge; they would – that would be on the contract.

So it would've been decided through the contract panel of company A, what they were going to charge per hour, and what it would take. So he would be allowed to – to go by those preset contract to say, "We need a protection officer for two nights on this job," and that's the price that they would pay for it.

²⁶ Mr Clark, 18 March 2025, ts 16.

²⁷ See, for example, Mr Clark, 18 March 2025, ts 20.

²⁸ Mr Clark, 18 March 2025, ts 15.

²⁹ Mr Clark, 18 March 2025, ts 16 - 17.

So how was it determined then, whether or not engaging further protection officers would fall within the budget? How would the budget constraints determine it? --- Well, there was times where we – we didn't. I had a financial meeting with the business manager once a month, and if we found that we had a – a specific need for let's say we had a serious city – I'll – I'll use that as an example – a city shut, where we'd use many protection officers, I would then go to the business manager and say, "Look, we – we've got to shut the city down, we may go over our budget this month." We had a set budget; I think the - ours was somewhere about 9.1 million a year. Most of that was through wages, and then through protection officers.

70 Mr Clark stated that he was responsible for the budget allocated to providing protection officers. He met the business manager monthly to review the budget and would also confer with the business manager if it was likely that the budget would be exceeded. His evidence continued:³⁰

[counsel assisting]: So if, for example, in a particular week, three protection officers were engaged to do work on a particular job during that week, payment then had to be made to the contractor; who actually signed off, authorised that payment for those protection officers? --- Stacey would sign them off to a – to a level; and I – I'm sorry, I can't remember what that level was. If it went up to 100,000, I couldn't sign-off over 100,000; it would then – I would then transfer it to the business manager and he would - - -

So up to 100,000, then you had authority to sign-off on that? --- Yes. There's – it's very rare, where we went up to that high, to be – to be honest.

If you had a job coming up, how did you determine which of the contractors you would engage for undertaking that job, for attracting particular officers? --- We – we would actually ring the companies and say, "What availability have you got?" And this did happen. If we had an emergency job where we found we had a broken switchblade that was going to delay, and we had to get people in over the weekend, we would contact the companies directly and say, "Have you got X, Y, Z?" And we would actually do it as-needs basis.

"We" would be you, in consultation with Mr Sweeting? --- Probably more Stacey, but Stacey would keep me informed of what he was doing, 'cause I was - - -

So you would discuss with him, from time to time, what the requirements were - - - ? --- Yes.

- - - and who should be providing them? --- Yes, yes, yes.

³⁰ Mr Clark, 18 March 2025, ts 17.

- 71 Mr Clark was taken to an email dated 8 October 2024 from 'P2P' which advised that a number of invoices from RMC, Railtrain and others had been transferred/assigned to him for action.³¹ He stated in relation to the email:³²

[counsel assisting]: *And is this asking you to authorise payment for those invoices?*

--- Yes.

So you would be responsible for signing-off on the payment of the contracted protection officers to RMC Rail Services? --- Yes, yes, and the P2P process of, yes.

That was because this came within your financial delegation? --- Yes.

Which you said was up to \$100,000? --- Yep.

And anything higher than that delegation would then have to go? --- I would transfer it, yeah.

That would transfer to? --- Either the general manager. In most cases, I would send it to the business manager, and then if there was a chance for him to discuss what it was and what the process – sorry, what it was, and what he was – he was incurring.

Would you receive emails like this regularly? --- Occasionally. I wouldn't say freely, because I used to look at my P2Ps once a week, and keep on top of them.

But meaning you would have to sign-off on invoices for contracted protection officers on a regular basis? --- Yeah, I would incur the invoice yes, yes.

- 72 Railtrain and Mr Butler contended in their representations that invoices for protection officers 'regularly collectively exceeded \$100,000 on a fortnightly basis so Mr Clark had no authority to approve RMC's track protection invoices'. That did not accord with Mr Clark's evidence that most invoices were within his authority or that of Mr Sweeting. In any event, invoices were processed through Mr Clark with those that exceeded his authority transferred to the business manager or the General Manager (Mr Gearon). Mr Clark was responsible for the budget for protection officers; he oversaw the contract manager, Mr Sweeting and they were both responsible for engaging protection officers.
- 73 Moreover, Mr Clark, Mr Gearon and the PTA did not dispute the Commission's finding that Mr Clark did approve invoices rendered by RMC within the scope of his delegated authority.

³¹ Exhibit 00078-2024-0530. PTA provided other memoranda from P2P requiring Mr Clark to action invoices submitted by Railtrain and RMC. There was one memorandum dated 31 July 2021 and 14 memoranda various dated May and June 2024.

³² Mr Clark, 18 March 2025,, ts 18 - 19.

MR CLARK AND RAILTRAIN (before the Safety Incident Course)

The relationship between Mr Clark and Mr Butler

74 Mr Clark and Mr Butler have known each other for nearly 20 years. They have maintained a friendly, professional relationship since they first met working at Skilled Rail Pty Ltd.³³

75 Mr Butler spoke highly of Mr Clark's expertise in developing rail industry specific training material:³⁴

... Richard's, I suppose, expertise especially when he was at CERT is writing training material and formalised training material, which is very different than delivering from the PTA's material. But, yes, quite often because we had some gaps in our training – so our formalised training – so we did a gap analysis and found that, for instance, we were missing some material on a particular unit, and Richard could write that material. He had the expertise to write that material³⁵

... he was very good at developing material, so yes, and which is a little bit unique. A lot of trainers are very good at training but they're not very good at course writing. It is a special field in itself.

76 Mr Clark described his relationship with Mr Butler as a 'friendly relationship, professional relationship'. He did not consider Mr Butler a friend and had only socialised with him on a few occasions.³⁶

77 However, Mr Clark also gave evidence that Mr Butler sponsored his emigration to Australia: 'when we were at Skilled, he was one of the key people who actually helped me get a full visa in Australia...If it hadn't been for him, I probably wouldn't be in Australia.....I've always thanked Mr Butler for sponsoring me, and taking that leap of faith with me back in 2005 or 2006.'³⁷ He spoke to Mr Butler often about work related matters.

78 The possibility of Mr Clark working for the Railtrain Group was discussed with Mr Butler in 2019.³⁸ He did not join the Group but provided consulting services to Railtrain from about 2019 or 2020, principally developing training materials.

Mr Butler's requests for feedback and information from Mr Clark

79 On 12 August 2020, Mr Butler sent an email to Mr Clark requesting feedback on a course entitled 'Street to Track Protection Program' which Railtrain was seeking to deliver with the

³³ Mr Clark, 18 March 2025, ts 21 - 22.

³⁴ Mr Butler, 12 March 2025, ts 12.

³⁵ Mr Butler, 12 March 2025, ts 11.

³⁶ Mr Clark, 18 March 2025, ts 22.

³⁷ Mr Clark, 18 March 2025, ts 33-34.

³⁸ Exhibit 00078-2024-0087.

assistance of the PTA.³⁹ The email attached a presentation describing the components of the course and how it would be delivered by Railtrain and the PTA. The purpose of the course was to train new Railtrain protection officers to be ready to meet the PTA's requirements.

80 Mr Butler's email stated:

As discussed if you could give any feedback would be welcomed.

We are presenting to yourself and [the then Manager Safety and Rail Access] on Monday and this is critical not just for our business but for the future of improving supply of quality PO to the PTA.

81 Mr Clark did not recall the email or whether he had provided feedback. He also pointed out that he did not have authority to engage Railtrain to deliver the course.

82 However, the email indicated Mr Butler's attitude towards dealing with Mr Clark in light of their relationship. The context is also revealing - as noted below, on 9 July 2020 Mr Clark sent Mr Butler a quote for services to be provided to Railtrain; Mr Clark commenced as a PTA employee on 3 August 2020; and on 12 August 2020, Mr Butler requested feedback on a course that Railtrain proposed to conduct with the PTA.

83 Railtrain and Mr Butler submitted that the proposed course was intended to address a concern within the PTA about a shortage of protection officers for the Metronet program. The course was also intended to improve training standards for protection officers. The Commission accepted that submission. The Commission also accepted that it made commercial sense for Mr Butler to seek Mr Clark's feedback given his view of Mr Clark's expertise. However, the fact of the request, in the context of the circumstances noted immediately above, highlighted the need for Mr Clark on joining the PTA to exercise care in his dealings with Railtrain and Mr Butler. Arguably, he ought to have declared a potential conflict of interest. However, the Commission made no finding to that effect given the position that Mr Clark held when he first commenced at the PTA.

84 On 20 November 2020, Mr Butler sent an email to Mr Clark on the subject 'Who's Who'. Mr Butler asked Mr Clark to identify key PTA personnel relevant to Railtrain's relationship with the PTA.⁴⁰ In his reply, Mr Clark not only identified some PTA managers but indicated how they could be contacted using the common form email address for PTA employees. He concluded his reply with the comment, '[h]ope this gets traction'.

