

# RSM! Bird Cameron

Chartered Accountants



Experience in Infrastructure

## Specialist Services for Infrastructure Projects

The conceptualisation and delivery of a large infrastructure project requires the collective effort of many people with varying professional disciplines. RSM Bird Cameron operates as a team player to assist these large projects run seamlessly.

We have substantial experience in providing accounting services to the infrastructure sector. We work as an integrated team and offer a commercial, hands on and partner led approach. We take ownership for delegated responsibilities and deliver on time and on budget. We provide practical solutions and results giving you options, explaining the risks and making recommendations, without sitting on the fence.

Our approach is tailored to suit the issues arising from each unique project and organisation. Prior to our engagement, we'll ensure that we understand your business, the industry in which you operate and the commercial issues that confront you daily.

Our three main services to infrastructure projects include:

- [Taxation Services](#)
- [Corporate Finance Services](#)
- [Audit and Assurance Services](#)

## Taxation Services

Taxation considerations can be highly complex and often play a key role in determining the way in which a project moves forward as well as its rate of return.

Tax technical expertise and the capacity to handle large projects are a given - but there is no substitute for project and industry experience throughout the strategy, feasibility, procurement, implementation and on-going operational phases.

RSM Bird Cameron provides taxation services in relation to infrastructure projects to both the corporate and government sectors, including:

- working with our clients, lawyers, bankers and financial analysts
- advising on all aspects of corporate income tax - including the sale and purchase of infrastructure projects, structuring projects and capital allowance entitlement
- advising on all aspects of infrastructure financing - including debt and equity funding structures, refinancing existing projects, tax preferred asset financing, limited recourse debt and lease financing
- advising on all aspects of international tax - including inbound and outbound cross-border structuring
- indirect taxes - including GST; and
- tax due diligence

## Why RSM Bird Cameron?

- Whether it is utilities, transport, mining or construction infrastructure, RSM Bird Cameron has the technical expertise, industry knowledge and commercial experience that you are seeking.
- You will enjoy the full attention of our senior practitioners with a proven track record of achieving results during all phases of the infrastructure life cycle.
- RSM Bird Cameron offers prompt and personalised service, backed by the resources of a national firm and access to our international member network RSM International.
- RSM Bird Cameron is an active industry player. You will benefit from the insight we have gained across a diverse range of projects.

## Corporate Finance Services

### Financial Modelling

Our dedicated financial modelling team develop best-practice purpose built project and bid models.

We ensure that:

- we work with key project management from the outset of the model development to ensure that the final model meets your specifications and delivers on your requirements
- the financial model is constructed using best practice financial modelling principles to ensure that the model is user friendly and all assumptions are transparent and identifiable
- a rigorous quality control process is followed to ensure the integrity of the model
- the financial model is capable of assessing a diverse range of scenarios and sensitivities to meet the changing needs of the project

We also have significant experience in the review of third party financial models that have been developed in house or by a third party.

Having us undertake an integrity review of your financial model enables you to have confidence in the model's outputs and in the critical decisions you make.

### Key Contractor Corporate Viability Assessments

With the number of corporate entities experiencing financial distress rising during the global financial crisis, a key risk to the completion of a project is the financial failure of key contractors which can potentially result in significant delays on project delivery and cost over-runs.

We have significant expertise in undertaking corporate viability assessments of key contractors. We also provide pragmatic commercial advice and recommendations on strategies to mitigate potential losses from the financial failure of key contractors.

## Audit and Assurance Services

We specialise in providing the following audit and assurance services to the infrastructure industry:

### Alliance Audit

Alliance contracting is considered one of the most effective methods of project and long term maintenance delivery. It provides a framework that promotes a non-adversarial, mutually profitable environment for stakeholders through its unique painshare/gainshare, open book and no blame principles. However, the structure and delivery of an alliance must be carefully audited to ensure these benefits are achieved.

