

RAID

RESIDENTS
AGAINST
INTERMODAL
DEVELOPMENT
MOOREBANK

MOOREBANK INTERMODAL PERFORMANCE AUDIT

12.08.2017

PREFACE

Dear Sir or Madam:

In the interest of preserving and utilising our respective time and effort most economically, numerous attempts via phone and email, to ascertain the specific scope and frame of reference for this audit. Correspondence to access any specific policy from the ANAO was undertaken to ensure this submission was relevant to its context and purpose. By focusing in on the specifics that may be expected to assess and judge the delivery of the proposed Moorebank Intermodal project.

Unfortunately ANAO External Relations was unable to provide the kind of policy being sought, one that set the proposed Federal Government project in motion; one with sufficient detail to set an articulate criterion from which to view the project and review the performance of its delivery. In its place a 'Media Fact Sheet' was provided. However the two-page press release was well in hand. It is the exact document that precipitated the original request for a foundational government policy.

Persistent reiterative requests of this nature, in email correspondence, is based on many years of obfuscation by all the applicants involved in promoting Moorebank centric initiatives; both public, private, and now as a [99 year] Public Private Partnership.

Furthermore the lack of un-redacted publically available information is a hindrance and even an active deterrent to Community Stakeholder and Shareholder [Taxpayer] involvement. Restricting meaningful considerations, by taxpayers whom wish to examine projects and funding allocations performed in their name. Taxpayers whom seek to openly and forthrightly determine and comment on potential return on investment, opportunity risks and any associated current or future fiscal liability.

The aforementioned requested policy was never provided. Indeed perhaps it never existed to be provided. In its place, later correspondence with the ANAO via email resulted in a limited set of *objective based criteria*. A portion of the email is presented and itemised overleaf.



As you will see on the ANAO website page for the audit (<https://www.anao.gov.au/work/performance-audit/delivery-moorebank-intermodal-terminal>), the objective of the audit is to assess whether the **contractual arrangements** that have been put in place for the delivery of the Moorebank Intermodal Terminal will **provide value for money** and achieve the **Australian Government's policy objectives** for the project. The audit criteria chosen to allow the audit team to answer the audit objective are:

- Do the terms of the transaction represent value for money and **protect the Australian Government's financial interests**, including appropriate **management of demand risk**?
- Is **non-discriminatory open access** available within all aspects of the intermodal precinct?
- Does the project's **governance framework** support achievement of the Australian Government's policy objectives, including the **planned future privatisation process**?

It is with frustration that involuntary utilisation of the “objectives” is the default without direct access or knowledge of how each objective tracks back to a specific federal policy document or holistic goal for our nation and its economy.

Moreover a heavily redacted [Detailed Business Case - 2012](#), the inability to access [Feb 2017 Contractual Arrangements](#) and the delay in the public release of the \$3.4 Mil RMS Traffic Study¹ serve to exasperate limitations on ones capacity to site specific issues or errors in delivery and implementation. Particularly when project need, and therefore the need for tender is suspect at best.

Nevertheless, there is sufficient parallel information to allow for suitable conclusions and relevant suggestions for the target of this audit, founding on reviewing the highlighted condensed list overleaf.

¹ Question on Notice 127 - Budget Estimates - Supplementary Questions General Purpose Standing Committee No.2 – Roads Maritime and Freight.



1. Australian Government's policy objectives.

2. Management of demand risk and value for money.

3. Protecting the Australian Government's financial interests

4. The Project's governance framework

*a) Non-discriminatory open access and
planned future privatisation process.*

On the whole this submission, should be taken to champion the need to get beyond the narrowcasting of silo like activities that prevent integrated assessments of government spending and outcomes. A blinkered approach will continue to result in failed Public Private Projects that expose the government and the taxpayer to huge demand risk and ongoing cost blowouts that lead to extreme financial liability in the long term.

Blowouts that occur explicitly off the back of the deliberate practice of inflating throughput projections to engineer the requisite Cost Benefit Ratio to in turn illicit Government support and funds for what are ultimately million and billion dollar public subsidies of private enterprises; as evidenced by the Cross City Tunnel, Lane Cove Tunnel and Airport Rail Link in Sydney – all Transport PPP that “failed” in their delivery.

Overleaf there are three hyperlinks to downloadable documents that are **required pre-reading*** and serve as foundation for this submission and the empirical evidence to support the assertions herein.

There is also series of supplementary hyperlinks and additional source or reference material, specifically government agency documents and peer review studies. Otherwise other references are hyperlinked directly or placed directly into the document as needed.