85 Asked what he meant by that comment, Mr Clark said he considered the Railtrain Group provided a professional service and was a 'safe organisation'. He also accepted the obvious inference from Mr Butler's request - that Mr Butler wanted to identify senior managers within the PTA to market the services provided by the Railtrain Group, including possibly

³⁹ Exhibit 00078-2024-0041; Mr Clark, 18 March 2025, ts 27 -29.

⁴⁰ Exhibit 00078-2024-0299.

supplying trainers to LOD.⁴¹ Again, this ought to have brought home to Mr Clark that he needed to exercise care in dealing with Mr Butler and Railtrain.

Other relationships with Railtrain personnel

- 86 Ms Sharon Morris was appointed Railtrain's General Manager for Training on Mr Butler's retirement. Mr Clark said he had known her for nearly 20 years and respected her 'immensely'.⁴² She became his primary point of contact for consultancy work once Mr Butler retired.
- 87 Mr Clark stated he had also become friendly with Mr Craig Myatt. Mr Myatt was responsible for arranging the supply of protection officers by RMC to the PTA and he later became a trainer. Mr Clark would meet Mr Myatt for breakfast to discuss operational matters - 'sometimes I'd pay, sometimes he'd pay'.⁴³
- 88 There was also an RMC contract employee who formed part of a PTA team under the management of Mr Sweeting and Mr Clark. He was on a long-term contract with the PTA. Mr Clark was responsible for approving or processing invoices rendered by RMC for the employee's services.⁴⁴

Consulting to Railtrain 2020 - 2022

- 89 In November 2022, Mr Clark was paid \$3,990 by a consultancy firm, Ontrack Training, for developing training material and courseware for Railtrain. He also received a laptop computer valued at \$1,400. as part of his payment.⁴⁵
- 90 Railtrain and Mr Butler contended that Mr Clark did not work on the training material and courseware for which Ontrack Training had been engaged. It was said that the work was undertaken by the principal of the firm, Mr Graham Barnes, and another person. However, Mr Clark gave evidence that he did perform the work, in effect through a sub-contract with the consultancy.
- 91 On 4 November 2022, Mr Barnes sent an email to Mr Clark attaching a payment schedule describing the work performed and nominating Railtrain as the client. The schedule included two options for payment to Mr Clark - option 1 was 'retain Lenovo Laptop (Purchase Price \$1400) and receive payment of \$3,990.00'; option 2 was 'hand-back Lenovo Laptop and receive payment of \$5,390.00'. Mr Clark replied by email stating he was 'good' with option

⁴¹ Mr Clark, 18 March 2025, ts 31 -32.

⁴² Mr Clark, 18 March 2025, ts 35.

⁴³ Mr Clark, 18 March 2025, ts 36.

⁴⁴ Mr Clark, 18 March 2025, ts 36 -37.

⁴⁵ Exhibits 00078-2024-0217; 00078-2024-0264; 00078-2024-0263.

1. On 13 November 2022, he sent an email to Mr Barnes attaching an invoice reflecting option 1.⁴⁶
- 92 The payment schedule recorded that the work had been undertaken between November 2020 and June 2021 - that is, at a time when Mr Clark was a PTA employee. Mr Clark stated that the work, or at least some of it, had been completed in 2019. He suggested that the dates recorded in the schedule referred to when the relevant programs were delivered rather than to when he had provided his services. However:
- (a) That evidence was inconsistent with the description of the work contained in the schedule and the details of the documents prepared by Mr Clark.
 - (b) Mr Clark sent an email to Mr Butler on 9 July 2020 attaching a quote for services to be provided to Railtrain by the consultancy firm that seemingly related to the work itemised in the schedule. That appears to have been the first quote issued by the consultancy company to Railtrain.⁴⁷
 - (c) Mr Barnes had worked with Mr Clark at CERT. He left CERT to establish his own business. Mr Clark was still working for CERT at the end of 2019.⁴⁸
 - (d) Mr Clark subsequently stated in his evidence that the work undertaken for the firm went back to 2019 but continued into 2020 and 2021.⁴⁹
 - (e) There were no documents located on Mr Clark's laptop that related to the preparation of training materials for Railtrain prior to 2020.
- 93 The Commission is satisfied that at least some of the work described in Ontrack Training's payment schedule was undertaken by Mr Clark after he had commenced employment with the PTA. Mr Clark did not contest that finding in his response to the Commission's draft report.
- 94 Mr Clark rendered invoices to Railtrain on 11 and 28 August, and 28 September 2022 - that is, well after Mr Clark had commenced employment with the PTA and after he had been appointed Manager Safety and Rail Access. The total amount invoiced was \$12,175.⁵⁰ The work undertaken by Mr Clark was described principally as developing training materials for safety courses offered by Railtrain. However, one invoice was for undertaking 'validation of 7 rail operations assessment instruments' against new criteria and compliance requirements.

⁴⁶ Exhibit 00078-2024-0262.

⁴⁷ The Commission did not discover any email communications between Mr Clark and the consultancy firm in 2019 relating to consulting to Railtrain or any other entity.

⁴⁸ Mr Clark, 18 March 2025, ts 24.

⁴⁹ Mr Clark, 18 March 2025, ts 33.

⁵⁰ Exhibits 00078-2024-0086, 00078-2024-0089 and 00078-2024-0065.

No conflict declared by Mr Clark

- 95 Railtrain and Mr Butler submitted, in effect, that Mr Clark was not in a position of conflict as the work undertaken for Railtrain up to this time was not directly relevant to the PTA but concerned freight operations and east coast rail infrastructure. However, Mr Clark was obliged to declare any perceived or potential conflict.
- 96 As noted earlier, Mr Clark was appointed the Acting Manager Safety and Rail Access in July 2021. His duties required him to manage contract protection officers supplied by RMC and to oversee rail safety training. An RMC employee was a member of a team which was subject to his supervision. He had authority to approve invoices rendered by RMC and was responsible for managing the budget for protection officers. He was also responsible for safety training. He had undertaken work for Railtrain before and after he commenced as a PTA employee. He had a long relationship with Mr Butler.
- 97 Mr Clark ought to have declared a conflict arising out of his relationship with the Railtrain Group and Mr Butler on being appointed Acting Manager Safety and Rail Access. Mr Clark, Mr Gearon and the PTA did not dispute the Commission's conclusion that he ought to have done so.

MR CLARK'S EXTERNAL EMPLOYMENT

The application for external employment

98 Mr Clark did not seek approval for undertaking work for Ontrack Training notwithstanding that at least some of the work was performed after he commenced with the PTA. Rather, he did not apply for external employment approval until 8 August 2022.⁵¹

99 He described his proposed employer as '[s]elf-employed, TIC, RMC, others'.⁵² The application stated he would undertake '[r]ail training document review - not connected to PTA' and would also be 'reviewing documentation providing training advice'.

100 Mr Clark was required to state in the application why a conflict of interest would not arise from his proposed external employment:

This is to maintain my currency of competency in training mapping and development qualifications (diplomas). This is mainly freight operations and possible other rail safety. Under no circumstances will I allow this to affect my primary occupation and role at PTA.

101 As noted earlier, N & I managed metropolitan rail infrastructure; it was not concerned with the management of rail freight operations. Further, Mr Clark explained in his examination that the work he had been asked to undertake for Railtrain concerned 'generic rules of competency' and units of competency 'benchmarked against national units of competency, industry best practice'. He distinguished between 'generic' competency and the separate rules developed by each rail operator. The PTA had its own rules which applied to its network. His proposed work for Railtrain was not concerned with the PTA rules or training PTA employees in what he described as the PTA 'rule skillset'.⁵³

102 As General Manager of N & I, Mr Gearon met with Mr Clark to discuss the application. He understood from the meeting that Mr Clark would primarily work with Railtrain and would only review training materials and documentation - that is, 'reading over the materials and providing feedback to ... Railtrain in the main, on the quality of those documents'.⁵⁴ He also understood that the work would be minimal and, therefore, he did not consider it created a conflict of interest.⁵⁵ That was despite the Railtrain Group being a significant contractor to the PTA.⁵⁶

Why was that? --- Why was that? You know, the role that they play for the PTA, yeah, there are other things that people could look at and say that you know,

⁵¹ Exhibit 00078-2024-0004.

⁵² TIC stands for The Instruction Company, which is a registered training organisation that provides similar training services as Railtrain.

⁵³ Mr Clark, 18 March 2025, ts 41 - 43.

⁵⁴ Mr Gearon, 11 March 2025, ts. 19 - 20.

⁵⁵ Mr Gearon, 11 March 2025, ts. 25.

⁵⁶ Mr Gearon, 11 March 2025, ts. 21.

there's conflict issues. But to be honest, the scale of the work that Richard was saying he was doing, the review of you know, training documentation, yeah, it's not something that I could perceive would lead to you know, significant conflicts of interest. Yeah, so yeah, no concerns.

