

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
BUDGET ESTIMATES 2012-2013

Finance and Deregulation Portfolio

Department/Agency: Department of Finance and Deregulation

Outcome/Program: 2/2.2

Topic: Moorebank Intermodal Terminal Project - Greenhill Caliburn report

Senator: Cormann

Question reference number: F38

Type of question: Hansard, F&PA Committee, page 64, 24 May 2012

Date set by the committee for the return of answer: Friday, 6 July 2012

Number of pages: 4

Question:

Mr Renwick: The Greenhill Caliburn report summarises their engagement—what they were asked to do—and I am not sure whether the full scope of work is in it.

Senator CORMANN: Can you go back on notice and see whether you can release the full engagement brief, including any supplementary instructions. I understand that the summary is available, which is why I am asking whether the full engagement brief can be released. So take that on notice and consider it.

Answer:

The full engagement brief contains commercially sensitive information. A redacted version of the engagement brief is attached.

Schedule 1

SCOPE OF WORK (SERVICES) – PEER REVIEW OF THE IMPLEMENTATION, RISKS AND STRATEGY CONCERNING THE PRIVATE SECTOR PROPOSAL BY THE SYDNEY INTERMODAL TERMINAL ALLIANCE

Background

1. The Australian Government has tasked the Department of Finance and Deregulation to undertake a detailed business case into the potential development of an intermodal terminal (IMT) at Moorebank in south western Sydney [REDACTED]
2. The Moorebank Project Office (MPO) has been established to conduct the detailed business case, funding for which was announced in the 2010-11 Budget. The detailed business case is focused on the site currently occupied by the Department of Defence including the School of Military Engineering (SME) to the west of Moorebank Avenue. The Sydney Intermodal Terminal Alliance (SIMTA) private sector proposal is for the development of an intermodal terminal on an 83 hectare site at Moorebank on land currently leased to the Department of Defence and adjacent to the SME.
3. In September 2010, a group of expert advisers led by KPMG was appointed to assist the MPO in undertaking the detailed business case and the assessment of the private sector proposal. The detailed business case provided a detailed examination of economic, financial, social, environmental and technical issues. In addition, the detailed business case also considered how to optimise private sector participation and financing for the delivery of the Government's objectives. The separate assessment of the private sector proposal considered the implications and risks to the Commonwealth. The Government's objectives are:
 - Boost national productivity over the long-term through improved freight network capacity and rail utilisation.
 - Create a flexible and commercially viable facility and enable open access for rail operators and other terminal users.
 - Minimise impact on Defence's operational capability during the relocation of Defence facilities from the Moorebank site.
 - Attract employment and investment to South West Sydney.
 - Achieve sound environmental and social outcomes that are considerate of community views.
 - Optimise value for money for the Commonwealth having regard to the other stated project objectives.
4. A draft detailed business case report on the proposed Moorebank IMT [REDACTED] are attached. The Australian Government is expected to consider the outcomes of these reports in the 2012-13 Budget process.
5. The MPO seeks to appoint an adviser to undertake a peer review and provide advice on the detailed business case and the assessment of the private sector proposal that has been undertaken to inform the Australian Government's consideration of the proposed Moorebank IMT.

Scope of Work (Services)

Report

6. The key output of the Services will focus on answering four specific questions for the Commonwealth, taking into account the Government’s desire to optimise its policy objectives and the available information:
 - a. What is the best strategy for the Commonwealth to optimise private sector investment and involvement with the Moorebank IMT project given the proposals currently available?
 - b. Which is the better option for the Commonwealth: the SIMTA proposal or the Moorebank IMT recommended in the DBC? What are the key reasons for your recommendation?
 - c. Could SIMTA deliver its proposal within its published timelines based on the risks currently identified?
7. Associated work will include [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
8. In preparing the Report, the adviser will be required to consult with KPMG (MPO’s Lead Adviser), Department of Finance and Deregulation, the Department of Infrastructure and Transport and the Department of Defence.

Nature of the Report

9. The Report will be structured into two phases (Phase 1 and Phase 2).
 - a. Phase 1 will focus on providing preliminary views on the three specific questions (6(a), (b),(c)) and the Report will be based on the reports indicated in paragraph 4 and an initial discussion with an agreed list of people from the parties identified in paragraph 8.
 - b. Phase 2 will focus on a more detailed review of the available information, and further discussions with the parties identified in paragraph 8 (and any other parties that may be required), following which the adviser will provide updated views on the three specific questions in paragraph 6 (as is necessary), as well as address the work outlined in paragraph 7.

Payment

■ [REDACTED]

[REDACTED]

[REDACTED]

■ [REDACTED]