CONTEXTUAL PRE READING* – please read

[Speech to Planning Assessment Commission – Feb 2016](#)

[Essay on Economic Benefits, Trucks and Jobs rejecting the Nimby-esque attacks – Feb 2017](#)

[Shorthand Summary & Update on Traffic Science, Compliance and Planning Procedure – Aug 2017](#)

SOURCES + REFERENCE MATERIAL – as needed

[Transport Modeling – Moorebank Intermodals: Key Assumptions](#)

[Transport Modeling – Moorebank Intermodals: Better Options](#)

[Transport Modeling – Moorebank Intermodals: Background Costing Summary](#)

[FIAB – Railing Port Botany's Containers – July 2005](#)

[GHD – NSW Transport Baseline Report – Sept 2011](#)

[ENVIRON – Locomotive Emissions Project – March 2013](#)

[ARTC – 2015 to 2024 Metropolitan Freight Strategy – Oct 2015](#)

[NSW Ports – 30 Year Master Plan – Oct 2015](#)

[University of Sydney Business School, Institute of Transport and Logistics Studies – Nov 2016](#)

[“Optimal location of open access urban container terminals under elastic cargo demand”](#)

LIVERPOOL CITY COUNCIL OPPOSITION SUBMISSIONS – executive summaries as a minimum

[10 x Peer Review Assessments produced by CARDNO for Liverpool City Council – 2012 to 2017](#)

PROJECT / PRECINCT TIMELINE – broad context of planning burden across two adjacent projects

[Full Chronology of Planning Applications – including recent pending modifications](#)

[Planning & Assessment Commission – SIMTA – MP10_0193 Concept Report](#)

[Planning & Assessment Commission – SIMTA – MP10_0193 Conditional Consent Instrument](#)

[Moorebank Intermodal Company Ltd – Community Consultation Presentation – Oct 2014 \[pg 26\]](#)

[Planning & Assessment Commission – MICL – SSD 5066 Concept Report + Instrument – Jun 2016](#)

[Planning & Assessment Commission – SIMTA – SSD 6766 Stage 1 Report – Dec 2016](#)

[Planning & Assessment Commission – SIMTA – SSD 6766 Conditional Consent Instrument](#)

[Contractual Close between Qube Logistics and the Federal Government \[negotiating since 2014\]](#)



1. AUSTRALIAN GOVERNMENT POLICY OBJECTIVES

POLICY

While the ANAO was not able to supply a specific policy, the requisite policy can be extrapolated from government sources, for the purpose of analysis and assessment. Such consideration sets the substance of this submission, and underpins its view on performance.

[Freight Industry Advisory Board – Recommendation One – page 4](#) – indicates that, a “40 percent rail share target must be met and if possible exceeded; and Government and industry embrace strategies to further lift the rail freight share”, was developed and reported in July of 2005.

[ARTC Sydney Metro Freight Strategy – page 14 – Context – Cross Metro Shuttles](#) – indicates that the 40% target had since abandoned altogether and replaced with a 28% target by 2020. This new target established from a doubling of rail share at that time. Designating rail share as 14% only.

Contemporaneously the rail share fluctuated down but has hovered around 14% which is why in 2015 the ARTC states: “More recent strategy documents have not restated this [40%] objective but have reiterated the importance of rail as an element of government policy.”

2005	Rail Share: 19%	Target: 40% by 2011
2010	Rail Share: 14%	Target: 28% by 2020
2015	Rail Share: ~ 14%	Target: N/A rail is important

Over a 10-year span 2005 to 2015 there was no upward shift in rail freight share, notwithstanding the initially ambitious targets. Conversely over the same period there was a slight downward trend and a wholesale shorting of, and even retraction of targets set by Governments and Agencies.

At the policy level, the government of the day is left with broad generalities at best.

Therefore no mandate is apparent or relevant in 2017; instead the demonstrable need to reassess causal factors behind the decline, is axiomatic. Candid investigation of this description offers all stakeholders the fastest path to clarification and fit-for-purpose solutions.



OBJECTIVE

[Moorebank Intermodal Terminal – Media Fact Sheet](#) is a two-page summary and the only document sited and provided by ANAO for the purpose of this Performance Audit. Therein one finds two open ended non-specific objectives: *“These objectives include that the terminal must have capacity to satisfy interstate and regional freight needs; and be an open access facility that optimises competition among users of the terminal.”*

Motherhood Statements

Consistent with a PR or Sales based document, the “fact sheet” is founded on motherhood statements, asserting a series of parenthetical assumptions, that fail to offer unambiguous merits or site creditable economic and scientific modeling. The media fact sheet states opinion as fact, with the expectation that it would not be challenged or scrutinised.

“Sydney is Australia’s second largest container terminal but it is quickly running out of freight capacity, causing increased traffic congestion around Port Botany.”

“The NSW Government’s submission to Infrastructure Australia in 2010 estimated truck traffic at the port would grow by approximately 400% in coming years, making freight movements very inefficient, increases transport costs and congestion on major roads.”

One – this is a parenthetical statement that assumes that Port Botany is the only point of entry for Containerised Freight and that Port Kembla and Port of Newcastle would not be expanded or developed respectively. It is not a logical position, nor is it effective freight and supply chain policy.

Such a statement has more in common with the NSW Governments move to privatise Port Botany, which has gifted a gatekeeper monopoly to the set of Super Funds that make up NSW Ports Corp. This privatisation has yet to undergo a post implementation audit itself, however early indications are that the lease agreements breach the anti-competition protections as explained in detail on this website: www.containerterminalpolicyinnsw.com.au.



Two – If one does accept that the 400% increase will take place at Port Botany, it is still an argument in support of a bigger rail share *generally* and an integrated freight model; across the state and through the complete supply chain, including portside and all the way back to shipping allocations and lanes.