RSM Bird Cameron has a team of professionals who understand these unique arrangements and the risks of undertaking such projects. We can work with you to understand and review the arrangements in place, ensuring our findings are balanced and make practical, realistic recommendations.

### Risk management

Risk management is an integral part of good management practice. It is therefore imperative that Boards develop a standardised process for the identification, analysis and treatment of all risks across the organisation. We provide assurance to that key risks are identified and managed in the interest of the entity and its stakeholders.

### Internal Audit

We address the issues associated with ongoing business operations, systems, technology, governance and major change initiatives. We focus on enabling technologies and processes that impact business controls.

### Corporate Governance

In today's complex corporate environment, Directors are expected to do more and to do it well. It is essential to an organisation's health and credibility

that effective governance practices are in place and that a process of continual improvement for both the Executive and Management exists.

We help clients evaluate the key structures, dynamics and processes required to underpin effective corporate governance.

### Probity

A probity audit is where an independent person monitors a tender process and issues a report which has the effect of assuring interested parties that the process has been appropriately carried out. Probity audits and reviews have become a normal part of any significant tendering process for large, complex and high risk procurement projects.

**“We ensure that we understand your business, the industry in which you operate and the commercial issues that confront you daily.”**

Our highly experienced probity practitioners understand the risks that may jeopardise the integrity of your tender and compliance with pre-defined tender processes. Our objective is to work with our clients to ensure that the tender process is conducted within a defensible and robust framework.

Our probity philosophy is to work with you to help ensure that the process is fair, equitable and carried out in an objective manner. This process should be conducted within a commercially acceptable process, both for the Government stakeholders and for tenderers. The ultimate objective is to ensure that an unqualified probity audit report can be issued at the completion of the procurement process.

# Engage our infrastructure expertise and experience

## Some of our recent client experience includes:

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| <b>AED Oil – Oil Development Projects</b>           | We advised AED Oil on debt and equity structures for the development of oil infrastructure assets and projects in Australia and South East Asia.  |
| <b>Alinta Limited – AIMRO Smartmeter Project</b>    | <p>We provided financial modelling services to Alinta Limited in relation to the calculation of forecast infrastructure project costs regarding the installation of new Smart Gas Meters across Victoria.</p> <p>We also performed a financial assessment review of all tenderers as part of Alinta's tender assessment process for the AIMRO Smartmeter Project. We assessed each tenderer's financial capacity to enter into the contract it was tendering for. As part of the assessment, we provided advice on contractual options to mitigate any key contractor risks identified.</p> |
| <b>Asciano Limited/Toll Holdings Limited</b>        | Following the restructure of Toll Holdings Limited, Toll's obligations to cause Pacific National and Patrick to implement the port and rail non-discrimination regimes were transferred to Asciano. We were appointed as Independent Auditor of Asciano to audit Asciano's compliance with its undertakings to the Australian Competition and Consumer Commission to create separation and independence obligations mirroring those of Toll.  |
| <b>Connex/Veolia</b>                                | We assisted Connex in its tender to secure its second franchise to operate Melbourne's train system. We were audit and tax adviser to Connex until 2006. We also performed a review of Veolia Transport's bid model for a regional transport contract. Our findings were communicated clearly under tight reporting deadlines to enable Veolia Transport to meet its bid deadlines.   |
| <b>Dampier to Bunbury Pipeline</b>                  | The Dampier to Bunbury Natural Gas Pipeline (DBNGP) extends almost 1600km from the Pilbara region to the South-West of Western Australia. It is one of the longest and largest capacity natural gas pipelines in Australia supplying natural gas to industrial, commercial and residential customers in Perth and major regional centres along the pipeline route. We provided compliance services to the Pipeline project.   |
| <b>Department of Transport</b>                      | RSM Bird Cameron was the Department's internal auditors for a period of five years. During this time we gained significant exposure to the public transport operations within Victoria, including the franchising arrangements, and maintenance of public transport infrastructure and rolling stock. We have subsequently continued our relationship with the Public Transport Division in assisting the Department in the review of its bus contracts.  |
| <b>Fulton Hogan – Road Transport Infrastructure</b> | We advised Fulton Hogan, which supplied asphalt for Melbourne's East Link freeway project and unsuccessfully bid for the Peninsula Link project.  |
| <b>Horizon Power</b>                                | RSM Bird Cameron completed the external audit for Horizon Power. Horizon Power is a State Government-owned power company that provides power to Western Australia's regional areas. Horizon Power generates, procures, distributes and retails electricity to residential, industrial and commercial customers and resource developments in regional WA.  |
| <b>JCDecaux – Brisbane CityCycle</b>                | We advised multinational advertising conglomerate JCDecaux on its successful tender for the Brisbane public bicycle rental scheme. We have also advised JCDecaux in its structuring and tendering for installation of street furniture and advertising infrastructure throughout Australia.   |

