Moorebank Intermodal Terminal Project

“The Australian Government has committed to facilitating the delivery of the Moorebank Intermodal project, including a freight terminal with a port shuttle to Port Botany.”

THE HON ANTHONY ALBANESE MP
MINISTER FOR INFRASTRUCTURE AND TRANSPORT
23 April 2012
Overview

- Case for the Moorebank Intermodal Terminal (IMT)
  - $10 billion in economic and productivity benefits
- The business model:
  - Private sector led, facilitated by Government
  - GBE
- Key elements of the Project:
  - Concept design for IMEX, interstate and warehousing
  - Streamlined federal/state approval process
- Cooperation with NSW on supporting infrastructure
- Market soundings - strong private sector interest
- Next steps
Why Is This Project Needed?

Predicted freight container growth 2006-2036

Port Botany's cap limit of 3.2 million TEUs per annum

Sydney Ports Corporation data.
Why Is This Project Needed?

- Accommodate high growth in container volumes
- Manage congestion
- Relieve capacity limitations within the Sydney IMT system
- Enhance competitiveness of the interstate rail freight network
- Increase national productivity
- Reduce adverse environmental and social impacts of continuing to increase road freight
Project Context

- 2004 – Australian Government identifies Moorebank site (School of Military Engineering) as future IMT
- 2008 – ARTC formed as part of $7 billion commitment to rail freight
- 2010 – Government commissions Feasibility Study by Moorebank Project Office (comprising Finance & Deregulation, Infrastructure & Transport, Defence)
  - Lead Adviser – KPMG, Deloitte, Parsons Brinckerhoff
  - Peer Review – Greenhill Caliburn
  - Legal Adviser – Ashurst
  - Communications Adviser – Kreab Gavin Anderson
NSW freight supply chain

- 90% of containers destined/originated from Sydney Greater Metropolitan Area
- Nearly two thirds (64%) of this container freight travels to or from western Sydney
- Current IMTs in Sydney

<table>
<thead>
<tr>
<th>Facility</th>
<th>Market</th>
<th>Throughput TEU)</th>
<th>Max train length</th>
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<tbody>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Chullora</td>
<td>Interstate</td>
<td>300,000</td>
<td>1,800m</td>
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<tr>
<td>Yennora</td>
<td>Interstate, IMEX</td>
<td>115,000</td>
<td>800-900m</td>
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<tr>
<td>MIST (Minto)</td>
<td>IMEX</td>
<td>45,000</td>
<td>900m</td>
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<tr>
<td>Villawood</td>
<td>IMEX</td>
<td>15,000-20,000</td>
<td>900m</td>
</tr>
<tr>
<td>Cooks River</td>
<td>Empty container storage</td>
<td>150,000</td>
<td>600m</td>
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<td><strong>Under development</strong></td>
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<tr>
<td>Enfield</td>
<td>IMEX</td>
<td>Approx 300,000</td>
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Key Elements of the IMT

Total capacity 1.7 million TEUs (twenty-foot equivalent unit)

IMEX (1.2 million TEUs)  Interstate (500k TEUs)  Warehousing

- Open Access Regime
Birdseye view of the IMT site
$10 billion in Economic Benefits

- Benefit-cost ratio of 1.72
- 3,300 fewer trucks on Sydney roads = 1.2 million trucks per year
- Approximately $10 billion in economic benefits
  - Reduced freight costs
  - Reduced traffic congestion
  - Reduced traffic accidents
  - Improved productivity
- Improved environmental outcomes
- Generate a high number of jobs
  - Approximately 1,650 full time staff during Stage 1 (IMEX terminal and warehousing), and 975 staff during Stage 2 (Interstate terminal)
  - The operation of both terminals, together with warehousing, could see an additional 1,700 people being employed in the region
Private Sector Investment
Funding and Delivery Model
Private Sector Led, Government Facilitation

The key questions we faced:

- When the investments are large and long term, how can Government help to get the ball rolling?
- How can you get the best, most experienced commercial minds involved in development while ensuring the focus is on advancing the national interest?

The model:

- Private sector leadership of design, construction, operation and investment
- Government facilitation through making land available, de-risking the early development and planning phase and keeping a focus on national policy outcomes
Partnership Model

- Due to the significance of the Project, the Government will establish a Government Business Enterprise (GBE), protecting the interests of the taxpayer.

- The GBE, as a wholly-owned entity of the Commonwealth, will enable the Landlord to have an appropriate commercial focus while maintaining effective Government oversight.
  
  - GBE will run all procurement for design, construction and operation starting mid-2013 – this will be a competitive process open to all.
  
  - After the facility is established, it would be able to be fully privatised.

- Like other GBEs, to ensure a strong commercial focus and expertise, the Board of the GBE will be drawn from the private sector.

- The GBE Board be announced shortly and GBE officially starts operations late 2012.
Strong Private Sector Interest in Participation

- More than 60 Australian and international companies have sought briefings through market soundings process
- Around 50 stakeholder groups and organisations consulted
- Very strong support for:
  - The model – solves many of the problems besetting infrastructure development in Australia
  - The Government’s message that it is seeking to optimise private sector investment and expertise to deliver an innovative IMT
  - Potential for significant complementary development by the private sector in the broader Moorebank area through the development of warehousing and other services
Outcomes

- An intermodal secured at Moorebank – national productivity goals achieved, relieved congestion in Sydney, job creation in south western Sydney
- Both IMEX and interstate terminals
- Integrated offering with ARTC national rail freight network
- Upgraded supporting road infrastructure
- Kick-started complementary warehousing and associated jobs
- Relocated Defence to a modern facility appropriate to current needs
- Reduced greenhouse emissions
- Best outcome for taxpayers through competitive process
Concept Design
Final design will be determined by the private sector
Indicative intermodal site view from the north
Indicative intermodal site view from the east
Indicative rail connections over the Georges River (aerial view from west)
Collaboration with NSW

- *Planning Approvals and Connections Enabling* (PACE) Committee established mid 2012 - joint federal-state working group

- PACE representatives:
  - Department of Infrastructure and Transport
  - Department of Defence
  - Department of Finance and Deregulation
  - Infrastructure NSW
  - NSW Department of Planning and Infrastructure
  - Transport for NSW

- Continued engagement with both the NSW Government and ARTC
Key Milestones

Late 2012:
• GBE board and executive appointed

Early 2013
• GBE commences 1 January
  • EIS on display

Mid 2013:
• Procurement process for IMEX terminal operator begins

Mid 2015:
• Defence vacates IMT site

Mid 2015:
• Construction begins

2017:
• IMEX operations begin
Moorebank Intermodal Terminal Project

Indicative Concept Design
Contact Us

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