103 Mr Gearon endorsed the application on 17 August 2022 with a comment stating, "Will assist with PTA role". The application was ultimately approved by the PTA's Managing Director on 23 August 2022. Mr Clark was notified of the approval on 31 August 2022.⁵⁷

104 The approval was for 12 months. Accordingly, the approval ceased to have effect on 31 August 2023. The approval was not renewed.

105 Four points about Mr Clark's application for external employment approval should be noted:

- (a) The description of the work to be performed referred only to reviewing documents and providing training advice. There was no reference to developing training materials. That was notwithstanding the work undertaken for Railtrain in 2020 and 2021 involved developing training materials and the work, the subject of the invoices rendered in August and September 2022, was also principally described as developing training materials and courseware. Developing training materials and courseware was a significantly different form of consulting to merely reading material developed by Railtrain and providing feedback.
- (b) The application was made on the same day as Mr Clark provided a quote to Mr Butler for developing training course material for the national certification of the Safety Incidents Course.⁵⁸ The work to be performed according to the quote was much more extensive than merely reviewing training materials developed by Railtrain - and more extensive than the work Mr Gearon understood Mr Clark would undertake.
- (c) The invoices dated 11 and 28 August 2022 were sent by Mr Clark to Railtrain before he was notified of the outcome of his application for external employment. The work that was the subject of the 11 August 2022 invoice must have been undertaken before Mr Clark applied for approval.
- (d) The application made no reference to the prior work Mr Clark had undertaken for Railtrain, including work that was performed in and around the time of his application. There was also no reference to Mr Clark's long-standing relationship with Mr Butler or other Railtrain Group employees.

106 As to the last of those points, Mr Clark contended that Mr Gearon and others in the PTA knew of his relationship with Mr Butler and Railtrain. However:

⁵⁷ Exhibit 00078-2024-0329.

⁵⁸ Exhibit 00078-2024-0022.

- (a) It was apparent Mr Gearon did not fully appreciate the extent of Mr Clark's previous work for Railtrain and in particular, that Mr Clark was developing training materials for Railtrain at the time of his application for external employment - or that he had provided a quote to Railtrain to undertake more work developing training materials on the same day as his external employment application. Further, the fact that Mr Gearon and others in the PTA might have been aware of an 'industry' relationship between Mr Clark, Mr Butler and Railtrain did not, of course, mean that they knew the true nature and extent of the relationship.
- (b) Mr Clark's application for external employment was a written record created for the purpose of PTA's administration. It was the means by which any manager in the PTA - including any manager who might not be familiar with any 'industry' relationship between Mr Clark, Mr Butler and Railtrain - could monitor Mr Clark's external employment. It was the record against which Mr Clark was to be held accountable.
- (c) There is a question raised by Mr Clark's failure to disclose the full extent of his relationship with Mr Butler and Railtrain if others in the PTA were aware of the relationship.

The nature of Mr Clark's external employment

- 107 The effect of Mr Clark's application for external employment was that he could not undertake work for Railtrain or any other external employer that involved training programs or courses that were to be marketed or provided to the PTA. It would have been inconsistent with his position as a manager in N & I to have consulted on any such program or course without:
 - (a) submitting a revised application for external employment;
 - (b) obtaining approval to vary his external employment; and
 - (c) declaring a conflict of interest.
- 108 Obviously, Mr Clark could not be involved in any process by which a program or course on which he had consulted was marketed to or procured by the PTA.

MR CLARK'S FIRST DECLARATION OF INTEREST - THE SAFETY INCIDENTS COURSE

Mr Clark's engagement by Railtrain

- 109 On 8 August 2022, Mr Clark provided a quote to Mr Butler for developing training course materials for the national certification of the Safety Incidents Course.⁵⁹ The quote was sent from Mr Clark's personal email address. The quote was sent on the same day Mr Clark submitted his application for external employment approval.
- 110 There was an earlier version of the Safety Incidents Course which was regarded as outdated. Mr Clark's quote was for rewriting the course to comply with the requirements for national certification.⁶⁰ The quote was for \$5,990, representing approximately 53 hours of work. The quote described the work as involving developing a learner manual covering various relevant topics (25 hours); development of theory and practical assessments (10 hours); updating and work on PowerPoint presentation (10 hours); and 'mapping and documents to' the course (8 hours).
- 111 On 27 November 2022, Mr Clark invoiced Railtrain \$6,780.00, for completing the work.⁶¹

Mr Clark's first declaration of interest

- 112 On 17 November 2022, Mr Clark submitted a conflict of interest declaration through the PTA's conflict of interest process.⁶² The declaration stated:

As discussed with Elwyn, I have been asked to review some training documentation for a training for an external company. This company we use for Protection Officers. I am reviewing training documentation which will maintain my currency of competency with my diplomas in training and assessment and completing external validations of national units of competency for the company. The PTA do not currently use these training units of competency or this company for any training (to the best of my knowledge). The work is light (few hours) and the subject matter is not currently connected to the PTA practices and I have been given permission for external employment. (This is a monthly output and does not impact my role at the PTA). This process will actually be of benefit the PTA with keeping my currency of competency in certain national units of competency and allow me to act on the PTA's behalf when and if ever needed through investigations etc.

- 113 Mr Clark could not recall what prompted him to submit the declaration; he thought it might have been following a presentation on conflicts of interest and procurement. However, the document which suggested that possibility to Mr Clark was dated March 2023.⁶³

⁵⁹ Exhibit 00078-2024-0022.

⁶⁰ Mr Clark, 18 March 2025, ts 57.

⁶¹ Exhibits 00078-2024-0023; 00078-2024-0029.

⁶² Exhibit 00078-2024-0102.

⁶³ Exhibit 00078-2024-0543.

114 Mr Clark identified the 'external company' to which he had referred in his declaration as RMC but he did not refer to his long relationship with Mr Butler or other Railtrain Group employees or to the work he had previously undertaken for Railtrain. Further, the declaration did not accurately describe the work that Mr Clark had agreed to perform for Railtrain in developing the Safety Incidents Course - both the nature of the work and the number of hours involved. The declaration also did not suggest how the conflict of interest would be managed.

115 The effect of Mr Clark's evidence was that those matters were well-known to Mr Gearon and the PTA.⁶⁴ However, the observations made in the previous section concerning Mr Clark's application for external employment apply equally to his conflict of interest declaration.

The misconduct risk

116 Mr Clark was asked about the value of the work he was undertaking in promoting the relationship between the Railtrain Group and the PTA:⁶⁵

Rail Train, back in November 2020, when you were asked about it by Mr Butler, the who's who, you understood that Rail Train were interested in marketing its services to the PTA? --- Yes, sir.

Those services would have been training services? --- Amongst others sir, yes.

And training services to protection officers employed by the PTA? --- Not directly sir, no. They would only train their own protection officers. The rulesets themselves, how we apply them out on the network, is always done by the PTA, not by an external company.

But if they're developing training services which can be applied generally to assist individual rail operators to further train their protection officers, why wouldn't they be interested in marketing that to the PTA? --- I think the marketing point is about saying that they've got protection officers who have got a Certificate II in Rail Track Protection. It wouldn't negate the need for them to undertake PTA-specific ruleset training.

Well, it wouldn't negate, but wouldn't it add to their training? --- It would give them base knowledge, but as I said earlier sir, the Australian qualification framework Certificate II and III are pathways for further learning. Again, this is about bringing people into the industry and ensuring they're safe. My whole intention here was to help. I didn't do any of this with malicious intent. It was to help, and bring people through, and ensure that, you know, we'd get by in the coming months and years. I don't think the PTA will.

117 That exchange illustrated an issue that was significant for the Commission's assessment of Mr Clark's conduct. He was performing external work for a major contractor to the PTA Division in which he held a senior management position. His duties included supervising

⁶⁴ See, for example, Mr Clark, 18 March 2025, ts 54.

⁶⁵ Mr Clark, 18 March 2025, ts 55.

protection officers provided by RMC and authorising or processing payment for those officers. He had responsibility for the budget for protection officers and for rail safety management. There was a real possibility that Mr Clark's involvement with the Railtrain Group would be viewed by the Group's senior management as presenting an opportunity for maintaining and enhancing the relationship with the PTA. Indeed, the Commission was satisfied on a review of the whole of the evidence acquired in this investigation that this was the view of Mr Butler and other managers in the Railtrain Group. At the very least, the Railtrain Group had access to, and a relationship with, a senior manager in the PTA that was significantly different to competing service providers. There was an obvious misconduct risk for the PTA.