[Transport Modeling – Moorebank Intermodals: Key Assumptions](#) – and its later iterations consistently provided to State and Federal decision-makers, explicitly debunks the growth model and consumption assumptions made: both generally and specific to the proposed Moorebank Intermodal.

Economic and Social Benefits

“3,300 fewer trucks on Sydney roads to and from Port Botany per day from 2020, relieving Sydney's growing traffic congestion”

“Reduced freight costs and times, greater reliability for freight businesses and users and fewer road accidents.”

“The total value of the project to the economy has been estimated at approximately \$10 billion.”

It is to be stipulated that the Chairman of Moorebank Intermodal Company Kerry Schott has already confirmed that the 3300 figure is incorrect, which immediately undermines the espoused economic value of \$10 Billion. Ms. Schott has not provided an alternative number and to our knowledge there is no citation or reference by Dr. Schott to any redacted or publically available document or study that empirically states any number of trucks specifically travel from Port Botany to Moorebank; now or into the future. There is no known empirical evidence to support the myriad of claims of 2700, 3000 or 3300 container trucks travelling to Moorebank per day.

Furthermore the CEO of Moorebank Intermodal Company, Ian Hunt, admitted during Community Consultation that “the Terminal(s) would not take any trucks off the road...” which also confirms that there is no “mode shift”. Mode shift of container trucks to rail freight is the primary selling proposition [of over 70%] of the espoused economic value. No shift = No benefits.



A thorough reading of the [Essay on Economic Benefits, Trucks and Jobs – Feb 2017](#), and the other supporting documents and references provided, in combination the Audit Offices own investigations will unequivocally show:

One – the trucks are not presently heading from Port Botany to Moorebank and will not do so in the future unless the project *is actually* built = inducing 'demand', inducing a traffic jam, not solving one. There is no demand for container freight in Moorebank, the trucks do not exist, and consequently neither does the economic benefit. References to M5 congestion in this context relates strictly to M5 East <> King Georges Road journeys where containers trucks split north [most] or south.

Two – building one or both Moorebank Intermodals will in fact double-handle containerised freight, forcing it back onto the road at Moorebank, into a Black Spot. Thus causing higher primary, secondary and tertiary costs for Users, Governments and the Public, including unquantifiable cost from more accidents and road casualties: discrediting what remains of the espoused economic value.

Better Environmental Outcomes

As to the matter of better environmental benefits, the fact sheet lists two benefits that again support a general increase in rail share. These are not specific to Moorebank, as it should be clear at this point that the Moorebank Proposal is incapable of accessing, receipting and distributing 1.05Mil TEU due to rail and road limitations specific to the site.

These objectives can and will be better addressed by the seven existing intermodals on the freight line, three of which are already owned by Qube Logistics. The recently announced additions of IMEX intermodals at Botany, Villawood and the expansion of Interstate at Chullora well and truly cover the short and mid term growth. Intermodal Capacity is soon to be double Rail Freight Capacity.

For every 1 million containers transported to the port shuttle by rail instead of road, some 3.5 million litres of fuel and some 9,500 tonnes of CO2-e greenhouse gases will be saved annually.

For the interstate terminal, 4.1 million litres of fuel will be saved and 11,000 tonnes of CO2-e greenhouse gases will be saved when it opens.



Remarkably it is important to note that these benefits or objectives are sited in a dangerous vacuum of relevant data, particularly in relation to air pollution generated by Diesel Locomotives. The [ENVIRON – Locomotive Emissions Project – March 2013](#) essentially summarises; that at that time of publication there were **no emissions standards** for Diesel Locomotives anywhere in Australia.

Recently the [“Clean Air for NSW”](#) paper was released [October 2016] and the venerable law firm Clayton UTZ has summarized the following: *“Diesel emissions for stationary sources and rail
“We expect this to be high priority, given the comment in the Paper that about 96% of all non-road diesel emissions in the greater Sydney metropolitan area come from industrial on-road vehicles and equipment, locomotives and shipping combined.”*

On page 52 of [NSW Ports – 30 Year Master Plan – Oct 2015](#) we read that only 16 trains currently access the rail line out of Port Botany, each day. These are heading across the city and state, while the applicant [MICL] expects 317 train movements per week or 45 per day, to their one location.

In isolation without considering the cumulative impacts of train movements due to growth in demand at existing terminals, this one additional project will introduce a possible 400% increase in carcinogenic air pollution across the Sydney Metro Area. Add to this; the stationary diesel powered heavy industrial plant equipment onsite and multiplying risks emerge to potentially overwhelm the local residential area; an inversion zone next to the Georges River.

Non-existent emissions standards for diesel locomotives is a grave issue considering the increasing data and conclusions regarding the impact of Air Pollution – specifically PM 2.5 and PM 10. Worse still this has not been adequately considered, let alone addressed by MICL. Presenting an “ostrich head in the sand” oversight that has far reaching implications. Especially when one must reconcile the impacts of this one project with overarching governmental commitments to World Health Organisation recommendations, NEPM’s and Clean Air for NSW.

Logistics and Labour Market Benefits

The final general Logistical and secondary Labour Market benefits are subsequently debunked due to the inability of the Moorebank location to generate mode shift.



“Improved productivity throughout the national logistics chain.”

