



21 October 2015

The Hon Gordon Rich-Phillips
Member of the Legislative Council of Victoria
Chair, Port of Melbourne Select Committee
Parliament House
Spring Street
East Melbourne Victoria 3002

By facsimile & email to: Committee Chairman, Deputy Chair, Secretariat.

Dear Messrs Rich-Phillips & Mulino,

RE: Your inquiry into the proposed lease of the Port of Melbourne

Thank you again for the opportunity to appear before your Committee, last week.

During my testimony, I undertook to provide you with further information on two matters, which I understood to be:

1. Suggestions of appropriately qualified individuals, who could advise the Committee on the best structure for the subject port lease; and
2. Further information regarding the depth of the field of bidders for recent port transactions in New South Wales.

Appropriate individuals who could advise the Committee

As you are aware, we submitted that the Committee should resolve the best value approach to contemplated new port capacity within the structure of the lease for the extant Port of Melbourne.

I appreciate the Committee's advice that many of the major firms and practitioners in this area are conflicted, having already taken roles in anticipation of the transaction.

Having reflected on this matter, I wish to nominate three people who I believe are well qualified to advise the Committee on this issue. They are:

1. Bill Scales – a former Chairman of the Industry Commission, and former Chairman of the Port of Melbourne.
2. Dr Kerry Schott – Undertook Commission of Audit for the NSW Government, advised the government on the restructure and privatisation of the electricity generation sector, respected business, public sector and academic leader – Chairman of Moorebank Intermodal Company.
3. Michael Corrigan – a senior Partner at Clayton Utz, with extensive experience in mergers and acquisitions and competition policy.

Of these suggestions, only Dr Schott is known to me, although I am aware of the good standing of both Mr Scales and Mr Corrigan in this regard.

Further information regarding the NSW port transactions.

I am also pleased to respond to the question regarding the depth of bidders for the recent port leases in New South Wales, which I undertook to respond to on notice.

We note that NSW has not released these details, but we understand that the state shortlisted four bidding consortiums from a much larger field, for both the Port Kembla/Botany lease (offered in one line) – and the separate lease of the Port of Newcastle.

Once again my thanks for the opportunity to present to your Committee. Should I be of any further assistance please do not hesitate to contact my directly on [REDACTED]

Yours sincerely,

BRENDAN LYON
Chief Executive