



Western Australia's Reform Task: Electricity, Ports and Beyond

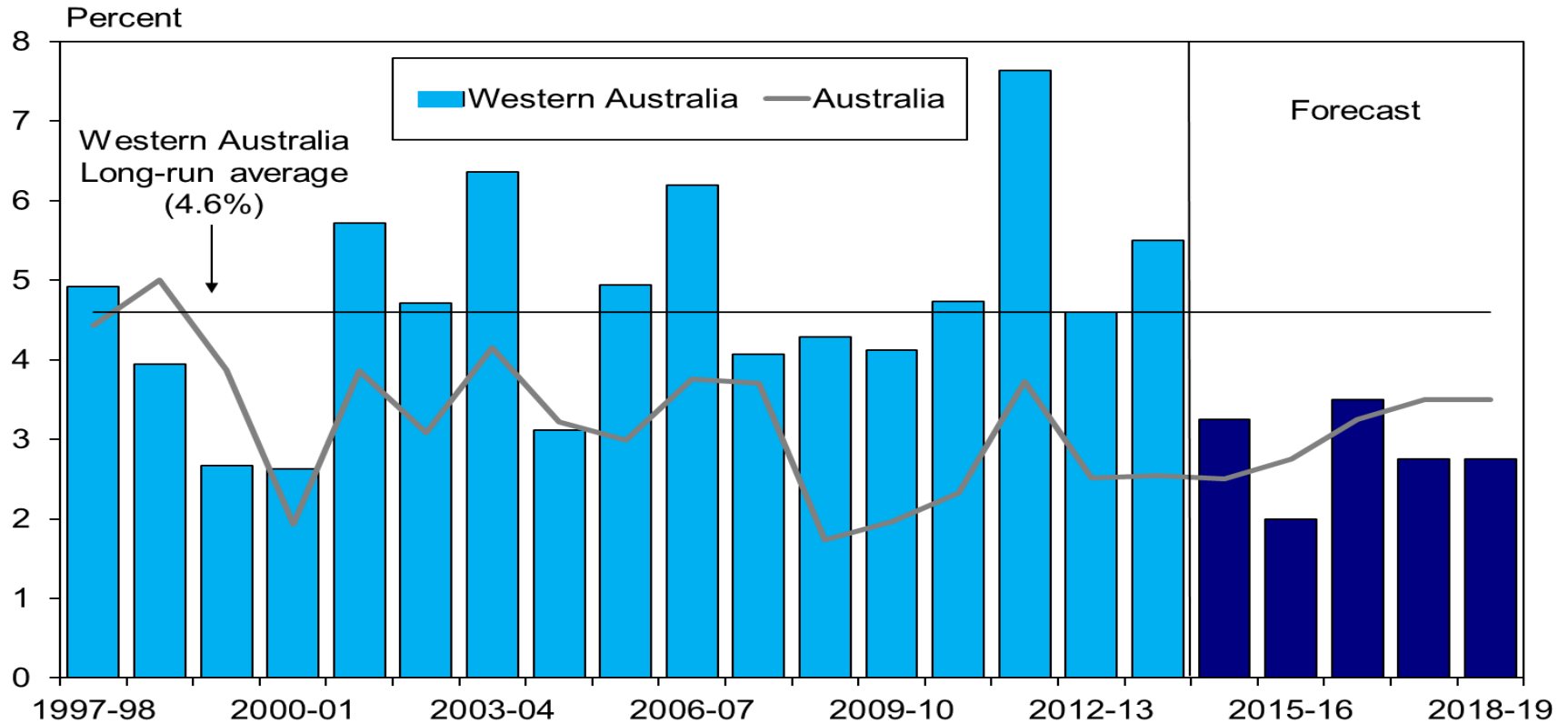
The Hon Dr Mike Nahan MLA
Treasurer; Minister for Energy; Citizenship and Multicultural Interests