“A more competitive rail freight market, benefiting building on the Government's existing \$4 billion commitment to develop the Australian Rail Track Corporation network.”

“Approximately 1,650 full time jobs will be created during construction of the port terminal shuttle and associated warehousing, 975 jobs during construction of the interstate terminal and 1,700 jobs in the region once the facility and associated warehouses are open.”

As identified in the supporting material the Moorebank proposal reveals itself as having no meaningful or positive impact on the congestion at Port Botany. Moreover the Moorebank proposal is redundant, even regressive, as its construction and operation will essentially compound, even duplicate, the very problems it is sold as solving. This reality is self-evidently borne out by objective assessment of all factors constituting demand risk.

Simply put, MICL is seeking to implement a multi billion-dollar **cork** in the road and rail network of Sydney, NSW and the Country. Diminishing productivity throughout the national logistics chain and hampering the ARTC's commitment to develop an open and efficient rail network and rail freight market by extension.

The sheer scale of the net job reduction, as a result of wasting 272ha next to a river, [just 4km from Liverpool CBD](#), is astounding and has been well articulated in the [Essay on Economic Benefits, Trucks and Jobs – Feb 2017](#). As has the case for alternative uses for this now decommissioned defence land. The community's desire for better ecological and sustainable development is echoed by Liverpool Council's evaluation of Badgerys Creek – [page 8](#).

In contrast to the net job losses at Liverpool, dedicated research indicates that a 1-2Mil TEU IMT at Eastern Creek is a genuine response to demand, able to comparatively generate more construction jobs; and do so for a longer period, in part due to the dedicated Western Sydney Freight Line.



The Eastern Creek project would also generate comparatively more operational jobs and secondary or freight precinct jobs, in an area where job density per hectare is somewhere between **1 or fewer** and 1-25. This is opposed to Liverpool CBD and its surrounds where job density per hectare is somewhere between **1-25 and 25-75**. An area where job density, residential dwellings are likely to explode on the back of the recently announced [Health, Education, Research and Innovation Precinct](#).

Turning your attention to a thorough reading of the [ARTC Sydney Metro Freight Strategy of Oct 2015](#) and a recent study out of [Sydney University Business School, Institute of Transport and Logistics Studies of Nov 2016](#); on the *“Optimal location of open access urban container terminals under elastic cargo demand”* presents genuine, effective and fiscally responsible solutions:

- **Port Botany Rail Duplication** as immediately necessary.
- **Eastern Creek Intermodal Terminal** as the most robust intermodal choice in Sydney.
- With the dedicated **Western Sydney Freight Line**, from Leightonfield to Eastern Creek.

Jointly offering the best return on investment for taxpayer dollars, to meet current and future demand in growth for containerized freight. Creating a genuine mode shift, avoiding double handling and achieving both the letter and the intent of objectives and generalised policy [prime directives].

In Summary the Moorebank terminal does not have practical capacity to satisfy interstate and regional freight needs; and so it follows, the requirement of an open access facility that optimises competition is moot.

2. MANAGEMENT OF DEMAND RISK AND VALUE FOR MONEY

DEMAND RISK

Being the potential for a loss due to a gap between forecast and actual demand. It is common for capital investments, marketing, sales and supply chain decisions to be based on demand forecasts. When these forecasts are inaccurate it can result in losses or suboptimal performance.



Much of the hyperlinked sources provided herein, speak to various levels and types of forecasting, many being false equivalencies and false assumptions utilized in the foundation of the Moorebank Proposal. These are exposed by independent reports from [NSW Transport Modeling – Moorebank Intermodals: Key Assumptions & Better Options](#).

These reports are at the very core of this submission, which together with this submission, make and remake the analytical argument for objective assessment of demand risk. The result is the inescapable conclusion:

As it relates to Moorebank Intermodal, demand risk has not been appropriately considered, let alone effectively managed. In its place is a 'too big to fail', 'build it and they will come', 'she'll be right' hubris.

Soon to follow is the crux of this section, a table [two pages over] that can and does read as a bullet point summary of the previous introductory section that broadly dissected the Media Fact Sheet.

The table is also supplied as an abbreviated chain of significant multiplying factors that constitute a through line of demand risk. Associated with the Moorebank proposal specifically, and intermodal terminals and rail networks more generally.

"Goldie Locks Zone"

For contextual purposes it is first important to point out that Infrastructure NSW, in its [Strategy 2012 – 2032](#) sets an unattainable goal. Reviewing and extrapolating from the infographics on page 38 of the Infrastructure NSW document, the assumption reveals itself:

- 29% Growth - average of Demographically derived growth [+4% to -3%], which has been fairly consistent for estimates, over the past 20 years.
- 272% Growth - is Container Trade growth at Port Botany as listed by Infrastructure NSW, and we know already that roughly 85 to 90% of freight from Port Botany is delivered for distribution in the Greater Sydney Metropolitan Area.
- Therefore, Sydney's freight consumption must increase 9 to 10 fold.



The principal assumption in use is therefore: the population of Sydney must consume 10 of everything or the population of Sydney must grow by a factor of 10.

Each of these options is an empirical impossibility. Nonetheless it may explain the creation of the Greater Sydney Commission and other planning or legislative levers in service of the NSW State Government's agenda to force "uplift" and densification of residential development across the city. Being an undemocratic pursuit of the second of the two options.