Concerns about N & I's relationship with RMC

- 118 On 5 October 2022, an anonymous source provided information about N & I's use of contract labour provided by RMC on the PTA misconduct online reporting facility.⁶⁶ The information particularly concerned the RMC contract employee who was a member of a team under Mr Clark's management. It was alleged that the RMC employee was attending meetings with various contractors 'representing himself as the PTA and making resource decisions which benefit RMC'; that the employee had been working on a contract basis for the PTA for two years; that he was on a committee about changing safeworking rules and had been 'pushing decisions where more RMC resources would be required to work on track'; and his work with the PTA enabled RMC to know all upcoming projects and major N & I work.
- 119 The source also stated that Mr Clark 'often tells our team that [the RMC employee] is the best ... which is very degrading in the team'; that Mr Clark was a Facebook friend with RMC staff; and that the source had attempted to raise their concerns with him but 'he thinks I have a personal issue against the RMC staff'.
- 120 The information was conveyed to Mr Gearon in an email from the Acting Director Integrity & Investigation.⁶⁷ The Acting Director stated in the email:⁶⁸

I do not believe that there is any obvious misconduct identified in this information. However, I understand that previous reports have been received regarding the involvement of Contractors working at the PTA and the allocation of protection officers for PTA work.

... I have forwarded [the information] to you for your attention and any necessary action.

⁶⁶ Exhibit 00078-2024-0220.

⁶⁷ Exhibit 00078-2024-0220.

⁶⁸ It is not apparent to the Commission why the Acting Director thought that the information did not suggest any 'obvious misconduct' given the allegation that the RMC contract employee was using his position to favour RMC.

The PTA Investigation Section do not intend to take any further action unless directed otherwise.

- 121 Mr Gearon forwarded the email to Mr Clark. He responded by seeking an opportunity to discuss the matter with the Acting Director.
- 122 Mr Gearon stated in his examination that 'over an extended period of time there were anonymous complaints to the PTA about RMC's role with the Network and Infrastructure.' He thought the complaints commenced before he became manager of the Division.⁶⁹
- 123 Mr Gearon said he had sought an explanation from Mr Clark about the anonymous information contained in the Acting Director's 5 October 2022 email. According to Mr Gearon, Mr Clark's explanation was that RMC were the biggest provider of protection officers and had 'dominated our Accredited Temporary Personnel Panel contract for many years'.⁷⁰ However, that explanation did not address the substance of the anonymous allegations.

The context to Mr Clark's declaration

- 124 There were several matters that provided the context in which the conflict of interest declaration ought to have been considered:
- (a) the limited and very general information provided by Mr Clark in the declaration and his application for external employment;
 - (b) the significant procurement relationship between the Railtrain Group and N & I;
 - (c) Mr Clark's role in managing the relationship between the Railtrain Group and N & I, including his role in safety management, supervision of RMC employees, authorising or processing payment of RMC invoices and overseeing the budget for protection officers;
 - (d) the possibility that the Railtrain Group could exploit the consultancy arrangements with Mr Clark to gain a competitive advantage in dealing with N & I; and
 - (e) internal concerns about the relationship between RMC and N & I.
- 125 Those matters were also relevant to assessing Mr Clark's application for external employment.
- 126 Mr Gearon endorsed the declaration as not constituting a conflict of interest. He stated that he did not perceive any 'real' conflict because the work being undertaken by Mr Clark for Railtrain was 'fairly minimal'.⁷¹ He discussed the declaration with Mr Clark: '... we talked

⁶⁹ Mr Gearon, ts 20. Mr Gearon thought he may have seen three complaints as General Manager of N & I - ts 22.

⁷⁰ Mr Gearon, ts 23.

⁷¹ Mr Gearon, ts 25.

about the role ... the workload involved ... and whether it would benefit the organisation'. Mr Gearon considered that Mr Clark would be exposed to the rail operations conducted by other operators through his work with Railtrain and that this would be beneficial to the PTA.⁷² Again, Mr Gearon's endorsement was apparently based on a limited understanding of the nature of the work being performed by Mr Clark on the Safety Incident Course.

- 127 Significantly, on Mr Gearon's account of his discussion with Mr Clark, little consideration was given to the misconduct and procurement risks arising out of Mr Clark's relationship with the Railtrain Group and his duties and delegated authority as Manager Safety and Rail Access.

⁷² Mr Gearon, ts 28-29.

DELIVERY OF THE SAFETY INCIDENTS COURSE TO THE PTA

Mr Clark assumes responsibility for 'team training'

- 128 Mr Clark emailed several senior members of his team on the same day he submitted his conflict of interest declaration (17 November 2022). The email was headed 'Team Training' and stated:⁷³

Just a heads up to ensure workload, just culture, and financial management I will handle and review all training and team growth opportunities. In the coming year there are a few courses programmed and scheduled which I will discuss with you

- 129 Mr Clark accepted that he intended to assume responsibility for training requests within the S & Q Branch by making this change.⁷⁴ The email listed several proposed training opportunities, including 'incident investigations'.

Mr Clark's communications with Railtrain about the Safety Incidents Course

- 130 On 8 April 2023, Mr Clark sent an email to Mr Butler suggesting a form of words that could be used to describe the Safety Incident Course. The email concluded, 'I have preliminarily mentioned to the GM that I am wanting to put all the N&I safety reps through this and there is no resistance etc.'⁷⁵
- 131 Mr Gearon did not recall the course nor that it had been mentioned by Mr Clark.⁷⁶ If it had been mentioned, that should have prompted further inquiries about the nature of Mr Clark's relationship with Railtrain - whether there was an actual conflict and the need for an independent assessment of whether the Railtrain course represented value for money.
- 132 On 10 April 2023, Mr Clark sent an email to Mr Butler attaching an invoice for further work undertaken in connection with the Safety Incident Course: presenting the complete Safety Incident Course to two Railtrain employees and training a Railtrain trainer on how to deliver the course.⁷⁷ The invoice was for \$3,795.
- 133 Mr Clark's email to Mr Butler concluded, 'I also may have some candidates for a course which I will confirm and call you over. This is possibly a group of 8 or 9 followed by another class'.⁷⁸ Mr Clark agreed that the candidates for the course were from the PTA but insisted he was not involved in the procurement process for the course.⁷⁹

⁷³ Exhibit 00078-2024-0520.

⁷⁴ Mr Clark, 18 March 2025, ts 60; Mr Clark, private examination transcript, 19 March 2025, ts 36.

⁷⁵ Exhibit 00078-2024-0251.

⁷⁶ Mr Gearon, ts 32.

⁷⁷ Exhibit 00078-2024-0250.

⁷⁸ Exhibit 00078-2024-0250.

⁷⁹ Mr Clark, 18 March 2025, ts 62 - 63.

- 134 On 20 April 2023, Mr Clark spoke by phone with Mr Butler and a short time later a Railtrain employee sent a quote for the provision of the Safety Incident Course to an S & Q Branch employee, Ms A. Ms A was the safety coordinator and administrative assistant in S & Q Branch and someone who, Mr Clark said, did a lot of work for him.⁸⁰
- 135 The email from Railtrain indicated that Ms A had been 'chasing' a quote for delivering the Safety Incidents Course in two sessions. The quote was \$21,870 for each session involving nine 'learners'. Mr Clark could not recall asking Ms A to obtain the quote but said he would not have been surprised if he had done so.⁸¹ Plainly, Ms A was following up on the indication that Mr Clark had given to Mr Butler in his email sent on 10 April 2023.

Railtrain engaged to deliver the Rail Safety Course

- 136 Subsequently:
- (a) On 24 May 2023, Ms A prepared an N & I procurement commencement form for conducting a trial of the Safety Incidents Course for N & I. The form included a comment, 'looking at rolling out to division after feedback received'. The proposed term of the contract was six months with a total contract value of \$49,500 (inclusive of \$4,500 GST).⁸² Ms A was one of two evaluation panel members to consider the proposed procurement and Mr Clark was one of two managers who were required to approve the acquisition of the service.
 - (b) Ms A exchanged emails with Railtrain in late May 2023 about the timing of the training sessions and how they would be conducted. Ms A copied Mr Clark into the emails, indicating that she needed his help to make the necessary arrangements.⁸³ It was subsequently agreed that the first session would be held in the first week of July 2023. Again, Mr Clark was copied into the email exchange.⁸⁴
 - (c) On 7 June 2023, a PTA employee sent an email to Railtrain requesting a quote for trialling the Safety Incidents Course for N & I. A few days later Railtrain replied seeking clarification about whether the quote was for the same program as that discussed with Ms A. Eventually, on 28 June the PTA employee sent an email to Railtrain advising that the course the subject of the request for a quote had been cancelled 'due to other training had already been organised ... Richard Clark had organised the other training sessions'.⁸⁵

⁸⁰ Exhibit 00078-2024-0123; Mr Clark, 18 March 2025, ts 70.

⁸¹ Mr Clark, 18 March 2025, ts 62 - 63.

⁸² Exhibit 00078-2024-0109.

⁸³ Exhibit 00078-2024-0126.

⁸⁴ Exhibit 00078-2024-0103.

⁸⁵ Exhibit 00078-2024-0122.

