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PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

2013-14 AND 2014-15 FINANCIAL AND PERFORMANCE OUTCOMES – ENTITY-SPECIFIC QUESTIONNAIRE

PORT OF MELBOURNE CORPORATION

Question 1

The TEI for the Port Capacity Expansion project fell from \$892.1 million in the budget papers for 2014-15 (BP4 p.108) to \$641.3 million in the budget papers for 2015-16 (BP4 p.90).

The 2015-16 budget papers indicate that 'due to the Port of Melbourne lease transaction, the budget does not take into account any Port of Melbourne Corporation financial data beyond 2015-16' (BP4, p.90). Please indicate:

- a. why the TEI for the project fell by \$250.8 million in 2015-16

The TEI of \$892.1 million was the amount that was approved by the Treasurer for the Port Capacity Expansion project,(as reported in the budget papers 2014-15(BP4 p.108).

The 2015-16 budget papers (BP4 p.90) did not take into account the forecast spend of \$250.8 million for the Port Capacity Expansion project in FY 2016-17 due to the Port of Melbourne Lease Transaction (that was expected to conclude in FY 2015-16).

- b. what body will be responsible for the project and how the project will be administered after the lease of the Port of Melbourne operations.

It is expected that pending the outcome of the Port of Melbourne Lease Transaction, the successful private operator will be responsible for the completion of the Port Capacity Expansion project.