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| <b>KDR - Melbourne Metropolitan Tram System</b>         | <p>We advised the KDR consortium, comprising Downer EDI and Keolis (France), in its bid to operate Melbourne's train and tram franchises. KDR was awarded the franchise to operate and maintain Melbourne's metropolitan tram and light rail system, one of the largest in the world. We managed and carried out a comprehensive tax due diligence. Technical risks were identified, solved or mitigated and tax inputs for the financial models were reviewed. We also performed a financial integrity review of KDR's bid models. The reviews were undertaken under tight reporting deadlines to enable KDR to meet its bid deadlines. As part of the review we liaised with the third party financial model provider to ensure that all issues identified were dealt with in a timely fashion.</p> |
| <b>Linking Melbourne Authority</b>                      | <p>We provide internal audit services to Linking Melbourne Authority, which was established in 2003 to deliver the \$2.5 billion EastLink project, and more recently allocated responsibility for the \$759 million Peninsula Link project. The Authority has also commenced the WestLink planning study to investigate a new road connection from the Port of Melbourne precinct to Melbourne's western suburbs. The Authority uses its project management, engineering, commercial and communications capabilities to facilitate major road project delivery on behalf of the Government.</p>   |
| <b>NSW Office of Liquor, Gaming and Racing</b>          | <p>We recently completed the financial assessment of bidders interested in acquiring NSW Lotteries as part of the NSW State Government's probity investigation. Our ability to provide timely and accurate information was a key factor in the successful completion of the probity investigations.</p>   |
| <b>NSW RTA - Victoria Road Upgrade Alliance Project</b> | <p>The Victoria Road Alliance Project ("VRUAP") aims to improve the efficiency and reliability of Victoria Road bus services and alleviate general traffic congestion. The project in November 2007 with completion date of 30 June 2010, and an estimated total cost of \$150 million. In June 2007, we were engaged as Financial Auditors for the Project. Several alliances bid for the VRUAP, and we conducted "establishment audits" for each of these alliances. Since the commencement of the project, we have audited over 13 monthly progress claims and issued monthly management letters in which we have detailed various issues that have arisen and noted the actions to manage these.</p>  |
| <b>RAC - Pindan</b>                                     | <p>RAC and Pindan are in a joint venture for a major residential development south of Perth. We provide probity audit services to the joint venture.</p>  |
| <b>Synergy</b>  | <p>RSM Bird Cameron completed the external audit for Synergy, Western Australia's largest energy retailer.</p>  |
| <b>Transport Ticketing Authority (TTA)</b>              | <p>The TTA is responsible for the implementation of Victoria's new Myki ticketing system. We provide internal audit and data integrity audit services to the TTA. Our experience has provided us with a detailed understanding of the settlement and reconciliation processes around the public transport ticketing sales revenue.</p>  |

# Contacts

For further information about how RSM Bird Cameron can help you, please contact one of our offices:

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