Whether the State is successful or not, the implication is clear: consumers are being sourced, not capacity to meet demand. Herein lays the bedrock for demand risk and the incentive for both governments and private businesses to propose and effectively sell Goldie Locks "just-right" models. A dangerous and costly [to the taxpayer] form of self-delusion, as such models exist only as statistical fantasies. Utilised inappropriately to so far shoehorn the CrossCity Tunnel, the Lane Cove Tunnel, the Airport Rail Link and numerous other projects in capital cities around the country.

The latest exponent of doublethink and founded on a Goldie Locks "just-right" model is the now plagued West Connex Project. Some pundits now have the project cost blowing out to \$20 Billion, while the business case has economic benefits pegged at \$22.2 Billion. However as has been pointed out, if traffic is too low or too high this target will not be met. Factually, benefits are not revenue; therefore to get its money back [as promised by the Baird Govt] it is estimated that the State or SMC will have to ensure tolls on this road exceed \$50 for every hour saved.

Perhaps the most significant fact worth remembering is the initial discussions and mandate for West Connex was a connection to and from Port Botany and the need to deal with congestion around the M5, General Holmes Drive, Foreshore Road, Southern Cross Drive and the Airport.

Now several years later; several cost blowouts; and several designs later and the port connection and a possible "dedicated truck lane" appears to have been relegated. One could therefore conclude that it was recognised [far too late] that truck drivers, freight contractors and shipping companies do not pay tolls [as evidenced by the design of the King Georges on and off ramp – No Tolls].



West Connex has then effectively switched from its original purpose and business model to become a private-car user-pays induced- traffic project. Like a “grade separation” the goal was and is to induce or shift the public citizen commuter onto this closed circuit tollway that forces the taxpayer to pay twice over, while leaving the free section of the M5 for the movements of Container Trucks.

Most recently Lend Lease [submitted an unsolicited bid](#) to build the motorway link to the Airport and Port, confirming it is a separate secondary project that could well add another paywall and have drastic negative impacts on the costs and productivity of freight [see M5 Merge + Cambridge Ave].

West Connex is therefore an explicit contemporaneous cautionary tale, as it is now incapable of achieving the goal and purpose for which it was conceived and funded – Thus on this one metric the project it is a failure, incapable of being measured, let alone assessed for its performance.

It is possible that the West Connex Tunnels could be appropriately [repurposed for public rail transport](#) but not probable given the monopolistic interests of Transurban.

Fortunately it is not too late for the Federal and State Governments to correct their respective directions, where Moorebank IMT is concerned. Understanding and appropriately responding to can and will neutralize the multiplying risks as detailed in this list.

Supply Chain of Demand Risk

FACTOR	KPI	RISK TO DEMAND FORECASTS
Global Trade Trends Down	0.8% Growth	World trade has had its worst year since the global financial crisis, with almost no growth in the volume of goods shipped and average prices of traded goods falling sharply. Wage stagnation, job casualisation and chronic underemployment may compound or solidify this trend.



Shipping Company Consolidation

Hanjin goes “belly up” with \$8 Million in Samsung goods on board

A tumultuous year in the container - shipping industry and one big operator goes under. Overcapacity and sluggish global trade have forced the biggest players to merge or form three major alliances poised to dominate ocean trade for years to come. This could see a shift in power leading to higher prices or price fixing.

The “Likely Growth” Model is now unlikely

7,000,000 TEU at Port Botany by 2031

This projection is well and truly in the Goldie Locks Zone. As at June of 2013 growth at Port Botany was two years behind the “Slow Growth” Model. Mapping in the current downturn in trade would further expand the gap between forecast and reality.

Port Privatisation or Competing Monopolies

Paywall Risk

The [ACCC](#) indicates there has been a trend towards the privatisation of ports in Australia through the sale of long-term leases by state governments. Both the ACCC and Productivity Commission stipulating the need for restrictions on the ability of the monopoly owner from charging excessive prices.

Stevedores

Unilateral Fee Increases

[Container Transport Alliance Australia](#) raised this very issue in March of this year, as DP World announced a 900% increase in the Infrastructure Surcharge levied on full containers. An example of the aforementioned “paywall” risk.

Portside Limitations

Scheduling

Perhaps the single biggest determinate of overall port performance and rail share, is the mismatch of scheduling. An aspect of the freight interface that does not benefit from competition and would function better as a single integrated government asset. Additionally the long standing “first in, first out” rule promotes road transport.



Landside Limitations

650m is the preferred length

Rail Sidings are different lengths at each of the competing Stevedores, which can create awkward shunting and double movements. This is time consuming; creating unnecessary competition at a bottleneck that again promotes road transport.

Rail Capacity out of Port Botany

1,000,000 TEU = 43.47%

As advised by NSW Ports after productivity and equipment upgrades, the rail capacity out of Port Botany will reach 1,000,000 TEU. Meaning the 40% rail share target can be met and exceeded now. Yet only 16 Trains are accessing the line each day.