- (d) There were emails exchanged over June 2023 confirming that the first training session would be held in the first week of July. Ms A advised Railtrain that Mr Clark had assured her that all the equipment required for the course had been arranged.⁸⁶
 - (e) On 29 June 2023, Ms A sent an email to another PTA employee about payment. The email commenced, 'Richard has asked me to get the payment information for Railtrain for the Rail Safety Incident Investigation training to be held next week'.⁸⁷
 - (f) Mr Clark then sent a text to Mr Butler enquiring whether the 'training next week' was being undertaken on the 'existing contract'. Mr Butler responded indicating he thought that the training formed part of the 'existing contract'. He also indicated that Railtrain had unsuccessfully attempted to contact Ms A about arrangements for delivering the course. Mr Clark replied, 'will all be dealt with today' and later, 'all will be confirmed tomorrow mate ...'.⁸⁸
 - (g) In July 2023, Mr Gearon approved a quote by Railtrain to provide the course.
- 137 Between July and December 2023, Railtrain delivered the Safety Incident Course to PTA employees across four sessions. Railtrain was paid \$66,447 for conducting the courses.⁸⁹

Mr Clark's failure to disclose

- 138 At no point did Mr Clark inform Mr Gearon, LOD or the PTA's procurement teams that he had been paid by Railtrain to consult on the development of the Safety Incident Course.
- 139 He also did not update his external employment approval and the conflict of interest declaration to reflect the significant role he had played in developing the Safety Incident Course and the fact that he had instigated the PTA acquiring the course for some employees and assisted in arranging for the course to be delivered to the PTA.

Further work in 2023

- 140 Mr Clark delivered a further invoice to Railtrain in April 2023 - the invoice was for \$7,900 for developing courseware, guides, assessments, answer key and mapping for five courses.⁹⁰
- 141 In May 2023, Mr Clark attended Railtrain's main office and conducted a 30-minute workshop presentation on 'the training that PTA staff receive currently and operational issues facing the PTA and how training is assisting or may assist the organisation'.

⁸⁶ Exhibit 00078-2024-0106.

⁸⁷ Exhibit 00078-2024-0107.

⁸⁸ Exhibit 00078-2024-0349.

⁸⁹ Exhibit 00078-2024-0431.

⁹⁰ Exhibit 0078-2024- 0064.

142 Mr Clark initially stated in his examination that he remembered attending the workshop and providing the presentation but he was 'there as a PTA employee.... Unofficially'.⁹¹ Mr Clark later acknowledged that he attended the workshop in his private capacity as a consultant.⁹² He did not inform Mr Gearon of his attendance at the workshop.

143 In June 2023, Mr Clark submitted a further invoice develop courseware, guides, assessments, answer key and mapping for an additional five courses to be delivered over the next two months to the value of \$9,600.⁹³ In late September 2023, Mr Clark rendered an invoice for the quoted amount on completing the work which was described as:⁹⁴

Developed 5 units of competency together with all relevant documented tools suitable for delivery.

30 documents delivered in 11 weeks (learners guide, PowerPoints, theory assessments, answer keys, practical assessments and mapping to unit of competency).

⁹¹ Mr Clark, 18 March 2025, ts 80.

⁹² Mr Clark, 18 March 2025, ts 80.

⁹³ Exhibit 0078-2024- 0134.

⁹⁴ Exhibit 0078-2024- 0063.

THE SAFEWORKING RULES TENDER

Mr Clark's second declaration of interest

144 On 11 September 2023, the PTA released a request for tender for PTA 230081 'Development of Training for the New Safeworking Rules and Procedures' (**Safeworking Rules Tender**). The tender was for developing a bundle of training packages for all rail safeworking roles at the PTA. The packages included programs for protection officers.

145 Mr Clark was initially included on the tender panel as a subject matter expert. However, he declared a conflict of interest.⁹⁵ He stated in the declaration, dated 21 September 2023:

I have undertaken paid work from a potential Vendor some time ago... Happy to be removed from the panel or have the panel offer advice and remain impartial to the vendor.

146 He identified the potential vendor as 'RMC' but provided no further details. Mr Clark also did not declare that he had been contacted by Mr Butler on 12 September 2023 - first by telephone and then, a short time later through his personal email address.⁹⁶ Mr Butler's email commenced '[a]s discussed here is the scope of the PTA tender'. The email then reproduced the tender scope as published by the PTA.⁹⁷ Mr Clark accepted he should have advised Mr Gearon or 'someone in the PTA integrity department' about the contact.⁹⁸

147 Mr Clark was asked by the chair of the tender panel to clarify the last time he had undertaken paid work for the vendor. Mr Clark replied on 22 September 2023 stating, 'I have accepted some tasks and undertaken independent validation within the last 12 months. This is possibly once every 3 or 4 months.'⁹⁹

148 In fact, Mr Clark had last been paid by Railtrain on 1 June 2023.¹⁰⁰ Moreover, he submitted an invoice to Railtrain for the development of five more units of competency two days after making the declaration. As noted in the previous section, the invoiced amount was \$9,600.¹⁰¹

⁹⁵ Exhibit 00078-2024-0079.

⁹⁶ Exhibit 00078-2024-0164 and Exhibit 00078-2024-0211.

⁹⁷ Exhibit 00078-2024-0211.

⁹⁸ Mr Clark, 18 March 2025, ts 90.

⁹⁹ Exhibit 00078-2024-0104.

¹⁰⁰ Exhibit 00078-2024-0024.

¹⁰¹ Exhibit 00078-2024-0063.

A further approach by Mr Butler

- 149 On 3 October 2023, Mr Butler sent an email to Mr Clark about the Safeworking Rules Tender.¹⁰² The email incorporated an email from a Railtrain Group manager to Mr Butler and other Railtrain employees. The subject of the email was 'PTA tender - work schedule'.
- 150 The email attached what was described as a 'first draft schedule for the PTA work, for discussion at our 10 am meeting' (that is, a meeting within Railtrain). The schedule contained detailed information to be used to estimate the number of days that would be required to provide the tender services. Obviously, that information was essential for fixing the contract sum to be submitted by the Railtrain Group as part of the Safeworking Rule Tender.
- 151 Mr Butler's email to Mr Clark commenced. '[a]s discussed, here is our schedule for development of all new rules'. Mr Butler identified other Railtrain employees who would be involved in the work if the Railtrain Group tender was successful and concluded his email, '[l]et me know your thoughts if you think we are on the money'.
- 152 Mr Clark stated he was unhappy about receiving the email and did not read it. However, Mr Clark then stated:¹⁰³

The only submission that I put to this, I said, "Yeah, looks good," and I thought I'll leave it at that, get out of my hair. Just remember to add – one of the big things we've been getting is the protection officers not briefing. I think there was a few days before where a protection officer turned up and literally went out onto a worksite and didn't give an accurate brief. So, I think I made comment to that.

- 153 Mr Clark did not inform anyone within the PTA that he had received the email. He regretted not having made a report.¹⁰⁴

The award of the tender

- 154 Mr Clark was removed from the tender panel. Railtrain was one of four companies that submitted a tender application and was ultimately awarded the contract on 9 February 2024 for a value of \$383,140.¹⁰⁵

¹⁰² Exhibit 00078-2024-0213.

¹⁰³ Mr Clark, 18 March 2025, ts 91.

¹⁰⁴ Mr Clark, 18 March 2025, ts 92.

¹⁰⁵ Exhibit 00078-2024-0071.

THE CERT IV COURSES

The proposed Alium Cert IV Course

- 155 On 5 December 2023, the Rail Safety Advisor for the Rail Safety & Governance Branch of N & I, Ms B, sent an email to various PTA officers and employees regarding the Alium Cert IV Course.¹⁰⁶ Alium is based in New South Wales and specialises in safety compliance and training across the rail, aviation and energy management sectors. It is a competitor of Railtrain.
- 156 The email advised that the Alium Cert IV Course was to commence in February 2024 and that Alium was willing to offer the course to PTA personnel using a virtual classroom if there were at least 16 enrolments. An Alium brochure was attached to the email and expressions of interest were invited. The email was not addressed to Mr Clark but he was copied in.
- 157 On the same day, Ms B sent an email to LOD advising of the offer by Alium and her email inviting expressions of interest.¹⁰⁷ Ms B indicated in both emails that she had discussed the Alium Cert IV Course with the 'Safeworking Management group'.¹⁰⁸
- 158 On 15 December 2023, Ms B sent a follow-up email to five PTA employees enquiring whether they were interested in participating in the course as there were still spots available.
- 159 On 10 January 2024, the Registered Training Organisation Quality and Compliance Officer for LOD, Ms C, began preparing a pre-procurement document for the Alium Cert IV Course to be delivered to 20 PTA staff at a cost of \$110,000.¹⁰⁹

Mr Clark's communication with Mr Butler about the Alium Cert IV Course

- 160 On 6 December 2023, Mr Clark forwarded the Alium Cert IV Course brochure by email to Mr Butler.¹¹⁰ The brochure identified the units comprising the course; stated the price per participant; and provided information about how the course would be delivered.
- 161 Mr Clark stated in his evidence that he had sent the brochure to Mr Butler to 'show the competition'. At least as a result of Ms B's email sent on the previous day, Mr Clark was aware that the PTA was proposing to engage Alium to provide its course when he sent the brochure to Mr Butler.¹¹¹

¹⁰⁶ Exhibit 0078-2024-157.