IPA Partnerships 2015 Infrastructure and Investment Conference

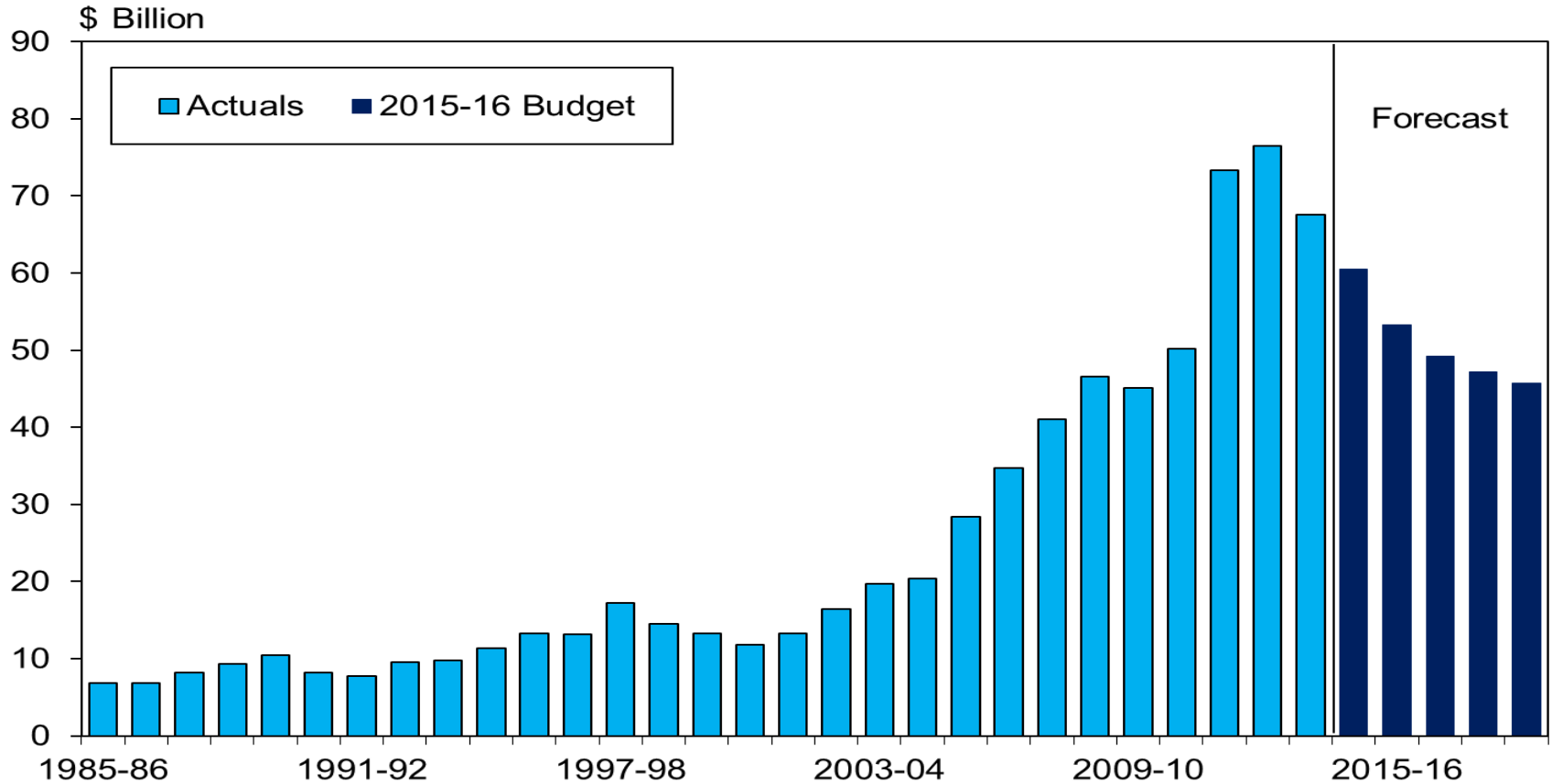


ECONOMIC GROWTH

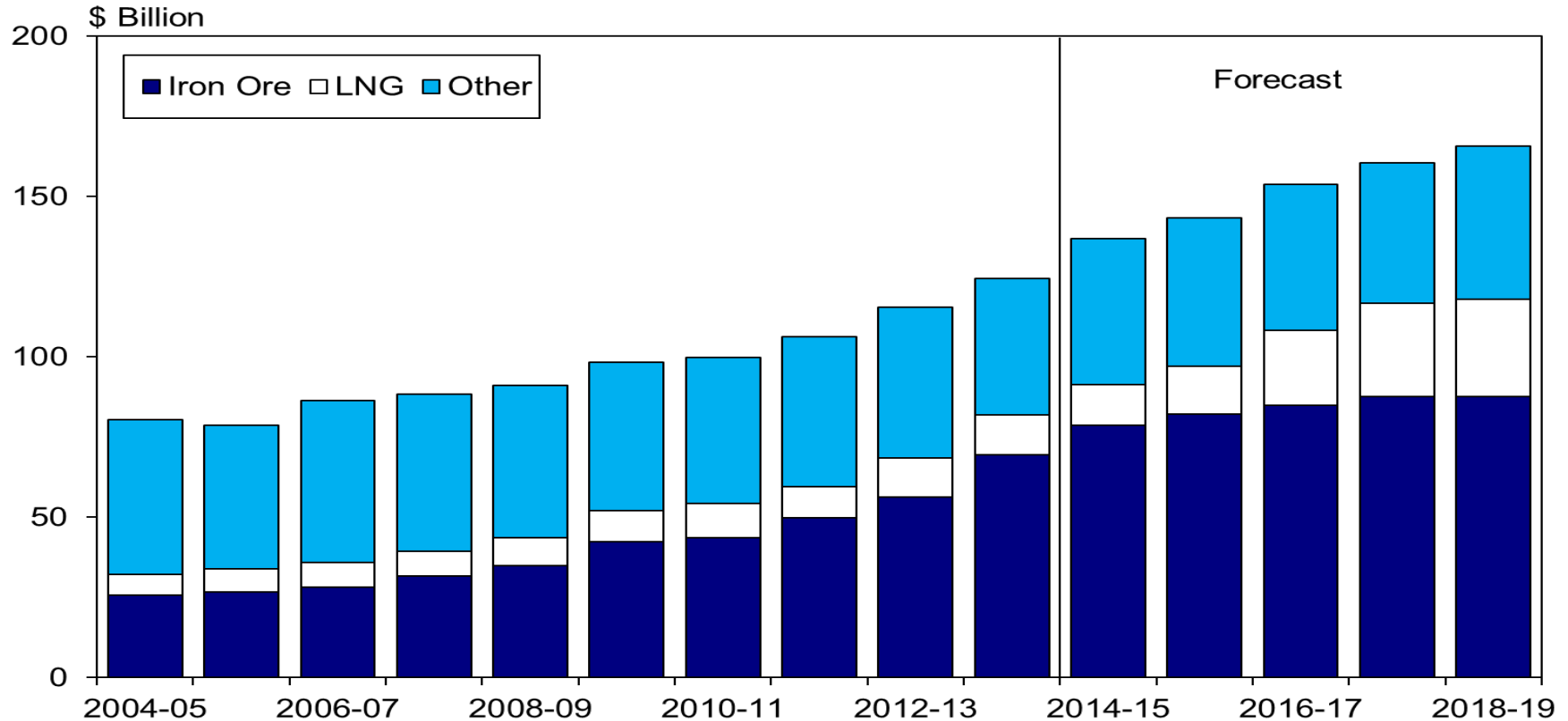