18% Rail Share Reported

414,000 TEU

By the end of **2015** 2.3Mil TEU passed through Port Botany and 18% were reported as being transported by rail; leaving the majority of the rail capacity untapped, leaving 25% or 586,000 TEU under utilized. Clear evidence of the limitations at the port itself.

Freight Rail Network Capacity

1,200,000 TEU

Government sources are limited, but the Botany to Enfield Freight Line is considered to be limited to 1.2Mil TEU. [Neil Matthews](#) a Member of FIAB is perhaps the most appropriate source. Who advises that the single freight line of Sydney is effectively capped, barring some efficiency from 'loops'. Traditionally dictated to by Sydney Commuter Train Timetables.

Intermodal Terminal Oversupply

2,000,000 TEU

According to the ARTC even with out building Moorebank the projection of capacity for IMEX is 1,760,000 TEU. Add the recent announcements for Botany and Villawood and 2,000,000 is the updated projection.



Port Botany Container Cap

3,200,000 TEU

The throughput cap is / was 3.2Mil TEU. Though a variation was made that allows the now private NSW Ports to forgo an EIS to push past the cap. The implications and questions are many: could Port Botany ever really handle more than 4Mil TEU. Even so would it not make more sense to split the throughput across three ports, three points of entry, rather than force most of the containers for NSW, through a single congested port?

3.2 Mil TEU / 2 Mil TEU Capped Terminal Capacity

= 62.5% by Rail

Potential rail share if all current Terminal Capacity is accessed

Container Freight Demand: Eastern Creek

Over 30%

Based on the 3.2Mil TEU Cap and [Broader WSEA Structure Plan](#) in 2031 roughly 1Mil TEU of all containers leaving Port Botany are destined for Eastern Creek. Using the NSW projections of 7Mil TEU at Port Botany the **demand at Eastern Creek reaches 2,100,000 TEU.**

Container Freight Demand: Liverpool Moorebank

0.6%
0.1%

Based on modeling of NSW BTS data from 2011 the projections show that Liverpool would have a catchment of 0.6% of container trucks leaving Port Botany. And within that: **Moorebank could only expect 0.1% of demand.**

MICL Modeling Mirrors this

Supports nil or small numbers

Modeling undertaken by Moorebank Intermodal Company confirms negligible Container Truck Traffic at Moorebank – see pages 36 to 39 of [Shorthand Summary & Update on Traffic Science, Compliance and Planning Procedure – Aug 2017](#)



**Intermodal Location Ranking
Eastern Creek
Moorebank**

1st
5th

Figure 4, 5 & 6 on pages 10-11 of “[Optimal location of open access urban container terminals under elastic cargo demand](#)” presents a scientific method of evaluation that ranks Moorebank as 5th even with broad catchment borders and without factoring in local road and rail congestion.

2017 – New Intermodals

Two Extra

Port Botany – DP World – may contribute to portside and landside efficiency and capacity at the source.

Villawood – DP World & Toll Logistics combine to pursue a 200,000 TEU Intermodal Terminal at Villawood. It is likely to take up the capacity DPWA generates at port. This development alongside the expansion at Enfield and Chullora, will push the SSFL capacity.

2015 – Automation at Chullora

To double
Throughput
to 600,000
TEU

The Interstate Terminal at Chullora announced that technological advances and automation would allow it to double its throughput from 300,000 to 600,000.

2015 – Automation at Enfield

Adds a
further
200,000 TEU

The IMEX Terminal at Enfield, which is also owned by NSW Ports, announced that technological advances and automation efficiencies would allow the terminal to meet its previous throughput target of 500,000 TEU.

Freight Rail Network Capacity

900,000 TEU
600,000 TEU
300,000 TEU
1.5 to 1.8 Mil

IMEX
Interstate
[Regional Services](#)
New Terminals, Expansions and Efficiencies now put the current active demand for rail freight well above the capacity of the line itself.



No More Room for Moorebank

- 500,000
TEU

Instead of the need for 500,000 TEU there is now a 500,000 TEU deficit in the rail network courtesy of market competition; building or moving in 'upstream'. The free market has isolated the weakness of Moorebank

Competitor: Pacific National

Interstate
Rail

This major provider of interstate rail freight was offered a place at Moorebank. Pacific National declined and picked Chullora instead. This is very likely linked to the NSW State backing and expecting a doubling of capacity at the Chullora Terminal.

Competitor: Aurizon

Interstate &
IMEX Rail

Sold share of Moorebank [SIMTA] and later announces its selection of Enfield Intermodal for IMEX Shuttles. Most recently Aurizon moved out of containerised freight altogether and sold its assets to Pacific National.

Vendor: Goodman 1

2000 sqm to
70,000sqm
from early
2018

As of July of 2017 [Goodman announced](#) its Partnership with NSW Ports to develop the Enfield Intermodal Logistics Centre. This development cannot be overstated

Vendor: Goodman 1.1

~~Moorebank~~

The above announcement is significant. It indicates Goodman has also picked Enfield over Moorebank. Goodman already has assets at Minto and owns the small Moorebank Business Park. And instead of a focus on "up the road" or even "next door" Goodman has shrewdly shifted to the "plug and play" option at Enfield, where rail capacity is guaranteed.