¹⁰⁷ Exhibit 0078-2024-157.

¹⁰⁸ Mr Clark was a member of that group: Mr Clark, 19 March 2025, ts 3.

¹⁰⁹ Exhibit 0078-2024-137

¹¹⁰ Exhibits 00078-2024-0164; 00078-2024-0311.

¹¹¹ Mr Clark, 19 March 2025, ts 5.

Railtrain's response

162 Mr Clark stated that he had discussed with Railtrain the possibility of a Certificate IV investigation course sometime in about early 2023.¹¹² Railtrain and Mr Butler advised that developing such a course had been part of its strategy since 2021. Nevertheless, within an hour of Mr Clark sending the Alium brochure to Mr Butler:¹¹³

- (a) Mr Butler emailed the brochure to Mr Lee Jackson, the Registered Training Organisation Manager for Railtrain;
- (b) Mr Jackson sent a reply email to Mr Butler identifying what training units Railtrain had already developed that could be incorporated into an equivalent course and what 'gaps' needed to be filled with new units;
- (c) Mr Butler forwarded Mr Jackson's email to Mr Clark with the covering comment, 'as discussed'.

163 On the following day, Mr Butler sent an email to Mr Clark at his PTA email address:¹¹⁴

Richard

Railtrain has commenced the process of getting TLI42422 Certificate IV in Rail Safety Management on scope to have available for industry in the first half of next year, aiming for delivery in the second quarter.

We have a developer available who can produce the resources for each unit, and we are assuming they will need some additional in-house industry contextualisation. This customisation will ensure the materials and delivery meet the expectations and requirements of WA rail organisations such as PTA.

We already have the elective resources in Safety Critical Comms and our new Rail Safety Investigation that we are delivering for the PTA so the full qualification will be very rail specific and quality suited to WA operational environments.

Our initial thoughts on the program schedule are for two blocks of five days training spread over 3 – 4 months (to be determined), with some project work on the job in between and potentially a one-day assessment with a wrap-up workshop.

As we will look to deliver in minimum groups of 3 people and in 2 x 5 day blocks we can make this very cost effective to the PTA.

Happy to discuss this initiative further with you.

¹¹² Mr Clark, 19 March 2025, ts 5.

¹¹³ Exhibit 00078-2024-0204.

¹¹⁴ Exhibit 00078-2024-0339.

164 Mr Butler was asked about the purpose of sending Mr Clark the email:¹¹⁵

Again, we identified a need in industry. Richard did make comment that that's something that the PTA and his organisation would be very interested in to do that. And it was - pretty much told him how we're going to structure the course because I think Alium did it very, very differently. And I think looking at the brochure was one day for five weeks or something; we made the choice to do it differently. So I was expressing to Richard that our course would look different than the Alium course, and how we'd structure it to potentially clients and the PTA.

...

So why send this to the PTA? --- I just think just to make sure that Railtrain was, I suppose, looking to develop this course on a more formal level. Not just informal, but more of a formal level to the PTA, potentially for other clients because he's in one of the units or one of the business, I think, but it had wider scope for all their business units.

165 Mr Clark was also asked about his understanding of the purpose of Mr Butler's email:

But looking at this email, what was the purpose of Mr Butler sending you this email? --- Probably to promote it. That's all I can probably say.

So he's sending it to you at the PTA so you can promote it? --- Yes. Possibly, yes.

So you can let the PTA know that there's an alternative to Alium? --- Yes, obviously.

And that's after you've sent Mr Butler the Alium brochure, and let him know that the PTA is about to engage Alium? --- Yes.

Did you ask Mr Butler to send you that email? --- I can't recall. Possibly.

166 The email which provided a copy of the Alium brochure to Mr Butler did not refer to the proposed delivery of the Alium Cert IV Course to PTA employees. However, Mr Clark contacted Mr Butler by phone shortly prior to sending the email.¹¹⁶ Mr Clark's evidence, as reproduced above, confirms he advised Mr Butler of that proposal in the telephone call.

Mr Clark's concern about disclosure of his involvement

167 Mr Clark stated that the steps proposed to be taken by the PTA to engage Alium to deliver the Alium Cert IV Course caused 'us to put the foot on the gas' (Commission's emphasis), even though Railtrain had previously contemplated developing a similar course.¹¹⁷

¹¹⁵ Mr Butler, ts 59.

¹¹⁶ Exhibit 0078-2024-0164.

¹¹⁷ Mr Clark, ts 10.

168 Mr Clark's identification with Railtrain in that answer to a question asked in his examination was revealing. Equally revealing was an exchange between Mr Clark and Mr Myatt on 14 February 2024. Mr Clark texted, 'Hey please explain to your team not to mention the work I do for you. Although I have claimed legally a conflict of interests I have to remain reserved.' Mr Myatt sought clarification: was Mr Clark referring to 'Railtrain' or 'RMC Pos'? Mr Clark replied, 'development work'.¹¹⁸

169 Asked why he had sent the text to Mr Myatt, Mr Clark stated:¹¹⁹

I just didn't want it put out there. I just didn't want it to be common knowledge, even though I see now after the evidence yesterday I could have been more open in how I did the external employment. I just didn't want it put out there.

You didn't want the PTA to find out the extent of the work that you were doing for Rail Train? --- I think they knew a lot of what I was doing with Railtrain, but I don't take that 100 per cent, no. I just didn't want everybody knowing what I did. It was shortly after this that I actually stopped working for Railtrain. I think only did one unit in this course.

170 Mr Clark added that he thought that managers with the PTA knew 'a lot of what [he] was doing with Railtrain' because of his declaration of conflict. However, he had not updated his declarations since his first declaration on 17 November 2022 and his second declaration in relation to the Safeworking Rules Tender. Mr Clark accepted that anyone reading those declarations would not know that he was undertaking work in relation to the proposed Railtrain Cert IV Course and that he should have been 'more open'.¹²⁰

171 That evidence did not satisfactorily explain why Mr Clark had requested Mr Myatt give an instruction to his team about not disclosing his role in developing the proposed course or what he meant by being 'reserved'.

¹¹⁸ Exhibit 00078-2024-0353.

¹¹⁹ Mr Clark, ts 12.

¹²⁰ Mr Clark, ts 13.

MR CLARK'S EARLY INVOLVEMENT WITH THE RAILTRAIN CERT IV COURSE

- 172 Mr Clark became commenced consulting with Railtrain on the proposed Cert IV course almost immediately following Mr Butler's email on 7 December 2023. He was asked by a Railtrain employee in an email sent on 20 December 2023 about his capacity to undertake work on a particular aspect of the course.¹²¹ On 27 December 2003, Mr Clark sent an email to a Railtrain employee providing detailed comments on proposed course materials that had been provided for him to review.¹²² It was obvious from the email that the whole or a substantial part of the proposed course material had been provided to Mr Clark and that he had extensively reviewed the material. Mr Clark agreed in his examination that the advice could be characterised as a preliminary discussion to help Railtrain develop its course.¹²³
- 173 On 24 January 2024, Mr Clark participated in a meeting with Mr Butler and other senior Railtrain employees to discuss the proposed course. The purpose of the meeting was to consider the materials that would be required.¹²⁴ There was a further meeting at which Mr Clark attended on 2 February 2024.¹²⁵

Mr Clark's communications about the Cert IV Courses within the PTA

- 174 On 9 February 2024, Mr Clark sent a text to Ms C regarding the Alium Cert IV Course:¹²⁶

Clark: Just hold off on my team. I am a little pissed that no one has consulted with me on this

No one has come to me and asked if I can release my team. Also the course is not good

Ms C: All good I'll let the provider know we won't be going ahead with it.

- 175 Mr Clark stated in his examination that he sent the text message because he could not release members of his team for operational reasons. However, he admitted that his assessment of the Alium Cert IV Course as 'not good' was solely based on the Alium brochure - that is, the brochure he had sent to Mr Butler to 'show the competition'.¹²⁷ He said that he was not happy with the course being delivered by 'distance learning'.¹²⁸

¹²¹ Exhibit 00078-2024-0035.

¹²² Exhibit 00078-2024-0267.

¹²³ Mr Clark, 19 March 2025, ts 9. Railtrain and Mr Butler stated in their representations that the purpose of providing material to Mr Clark was to lay out all of the legislation courseware that had been developed and to explain the units that had already been completed. Mr Clark's role was to review 'gap materials around legislation and structure'.