GSP/GDP



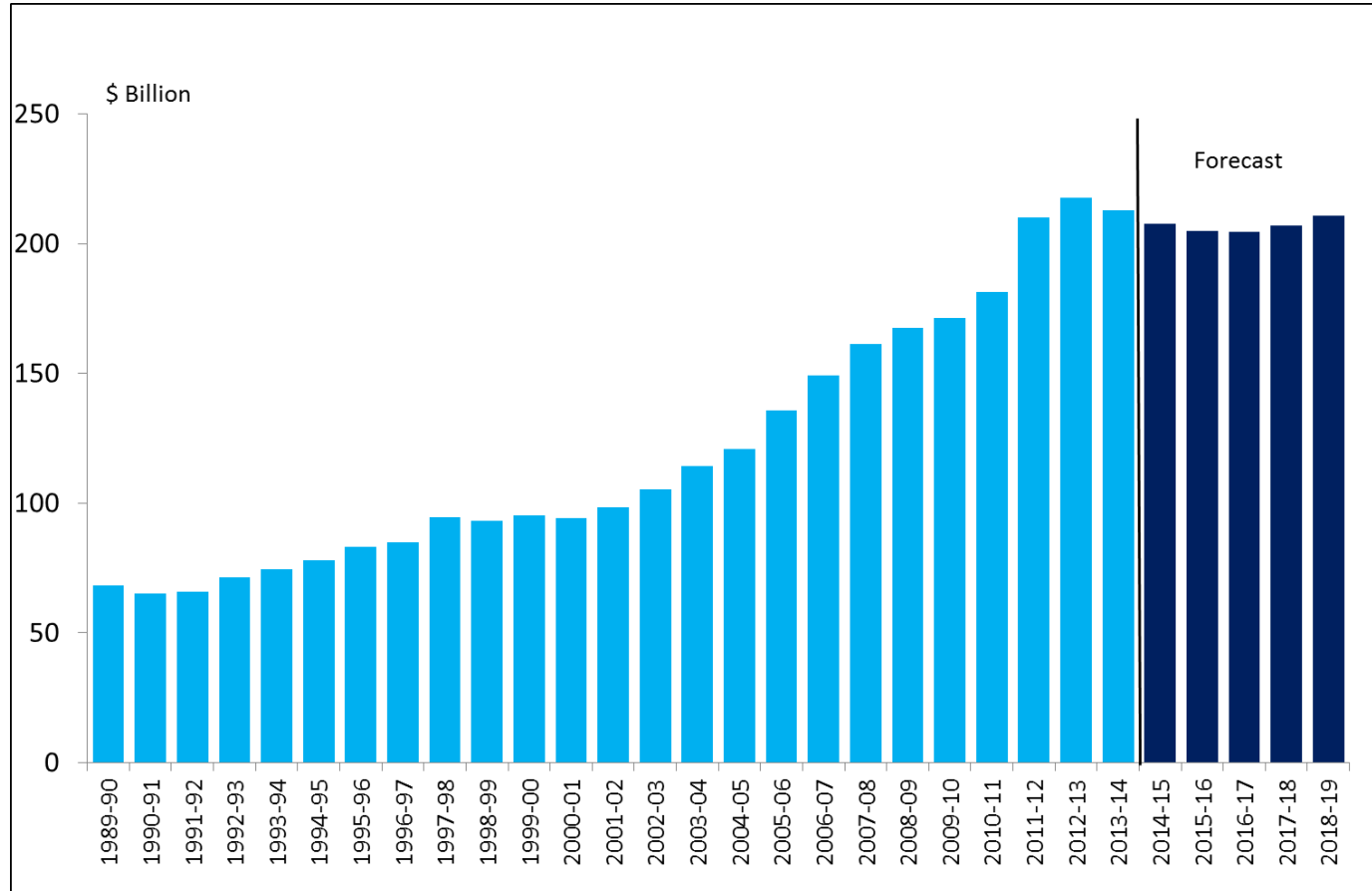
BUSINESS INVESTMENT



MERCHANDISE EXPORTS CHAIN VOLUME

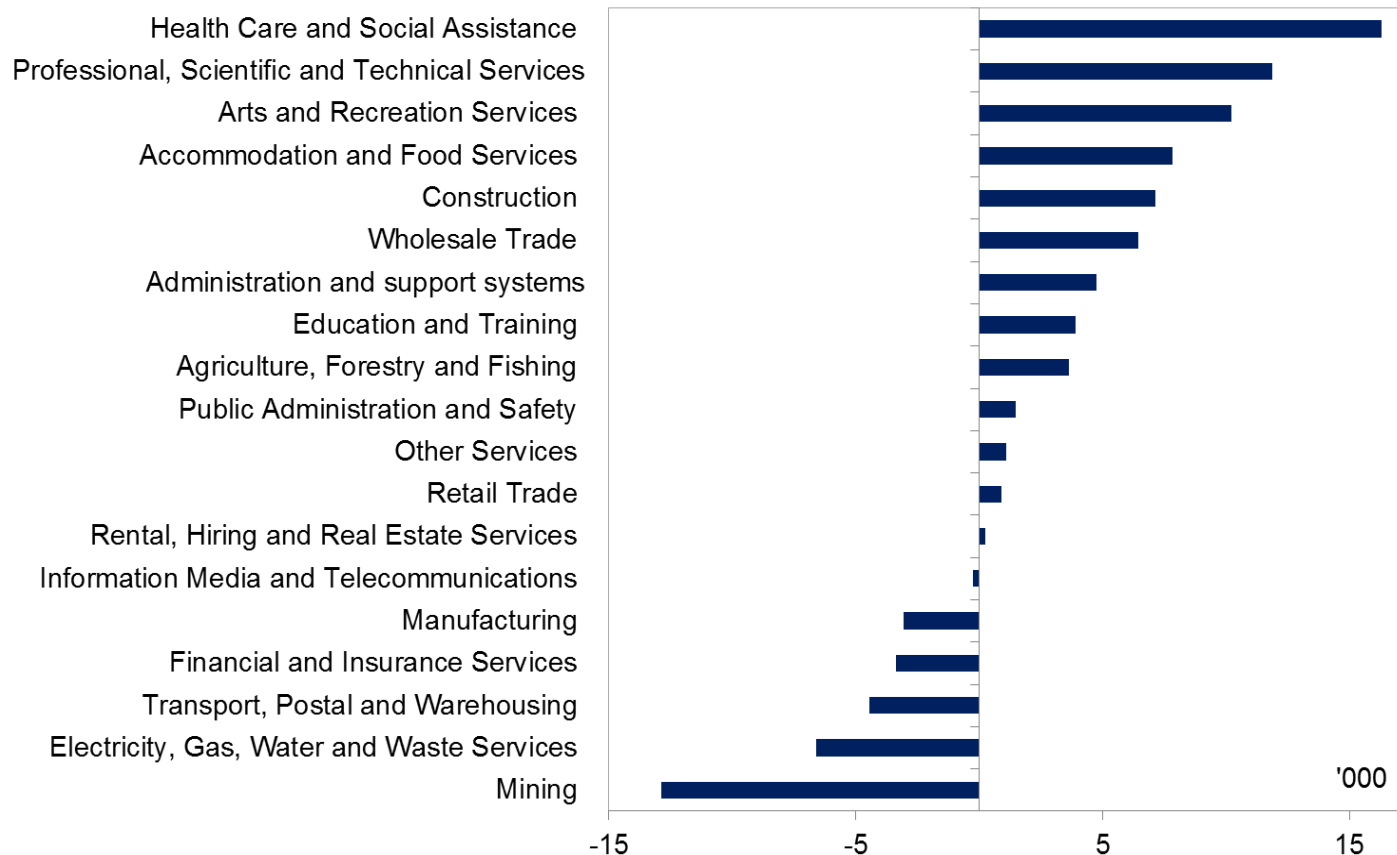


