



The Honourable Scott Emerson MP
Minister for Transport and Main Roads

THLGC

Tabled by: Minister Emerson
At: Estimates
Time/date: 9.42 25 Jul 13
Signature: CM Gardner

30 APR 2013

The Honourable Anthony Albanese MP
Minister for Infrastructure and Transport
Minister for Regional Development and Local Government
House of Representatives
PO Box 6022
Parliament House
Canberra ACT 2600

Level 15 Capital Hill Building
85 George Street Brisbane 4000
GPO Box 2644 Brisbane
Queensland 4001 Australia
Telephone +61 7 3237 1111
Facsimile +61 7 3224 2493
Email tmr@ministerial.qld.gov.au
Website www.tmr.qld.gov

Dear Minister

I am writing further to our meeting last week regarding the Brisbane Inner Rail Solution – Core Cross River Rail project.

For this national priority project to progress I now seek your confirmation of the funding principles below that officers from our respective departments have been working to develop over recent weeks:

- the Project will be delivered largely through an availability payment Public Private Partnership;
- the Australian and Queensland Governments make equal capital contributions to the project over the construction period (2013/14 to 2019/20) based on a best for project approach. The contribution is estimated to be in the order of \$715M each;
- the Australian and Queensland Governments will fund the availability payment stream for the PPP component of the project on a 50:50 basis for the duration of the concession period;
- the Queensland Government will fund rail operating expenses for the Project; and
- the project will be delivered through a PPP commercial vehicle and financed by private sector equity and debt. The PPP Co. is to raise private debt guaranteed by the Australian Government.

I seek clarification that the project will be subject to concessional treatment of the Australian Government payments relating to the project for GST and Commonwealth Grants Commission calculation purposes.

Once I have your confirmation of the funding principles it is my intention to seek Cabinet approval to engage with the market to confirm the constructability and validate the Business Case estimates.

I will also instruct my department to develop a Memorandum of Understanding (MOU) between our respective departments to detail arrangements moving forward.

If you require further information, please do not hesitate to give me a call.

Yours sincerely

Scott Emerson MP
Minister for Transport and Main Roads