¹²⁴ Mr Clark, 19 March 2025, ts 9; Exhibits 00078-2024-0300; 00078-2024-0033; and 00078-2024-0062. Railtrain and Mr Butler described the meeting as short and that its purpose had been to discuss the work that had already been undertaken and the gaps that remained.

¹²⁵ Mr Clark, 19 March 2025, ts 10 and Exhibit 00078-2024-0197.

¹²⁶ Exhibit 00078-2024-0538.

¹²⁷ Mr Clark, 19 March 2025, ts 10-11.

¹²⁸ Mr Clark, 19 March 2025, ts 11.

- 176 On 27 February 2024, Mr Clark called a meeting to discuss 'evaluating the Certificate IV in Rail Safety Management training'. The email calling for the meeting identified a number of issues with progressing delivery of Certificate IV training to PTA employees.¹²⁹
- 177 Mr Clark declined to release members of his team to attend the Alium Cert IV Course following the meeting. Mr Clark again stated in his examination that this was for operational reasons.¹³⁰ He denied that he intended to favour the Railtrain Cert IV Course.¹³¹
- 178 On 28 March 2024, a member of Mr Clark's team sent the following email to cancel his attendance at the Alium Cert IV course:¹³²

Have spoken to Richard, I cannot commit to the course structure at the moment with the team composition the way it is.

I would like to undertake the training locally through RMC when it becomes available.

Mr Clark's third conflict of interest declaration

- 179 On 17 May 2024, Mr Clark submitted a further conflict of interest declaration.¹³³ The declaration was made nearly five months after Mr Clark was approached by Railtrain to assist with the Railtrain Cert IV course and his initial review of course materials in late December 2023.
- 180 The declaration provided more detail about Mr Clark's involvement with Railtrain than the previous declaration:

I have been asked to review a training course (Certificate IV in rail safety management) by a company which is used by my department. The training course would have no direct impact to my own role or team. As I hold diplomas in training and assessing and am a subject matter professional in the training area, they would merely like to talk to me regarding the course. It is possible this course may well be sold to the PTA (plus other rail companies) and is around Rail Safety management. At this point I am not receiving any payment for this however subject to the review this could change so I will say I may receive payment in the future. Once this training has been validated by their own processes it could in fact prove to be advantageous to the PTA and its future leaders.¹³⁴

- 181 However, Mr Clark's proposed management plan for this conflict did not address how the conflict would be managed. The plan merely stated:

¹²⁹ Exhibit 00078-2024-0145.

¹³⁰ Mr Clark, 19 March 2025, ts, 14.

¹³¹ Mr Clark, 19 March 2025, ts, 14.

¹³² Exhibit 00078-2024-0097.

¹³³ Exhibit 00078-2024-0335.

¹³⁴ Exhibit 00078-2024-0335.

As I perceive there is no conflict to my current role I see any conflict as minimal.

I will not refer to any IP from the PTA or use any documentation from the PTA and review the material from an independent point of view both for metropolitan rail organisations and freight organisations.

- 182 It is immediately apparent that the plan did not recognise any procurement risk despite Mr Clark acknowledging that the Railtrain Cert IV Course might be sold to the PTA. Mr Gearon approved the declaration on 10 June 2024 notwithstanding that the plan did not address the obvious procurement risk.¹³⁵ The 'plan' simply left Mr Clark to determine whether the PTA should engage Railtrain to deliver a course on which he had worked with Railtrain. Obviously, he was unable to make an impartial decision about whether the course represented value to the PTA and whether it should be preferred to the Alium Cert IV Course.
- 183 Mr Clark should not have been involved in any decision about procuring either the Railtrain Cert IV Course or the Alium Cert IV Course. Moreover, the procurement risk was not hypothetical. By the time of the declaration, Mr Clark had already expressed an adverse opinion on the Alium Cert IV Course and decided that his team members should not attend the course.

¹³⁵ Exhibit 00078-2024-0301.

MR CLARK'S FURTHER ASSISTANCE ON THE RAILTRAIN CERT IV COURSE

184 Mr Clark was not initially paid for his work on the Railtrain Cert IV Course. However, on 23 May 2024, Railtrain requested Mr Clark provide a quote for reviewing the course:¹³⁶

As discussed, we are chasing a quote to commence work immediately on the review of this package. At this stage it would involve:

Undertaking a top down review of the 5 workbooks looking at content, flow, identifying activity placeholders.

Checking the mapping to ensure that the content is complete – spot mapping only is sufficient at this stage.

185 Between 23 May 2024 and 30 September 2024, Mr Clark continued to assist in the development of the Railtrain Cert IV Course by reviewing course materials and providing feedback and guidance to Ms Morris, as Railtrain's new General Manager of Training.¹³⁷

186 On 14 July 2024, Mr Clark submitted an invoice to Railtrain for \$2,808.00 for completing the work on two modules for the Railtrain Cert IV Course that involved:¹³⁸

- (a) reading the modules and reviewing against national standards and industry benchmarks;
- (b) reviewing a learner manual for a module in the course;
- (c) attending meetings on 13 March 2024 and 22 May 2024 for reviews of the modules;
- (d) making the modules more rail specific after review meetings.

187 On 16 October 2024, another member of Mr Clark's team sent an email to him about the Railtrain Certificate IV Course:¹³⁹

Hi Richard, As we previously discussed Alium Work's cert IV was not the preferred course for our people to attend.

Given RMC has now released dates for their pilot course, would you be open to my attendance on either this one or the next available?

Mr Clark enthusiastically responded, "Yes yes and yes please enrol".

188 In November 2024, yet another member of Mr Clark's team contacted Railtrain seeking information about the Railtrain Cert IV Course. He stated that his manager (Mr Clark) had

¹³⁶ Exhibit 00078-2024-0198.

¹³⁷ Exhibits 00078-2024-228, 00078-2024-0381-1, 00078-2024-384, 00078-2024-0389 and 00078-2024-0542.

¹³⁸ Exhibit 00078-2024-0234.

¹³⁹ Exhibit 00078-204-0534.

urged him to take the course. The team member subsequently sent an email to Mr Clark confirming that he had 'reached out to RMC' as Mr Clark had asked.¹⁴⁰

189 Between 28 October 2024 and 10 December 2024, the PTA enrolled seven employees to attend the Railtrain Cert IV course at a cost of \$33,300.00.¹⁴¹

190 Only seven participants eventually enrolled in the Alium Certificate IV course - significantly less than the 20 participants that had been contemplated when Ms C prepared the pre-procurement document in December 2023.

¹⁴⁰ Exhibit 00078-2024-0523.

¹⁴¹ Exhibit 00078-2024-0537.

THE COMMISSION'S OPINION AND RECOMMENDATIONS

Why the Commission formed an opinion of serious misconduct

- 191 The Commission formed an opinion of serious misconduct by Mr Clark having regard to the following matters:
- (a) Mr Clark's duties, responsibilities and authorities as Manager Safety and Rail Access.
 - (b) A failure to declare, or fully declare, a conflict of interest or to appropriately manage the conflict may facilitate serious misconduct - it may enable a public employee to exercise a power or discretion which they ought not to have exercised and by doing so, take an improper advantage of their position to obtain a benefit or cause a detriment. That is what occurred in this instance:
 - (i) Mr Clark should not have been involved in decisions by the PTA to procure any training course offered by Railtrain having regard to his conflict of interest. However, PTA management did not insist on that approach.
 - (ii) That was partly explained by the fact that Mr Clark's application for external employment approval and his conflict declarations did not fully disclose the nature and the extent of the work he was performing for Railtrain - especially as he failed to update the declarations and reapply for external employment approval as the work he was undertaking for Railtrain progressed. He had no approval to engage in external employment after 8 August 2023 (although that was not picked up the PTA's internal processes).
 - (iii) Consequently, Mr Clark was able to use his position to arrange for Railtrain to deliver the Safety Incident Course and the Railtrain Cert IV Course to employees under his supervision.
 - (iv) Mr Gearon, and it appears other senior managers in the PTA, did not know that Mr Clark had been paid to assist in developing Railtrain courses which were then procured by the PTA under Mr Clark's direction.
 - (c) The Commission accepted that Mr Clark genuinely thought the courses produced by Railtrain were of a high standard. However, that merely highlighted the problem. Mr Clark was the person who developed parts of the courses and reviewed other parts. He then, by his actions, decided that the courses were of value to the PTA and arranged for the courses to be delivered to employees under his control. In that process, he also dismissed the Alium Cert IV Course in an email to other PTA managers.
 - (d) The fact that the PTA might have received value for the courses delivered by Railtrain does not mean that Mr Clark's conduct could not constitute serious misconduct. The Commission's concerns were with Mr Clark's relationship with the

Railtrain Group and the process by which the PTA procured the Group's services and not with the quality of the service provided. A quality service may be provided notwithstanding that it has been procured through a public officer engaging in serious misconduct.