STATE FINAL DEMAND

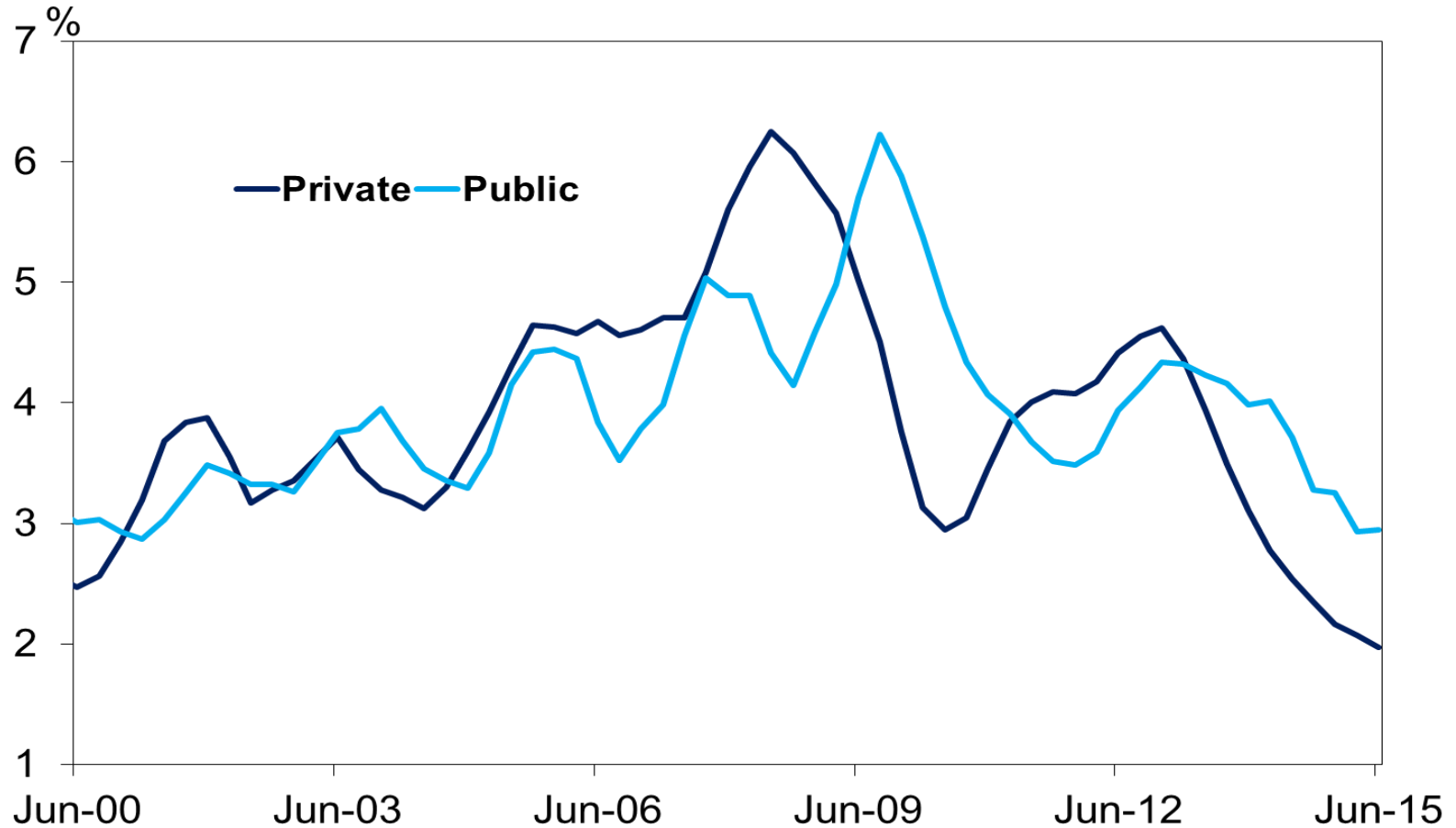


CHANGE IN EMPLOYMENT BY INDUSTRY

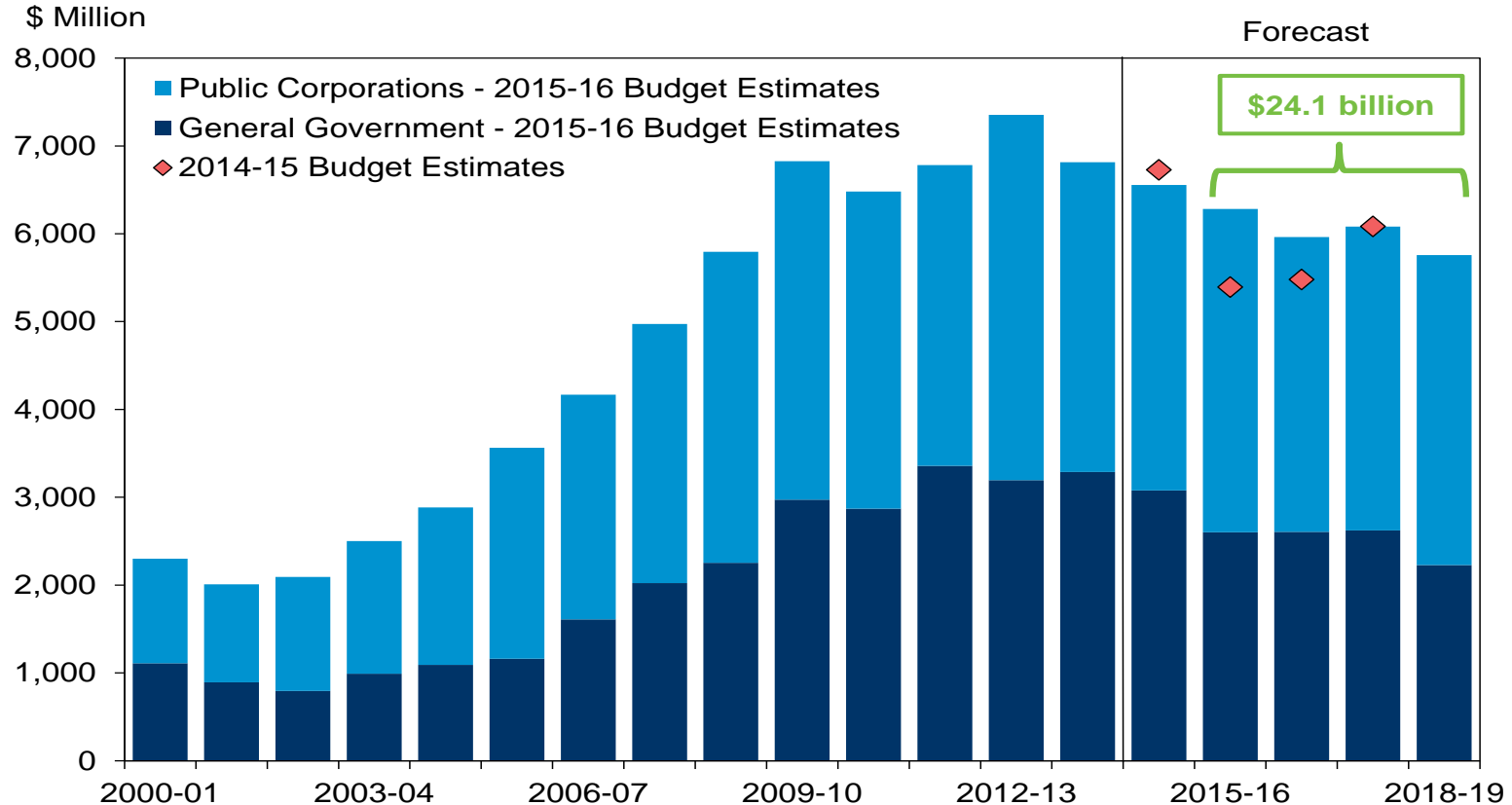