Vendor: Toll & Woolworths

Moorebank

Likely impacting on a key co-efficient and leading to Moorebanks poor ranking: over the past decade major national distribution based businesses have moved out of Moorebank and headed northwest to Eastern Creek.

Leader: Ingram Micro + Amazon

Eastern Creek
60,000 sqm +
60,000 sqm
Warehouses

In the broader context two major international logistics companies recently move in or announce a move to Eastern Creek. Ingram Micro actually moved from Port Botany to Eastern Creek and Amazon selected EC as its first major warehouse in Sydney.

Catchment VS Consumers

Erroneous

Perhaps one of the single biggest mistakes or misdirection from Qube Logistics and MICL is the notion of 'Catchment'. A catchment or "Key Market" for containerised freight is made of Manufacturing and Distribution Centres. Residential Areas and growth within them, creates more Consumers, Not Customers of containerised freight.

**Market:
Live Liverpool**

Georges River

[Live Liverpool](#) starts to develop what is possible when unlocking the Georges River from its past Industrial indoctrination. Liverpool City Council essentially turned this into a Master Plan.

**Market:
Georges River Master Plan**

30,000 to
60,000 new
Residents x
1.5 cars p.p

The [Master Plan](#) underwent many variations of density options from 30 to 60,000. Its co-location at Moorebank would therefore see 45,000+ vehicles accessing the exact same roads as the proposed terminal > Moorebank Ave and the M5 < impossible. Insane.



Market: Goodman x Georges River	Warehouses Replaced.	The Master Plan covers much of the former Toll + Woolworths sites. Including the M5 Business Park, which is managed by Goodman – warehouses will be replaced with residents.
Market: Liverpool Health, Education and Research Precinct	30,000 new jobs projected	This announcement from the GSC and report from PWC continues to tap into what Liverpool can and should be. A mini-melbourne bringing a socio-economic explosion, if the whole 700ha of riverfront of Moorebank is unlocked.
Cancer Centre VS Carcinogens	Incongruous	It is a travesty of land use planning and intergovernmental integration to co-locate a Cancer Wellness Research Centre at Liverpool Hospital only 4km from one of the most carcinogenic heavy industries. Not to mention the 30,000 new residents in between or the 40,000 people already around the site.
Moorebank Rail Spur	160m curve and 30km/h	The proposed rail spur is a further travesty of planning. MICL & Qube are knowingly advocating for a design that contravenes EPA + TfNSW Guidelines of 500m open soft curves.
Southern Sydney Freight Line	28 year project 3 years of use	While slow entry and exit speeds will never ameliorate the wheel squeal and such speeds may in effect put a set of traffic lights on a rail thoroughfare, the most troubling issue is that ARTC indicates that building Moorebank will push the SSFL to capacity by 2020.
Moorebank Road Network	Traffic Blackspot	By some miracle trains can / do access a doomed Moorebank IMT, any disembarking trucks will be driven out of the single access, onto the M5 and into a blackspot 40x RMS Guidelines.



**Proximity does not equal
Access or Capacity**

Accidents =
Closure

As indicated by the [Independent Traffic Report](#), Moorebank Terminal will likely generate its own traffic jam. Thus undermining its proximity. Additionally; buried deep in EIS documentation is the fact that accidents on the M5 will force a closure of the terminal – trucks will not be allowed to exist the site.

Urban Encroachment

Outdated
Land Use
Planning

Port Kembla is already pushing back on residential development to protect its corridor. Port Botany didn't do enough or do anything to protect its operational corridor – with noise pollution occurring as far as 3km from site. Even forgoing the extra 30,000 coming, the creation of Wattle Grove on defence land in 1992 ought to have cancelled out legacy land use planning and talk of a Defence or Intermodal Rail Terminal [from as far back as the 1970's].

Environmental Context

19,000ha

Holsworthy Military Reserve, on which the site is proposed, is considered by a Defence Environmental Officer to be Top 5 in the state for species diversity. The current versions of the proposal represent significant flood risk, pollutant run off and heat sink that will replace 400+ trees and be covered in dirt and lift the site between 2 to 10 metres, to create a concrete island

Topographical Context

Inversion
Zone

While many can argue over the level, type and safety of Air Pollution, it is clear that whatever is generated will largely sit stagnant over the river and its nearby residents.



Topographical Cont.

Biodiversity

Furthermore as a Bonded Terminal the biological imperative of quarantine will mean pesticides and other chemicals will be sprayed and permeate the river inversion zone; over residents, flora and fauna.

Geographical Context

Hemmed in

The site is an island, it is land locked. The River and Residents [w/e] and the M5 and Military Reserve [n/s] and due to the nature of the land on the reserve it is unlikely the 19,000ha would ever be meaningfully developed to offer a magical future market.

Road Network Context

No.1
Accident
Hotspot NSW

Over the past 5 years Liverpool, specifically the Hume Hwy near the site, has been in the top 5 for accidents hotspots. [Hitting the number one spot in 2014](#). As the RMS does not have traffic counters on the [M5](#) it is possible that based on what we do know it may be even worse than the Hume Hwy.

Existing Competition

SIMTA -
2010

From 2005 to 2010 the Sydney Intermodal Terminal Alliance had significantly progressed its project. A 500,000 TEU Intermodal on the former Defence DNSDC Site. Early on SIMTA was Stocklands, Aurizon & Qube.