- (e) Mr Clark provided the Alium Cert IV Course brochure to Mr Butler. The brochure identified all the units that comprised the course, the price per participant and information about how the course would be delivered. The information was publicly available. However, Mr Clark also informed Mr Butler that PTA was planning to engage Alium to deliver the course. There was no reason for Mr Clark to disclose that fact in discharging his duties as a PTA employee. Rather, the information was conveyed to Mr Butler to enable Railtrain to compete with Alium by developing an equivalent course.
- (f) Mr Clark took advantage of his position as Manager Safety and Rail Access to:
 - (i) disclose information to Railtrain regarding the intentions of PTA to engage Alium to provide the Cert IV Course; and
 - (ii) arrange for PTA to procure delivery of the Safety Incidents Course and the Railtrain Cert IV Course from Railtrain and for the courses to be delivered to employees under his management;
 - (iii) favour Railtrain.

That conduct conferred a benefit on Railtrain and caused detriment to Alium.

192 Corruption is easier to recognise than define. In part, that is because the meaning of the word 'corruption' can be affected by the context in which it is used. One ordinary meaning of the word 'corruption' in the context of public administration is that it denotes the dishonest or partial exercise of an official function by a public officer or employee.¹⁴² Dishonesty is not assessed according to the subjective beliefs of the public employee in question. Rather, it is assessed according to community standards - what a reasonable person would regard as dishonest in the relevant circumstances.

193 Corruption in public administration will involve the deliberate exercise of a power, discretion or authority for an improper purpose or to obtain an improper outcome. A person who uses a power of, or incidental to, a public office to obtain some private advantage or for any purpose foreign to the power will use the power 'corruptly'.¹⁴³

194 A person's purpose may be ascertained by the effect of their actions. A person may, of course, have mixed purposes in exercising a power, discretion or authority. It is not

¹⁴² *Independent Anti-Corruption Commission v Cunneen* (2015) 256 CLR 1 [38].

¹⁴³ *Bjelke-Petersen v Burns* [1988] 2 Qd R 129, 135; *DPP (Cth) v Pirone* (1997) 68 SASR 106.

necessary that the only purpose be a corrupt purpose for a finding that a person has engaged in serious misconduct. It is sufficient that it is one purpose in the sense that but for the improper purpose the power, discretion or authority would not have been exercised in the way in which it was exercised.

- 195 As has been emphasised, Mr Clark should not have exercised any power or authority in relation to procuring training courses offered by Railtrain. However, when he did exercise his powers and authorities, he did so in a way that was not impartial and for purposes which the Commission concluded were improper. The Commission accepted that Mr Clark acted with mixed purposes, including ensuring that PTA employees participated in what he regarded as good training programs. However, the effect of the exercise of his powers was to favour Railtrain and confer a benefit on the company, to cause harm to Alium and to benefit himself.
- 196 It was clear from all of Mr Clark's evidence that he very much enjoyed the work he was undertaking for Railtrain and hoped that it would continue, including after he retired. The Commission concluded Mr Clark's purposes in arranging for PTA employees to participate in the Safety Incidents Course and the Railtrain Cert IV Course were to favour, and confer a benefit on, Railtrain so that he could continue to consult to the company. Put simply, he enjoyed the dual role he played - safety management for the PTA and safety training developer and reviewer for Railtrain. He was not prepared to take the steps required to properly discharge his duty to the PTA for that reason.
- 197 Finally, the Commission formed an opinion Mr Clark acted dishonestly according to community standards. He never fully disclosed the nature and extent of his work for Railtrain and most significantly, that he had arranged for the PTA to procure delivery of training courses for which he had been paid to develop. He disclosed information to Railtrain about the Alium Cert IV Course which he knew Railtrain did not possess. He then assisted Railtrain to establish a competing course and arranged for employees under his control to take that course and not the Alium Cert IV Course.

The misconduct risk

- 198 As this investigation demonstrates, there are significant misconduct risks associated with external employment that require close and active management where a public sector employee proposes to also work in an area associated with their public sector employment. Those risks include the misuse of official information, conflicts of interest, partiality and other forms of misconduct in procurement decisions. There is also a risk that a contractor may exploit a relationship with the public officer to gain an unfair advantage over competitors.
- 199 The PTA's management of the risks associated with Mr Clark's external employment relied entirely on his self-reporting. Mr Gearon stated in his representation that '... yes I relied on [Mr Clark's] verbal updates that the work was not relevant to PTA. Not certain other than

writing to RMC seeking clarification on [Mr Clark's] work with them what more I could do in the context that I did trust [Mr Clark] to do the right thing.¹⁴⁴

200 However:

- (a) A necessarily close working relationship between a line manager and a senior employee, such as that which apparently existed between Mr Gearon and Mr Clark, carries the risk of an uncritical acceptance that the employee has properly fulfilled their obligations around conflicts of interest and external employment. That risk should be recognised in the plans for managing external employment, especially where the employee proposes to work in an area closely connected with their public sector employment. For example, it may be appropriate for another manager to consider the employee's application for external employment, and any associated conflict of interest declaration, and to then oversee the external employment.
- (b) There was no record of the 'verbal updates' given by Mr Clark: when the updates were provided, who instigated the updates, what questions were asked and what information was provided. The impression gained by the Commission was that any update was entirely informal and ad hoc.
- (c) The obvious step that ought to have been taken was to direct that Mr Clark could not be involved in any process for procuring training services (whether to be provided by Railtrain or any other contractor).

201 The Commission found it remarkable that Mr Clark was able to give directions about and arrange for PTA employees to participate in the Safety Incidents Course and the Railtrain Cert IV Course given what was known about his relationship with Railtrain and Mr Butler and his responsibility for rail safety training within N & I. It was also surprising that Mr Clark was able to take those steps without any senior manager knowing that Mr Clark had been paid for assisting in developing those courses.

202 Mr Gearon stated in his representations that LOD was responsible for providing rail safety training within the PTA. He considered that the division ought to have also been concerned with monitoring any conflict arising out Mr Clark's external employment with Railtrain. There was no evidence that the division made inquiries about any matter relevant to Mr Clark's conflict. Mr Gearon's representation suggests that there may have been no clear understanding around responsibility for overseeing Mr Clark's external employment and the consequent conflict of interest.

¹⁴⁴ Mr Gearon stated in his representations that he had reviewed the use of RMC protection officers. He also stated that he did not consider that RMC was favoured by Mr Clark, noting that the company was the largest supplier of protection officers. However, the Commission's investigation was not into the supply of protection officers by RMC; the investigation was into Mr Clark's relationship with Railtrain and decisions around the provision of training services. There was no evidence obtained by the Commission that suggested that RMC was improperly favoured by Mr Clark.

- 203 The matters identified above indicate fundamental weaknesses in the procurement processes adopted by the PTA.
- 204 There was a further and different risk exposed in this investigation - the risk that a contractor may manipulate a relationship with a public sector employee to gain an improper advantage in dealing with their public sector employer. That risk was not considered within the PTA beyond accepting Mr Clark's assurances that he would not perform work that conflicted with his position as a senior manager in the Authority.
- 205 Finally, Mr Gearon and Mr Clark were in almost daily contact to discuss operational matters. As the Commission noted earlier, that contact was necessary. However, the necessary close contact between an officer and their line manager may make it difficult for a manager to make decisions around conflicts of interest and external employment. Familiarity may compromise a manager's ability to make unbiased decisions - they may feel pressured to accommodate a request for external employment or accept a plan for managing a conflict or place too much trust in a close colleague. In this instance, Mr Gearon trusted Mr Clark to fully declare and manage any conflict with Railtrain with the result that, for example, he did not know that Mr Clark had worked on the Railtrain Cert IV Course - a course in which Mr Clark subsequently encouraged PTA employees to enrol and for which the PTA paid participation fees to Railtrain.

Recommendations

- 206 The Commission makes the following based on the findings made and the misconduct risks identified in its investigation - that the PTA:
- (a) Review current external employment processes to ensure that an application involving work with or for a current service provider of specialist services is at a minimum subject to additional scrutiny and controls. The review should also consider whether the approval of any external employment with a current service provider is appropriate, given the inherent conflict of interest risk and the complications that may arise.
 - (b) Develop a stand-alone conflict of interest policy and procedures that provide clearer guidance than the base-level of information in the PTA's Code of Conduct. The policy should outline the steps for declaring and managing conflicts of interest.
 - (c) Consider centralising management and oversight of conflicts of interest and external employment to provide additional oversight and assurance beyond that provided by line managers.
 - (d) Review the existing conflict of interest training to ensure it meets contemporary standards and develop and implement tailored training to support staff in understanding their obligations regarding conflicts of interest and external employment. The training should include scenarios to assist staff in identifying,

declaring and managing conflicts of interest, including those that may arise through external employment.