YEAR TO MAY 2015



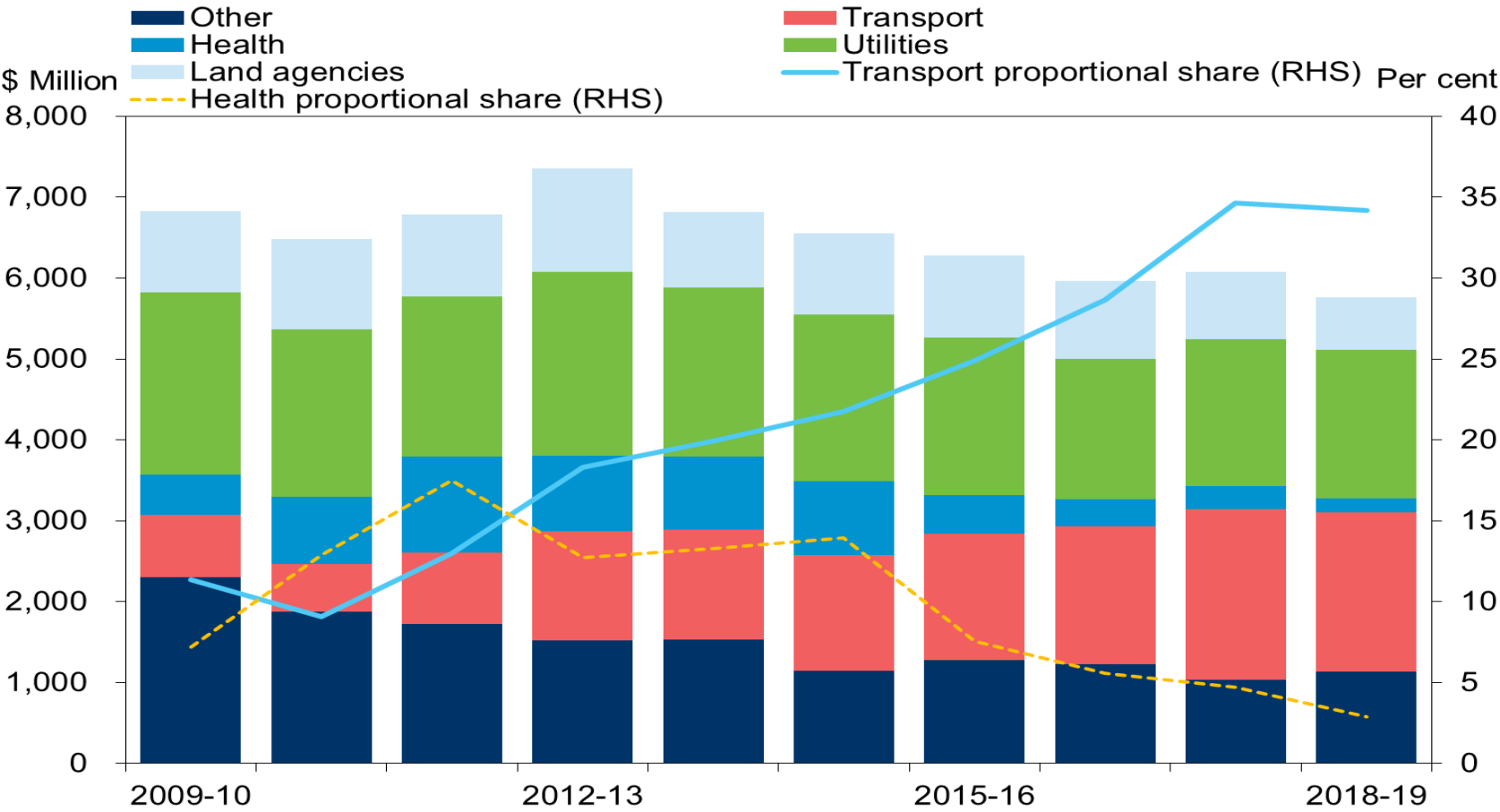
WAGE PRICE INDEX – ANNUAL GROWTH



ASSET INVESTMENT PROGRAM



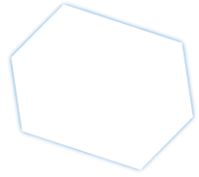
ASSET INVESTMENT PROGRAM



KEY REFORM PRIORITIES

- Constraining expense growth in the public sector
- Electricity market review
- Asset sales program

