

Logistics Network Options Analysis

Strengthening the financial and commercial foundations of Powerlink's logistics network.

**LOCATION**

Queensland

CLIENT

Powerlink

Financial Analysis

Background

Powerlink, a Government Owned Corporation responsible for Queensland's high voltage electricity transmission network, is undertaking a significant transformation of its supply chain to support increasing infrastructure investment and network expansion. With growing demand for storage and distribution driven by major capital programs, Powerlink identified capacity constraints across its existing warehouse network and the need for a long-term logistics strategy.

As part of this process, Powerlink developed a draft Logistics Network Options Analysis and a supporting business case exploring potential distribution centre configurations, including centralised and decentralised models supported by third-party logistics providers. However, given the scale and complexity of the proposed investment, there was a need to ensure that the financial, commercial and strategic analysis underpinning the business case aligned with best practice and could support robust decision-making and governance requirements.

Our role

NineSquared was engaged to provide independent financial and commercial advisory services to review Powerlink's Logistics Network Options Analysis and supporting business case documentation. The engagement focused on assessing the completeness, robustness and alignment of the analysis with the Queensland Government's Business Case Development Framework (BCDF) and Project Assessment Framework (PAF).

Our work involved a detailed review of project scope, cost estimates, demand forecasts, risk considerations and option evaluation approaches. This included examining the financial modelling and assumptions underpinning the Net Present Value (NPV) analysis, assessing whether whole-of-life costs were appropriately captured, and identifying opportunities to strengthen transparency and consistency across the analysis.

In addition, we worked closely with Powerlink stakeholders to clarify approval pathways and governance requirements, ensuring that the overall structure and narrative of the business case aligned with expected internal and external approval processes. We also provided targeted recommendations to improve benefits definition, strengthen the base case, refine demand forecasts and incorporate sensitivity and scenario analysis to increase confidence in the results.

The outcome of the engagement was a set of clear, practical recommendations and supporting materials that enhanced the quality and credibility of the business case. This work provided Powerlink with a stronger evidence base to inform decision-making and progress the project through its governance processes, ultimately supporting future investment in its supply chain infrastructure.

FOR FURTHER INFORMATION

For more information, find one of our experts at ninesquared.com.au/people