



Operation Of NSW Branchline Train Services

Briefing Session: 13 November 2008

Prepared by the NSW Ministry of Transport

Disclaimer: The details provided in this presentation are for information purposes only and no warranty is provided in relation to its accuracy or completeness. Respondents to the EOI should undertake their own investigations and research to ensure they are fully informed.

The primary Government objective is to secure ongoing branchline services....

Objective

“To provide NSW grain farmers, and their local communities, with competitive branchline rail services which can be sustained over the longer term”

Mechanism

By identifying a Respondent which possesses the resources, skills and experience to establish and operate a commercially sustainable rail business across NSW branchlines

Government Bounds

Undertaken at no net cost to Government, and....

....does not require Government to maintain control and/or operate the assets

Government is looking to *receive* innovative industry solutions to deliver on this objective

- The EoI is deliberately non-prescriptive - Government is not best placed to identify how the objective is best achieved
- The majority of issues are therefore left open for consideration by respondents

Required

**Servicing of branchline
(light axle) rather than
mainline sites**

Desired

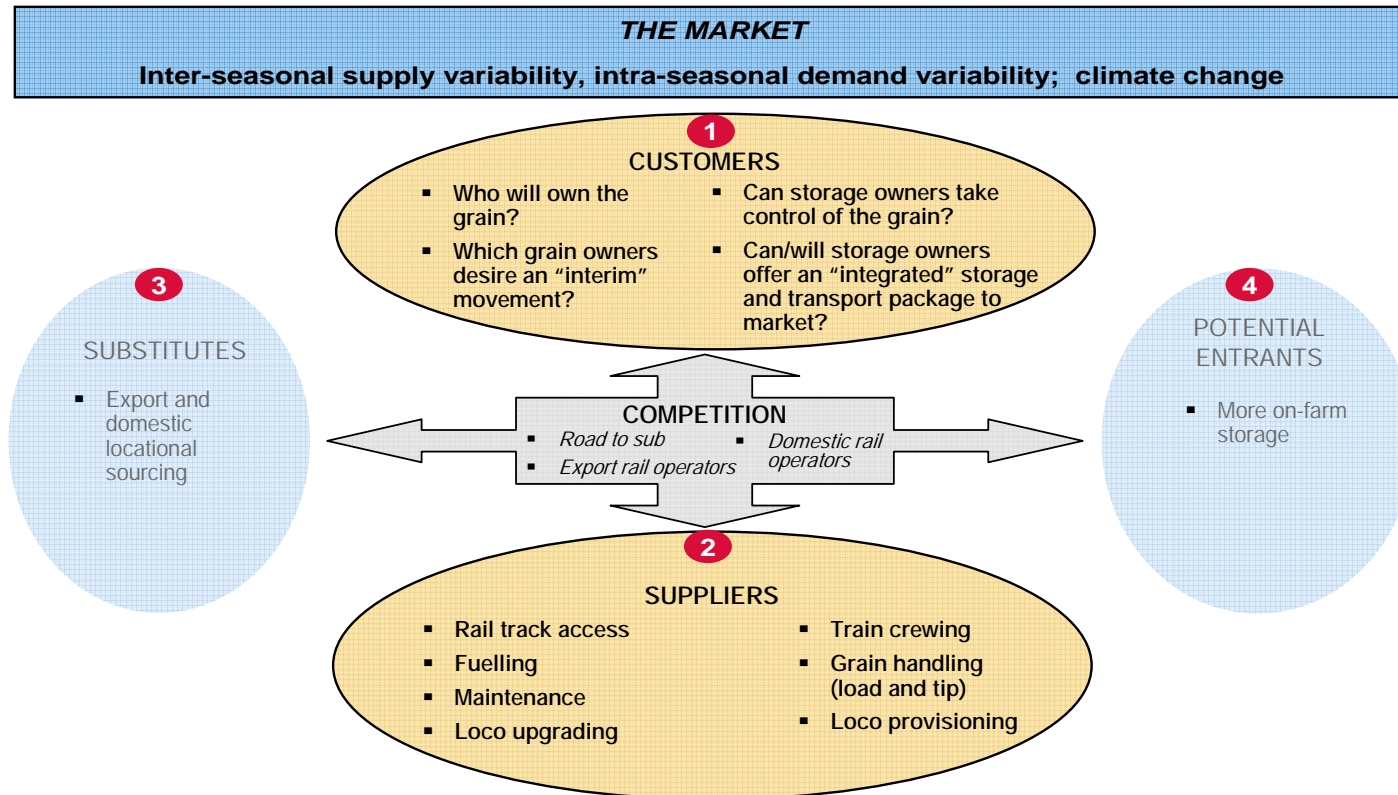
**Longer term (5 years
plus) agreement**

Non-Mandated Issues

- Who the operator enters into contracts with for the haulage of grain
- Whether the grain is tipped and reloaded, or taken to end-destination through a wagon exchange
- How far the Operator extends services across the branchline network
- Extent and use of the available assets provided by Government
- Whether the Operator leases or wishes to take ownership of the assets offered by Government
- Where and how the Operator undertakes maintenance and other support functions
- Extent of re-capitalisation of the assets, and/or augmentation of the assets with additional resources

Government will want to be convinced that the operator understands the market and its inherent risks, and has reflected this in the business case developed

- A significant risk for the Government is that the Operator is not aware of the risks and ceases operating mid-term
- Respondents therefore need to present a robust business case which anticipates and/or allows for possible adverse developments



In concert with the evaluation criteria contained in the documentation, the following five probity issues will be fundamental to the process (Paul Marsh – Oakton)

- ✓ Best value
- ✓ Impartiality
- ✓ Appropriate dealing with any conflicts of interest
- ✓ Accountability and transparency
- ✓ Confidentiality

Corrections and/or clarifications in EoI document.....

- Reference to ARTC access charges (page 8 of EoI documentation). Rates are available from the Ministry of Transport - enquiries should be made to Grain Asset EOI Contact Officer - as per email address on page 17 of the document

The branchline network (dotted line)