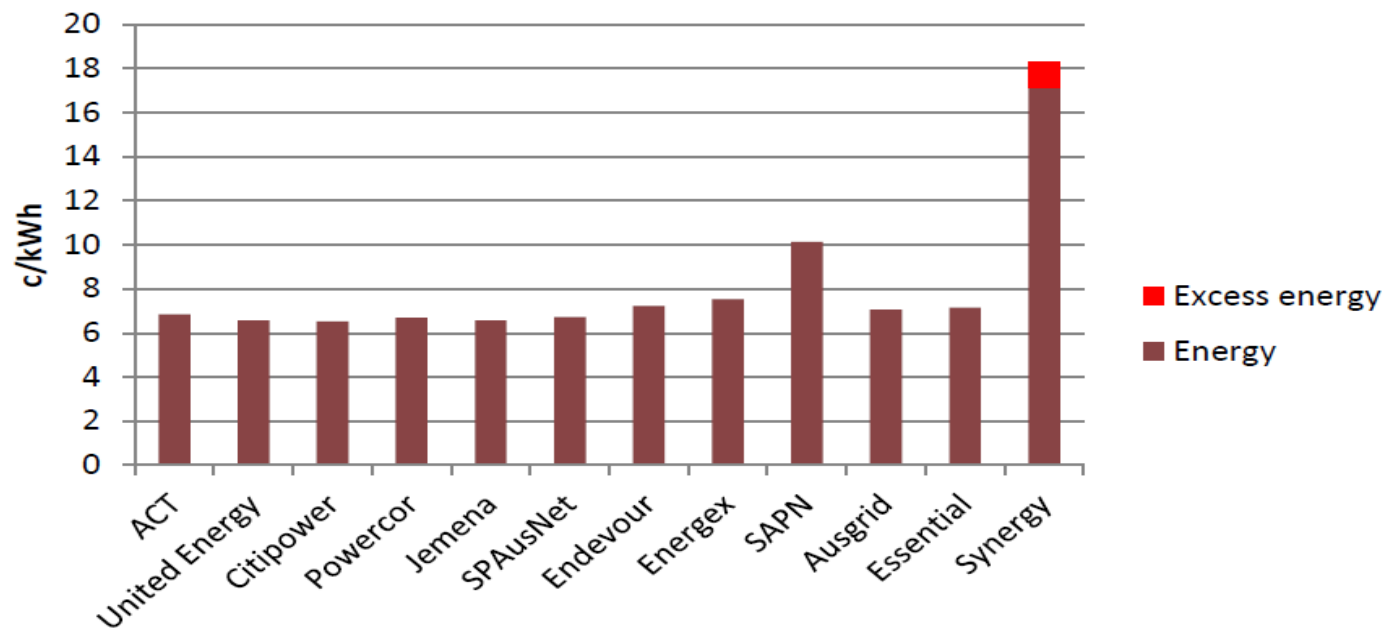




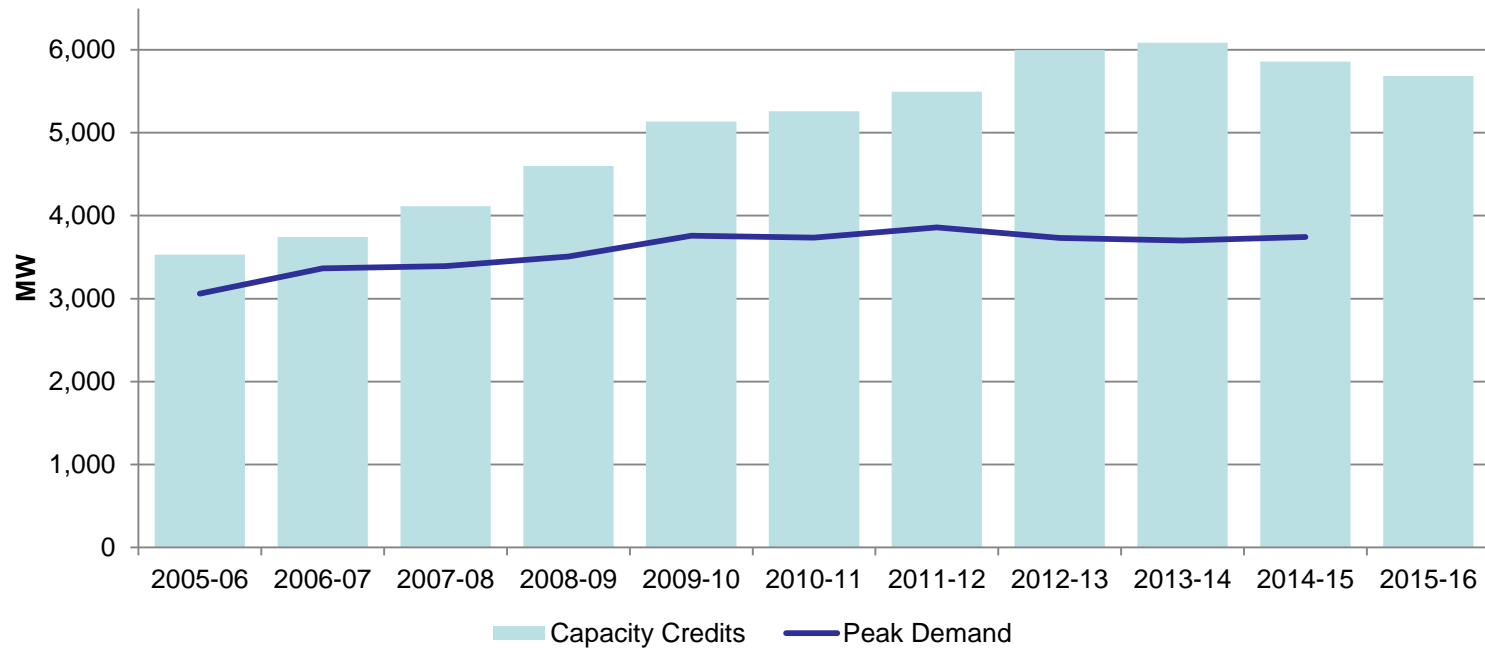
Electricity Market Review



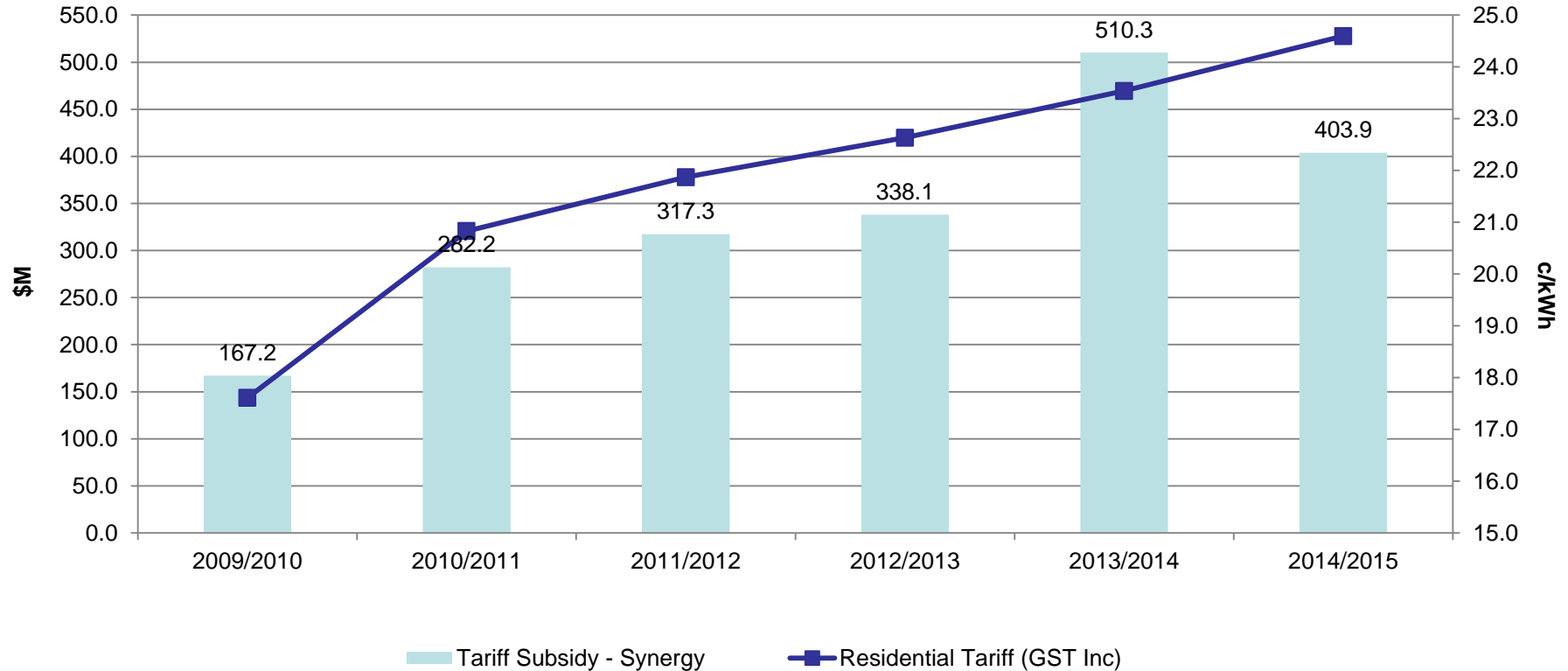
WHOLESALE COST COMPARISON 2013-14



SWIS CAPACITY CREDITS AND PEAK DEMAND



SUBSIDY AND RESIDENTIAL TARIFF



ASSET SALES PROGRAM

- Perth Market Authority
- Utah Point Bulk Handling Facility
- Fremantle Port Authority
- Forest Products Commission – Softwood Plantation Assets
- Western Australian Totalisator Agency Board
- State Fleet
- A Portfolio of Government Regional Officer Housing Stock
- Securitisation of Part of Keystart's Loan Book
- Government-Owned Office Buildings, LandCorp Land Holdings and Discrete Energy Assets



Asset Sales Status Updates

Perth Market Authority



MARKET CITY – ASSET OVERVIEW

- Central wholesale trading and distribution hub for fruit and vegetables
- Over 100 tenants, with over 150 leases and licenses
- 51 ha. of land (13.9 ha. undeveloped)
- >200,000 tonnes of fresh produce traded (≈\$500 million annual turnover)



CURRENT SITUATION

- Lead Financial Adviser
 - Ernst & Young and Jones Lang LaSalle
- EOI shortlist expected to be finalised late September 2015
- Expected completion early 2016



Asset Sales Status Updates

Utah Point Bulk Handling Facility



Image courtesy of Pilbara Ports Authority

UTAH POINT – ASSET OVERVIEW

- One of four berths located in Port Hedland
- Facilitates the export of bulk products, currently iron ore and manganese



CURRENT SITUATION

- Lead Financial Adviser
 - Rothschild and Deloitte
- Preliminary Scoping Study Report being finalised
- Secondary Advisers appointed
 - Key Issues Report (September 2015)
 - Due Diligence Scoping Study Report (November 2015)
- Detailed Scoping Study Report (December 2015)
- Expected completion July 2016



Asset Sales Status Updates

Fremantle Port Authority



FREMANTLE PORT – ASSET OVERVIEW

- WA's largest container and general cargo port
- Inner Harbour
 - Two container terminals and common user berths
- Outer Harbour
 - Kwinana Bulk Terminal, Kwinana Bulk Jetty and three privately operated jetties



CURRENT SITUATION

- Lead Financial Adviser
 - Rothschild and Deloitte
- Preliminary Scoping Study underway
- Similar to Utah Point, secondary advisers have been appointed for due diligence
- Key policy issues for consideration by Government continue to be identified
- Expected completion July 2016



LAND SALES

- Orderly program of surplus or underutilised land asset sales
- Recent sales totalling \$28 million:
 - Kaleeya Hospital in East Fremantle
 - Lot 500 Shaw Road in Wanneroo
 - the Potato Marketing Corporation HQ in North Coogee
- 22 properties currently for sale on the Department of Lands website
- Properties coming soon include Yirra Yaakin Theatre, Old Perth Girls School and Fremantle Police Station



ASSET RECYCLING

- Possibility of financial contribution from Commonwealth Government
 - Requires reinvestment of asset sales proceeds in additional new infrastructure
- Potential projects:
 - Forrestfield-Airport Link
 - Additional stages of Perth Freight Link
 - Acquisition of rolling stock for urban passenger rail service



FPC – ASSET OVERVIEW

- Grows and harvests softwood, hardwood and sandalwood across the southern regions of WA
- Some forests are preserved under law, and a potential sale would not affect this