Duplication of Project

MICL - 2014

In spite of the determination of the Planning and Assessment Commission on 29th September 2014, to set a Cap, the Moorebank Intermodal Company proceeded to exhibit its proposal on 8th October 2014. Essentially doubling and duplicating the now redundant 500,000 TEU project with its own 1.05Mil TEU to 1.55Mil TEU project.



Planning Assessment Commission Capped TEU Throughput

250,000 TEU Maximum

By late 2014 the 1,550,000 TEU MICL Proposal is clearly redundant as the 500,000 TEU Project across the road had only received conditional conceptual approval capped at 250,000 TEU. This was due to the fact that the PAC was not convinced the road network could handle the throughput.

Network Capacity Not Proven
Pictured pg 25 – [Shorthand Summary & Update on Traffic Science, Compliance and Planning Procedure – Aug 2017](#)

~~500,000 TEU~~

The [concise condition](#) required further modeling and monitoring of operations before an additional 250,000 TEU could be added back. It is somewhat alarming then that the DP&E would allow an exhibition of a much larger project across the road – even at the “staged” level 1 of 250,000 TEU such action was contravening the conditions of PAC.

Faulty Traffic Modeling Used

~~HCM-2000~~

This error was either caused or compounded by the fact that the State Departments and the now concurrent separate applicants were [using faulty modeling](#). At the time of initial and subsequent applications all parties relied on the problematic and out of date HCM 2000. When the 4 volumes of the new HCM 2010 were available and preferable. Again it is unclear if this was willful negligence or a shameful lack of due diligence.

Planning Assessment Commission Advice Ignored

No Master Plan offered

Along with the many conditions, PAC made the recommendation for a precinct master plan. So as to evaluate all the cumulative impacts in a succinct fashion to assist all stakeholders. Instead SIMTA & MICL pushed on with the competing, concurrent, multi stage, multi version, multi modified, out of sync adjacent projects, [as noted here](#)



**Planning Assessment Commission
Simultaneous review of competing,
concurrent, adjacent projects**

SSD 6766
Stage 1
[SIMTA]
&
SSD 5066
Concept
[MICL]

By May of 2015 the Community were forced to review both projects at the same time [within 30 days]. By February of 2016 the PAC was holding a joint *public meeting* and reviewing both projects together. Without a single master plan the delineation of compounding, cumulative impacts was and is still vague. Assessing a Concept alongside a Staged DA of a competing project appears to break with procedure and or common sense.

SSD 5066 Concept [MICL]

June 2016

Roughly 4 months later and conditional approval is achieved without the requisite additional Traffic Modeling.

**RMS + TfNSW Traffic Modeling
begun after approvals not before**

Sept 2016

Minister for Roads + Freight confirms a mesosopic / microsimulation study is underway. At least six years too late.

SSD 6766 Stage 1 [SIMTA]

Dec 12 2016

Roughly 10 months after the PAC Meeting and conditional approval is achieved. It is not clear if requisite Traffic Modeling has been produced or provided. As such there is no knowledge of what the Secretary of the DP&E has relied upon to give approval.

**MP 10_0193 Concept Mod 2
SSD 7628 Stage 2
SSD 5066 Concept/Stage 1 - Mod 1
SSD 7709 Stage 2**

Dec 14 2016

SIMTA

Dec 14 2016

SIMTA

Dec 14 2016

MICL

Oct/Nov 2016

MICL

All Qube Logistics

At this point both Stocklands and Aurizon had pulled out of SIMTA making it wholly owned by Qube. Qube Logistics was the party MICL selected to tender to build and operate its project next door.

By December 14th 2016, just 2 days after the previous conditional approval of SSD 6766, there were four new applications or modifications lodged by Qube Logistics. Roughly 5000 pages that propose a significantly different implementation, well beyond the conditions of 2014.



**3 Applications
1 Exhibition**

27 Feb 2017
3 x 1

Exhibition of three concurrent, overlapping applications closed at the end of February 2017. As at publication of this submission 30.08.17 the “Response to Submissions” from the Applicant Qube Logistics, has not been forthcoming.

**SSD 6766 Conditional Approval
Subject to Class 1 Merits Appeal**

Feb 2017
and Ongoing

Local Community Group RAID Moorebank lodged a Merits Appeal based on two issues – The most poignant being the [discovery of a critically endangered species](#), potentially in the path of the rail corridor and impact zone. Without the rail link there is no project.

**Site Suitability
Section 79 1c**

EP&A Act

The numerous, yet limited list above; most especially the road and rail access issues in conjunction with demand and catchment misdirection begins to undermine whether Moorebank was ever a suitable site.

**West Connex – No Port Link
Until 2023 – maybe...**

Urgent

With clear present and future demand in Eastern Creek leading to it’s ranking of 1st compared to 5th for Moorebank the necessary policy and objective shift is an immediate priority. Yet without a road link between Port Botany and West Connex the shift becomes urgent. Building the WSFL may remove the need for a Port Link & WestConnex.

Given the risk factors associated with West Connex; see the simplified extrapolation model overleaf. To illustrate the urgency with which the Federal Government should be pulling all relevant funding and support from MICL and Moorebank IMT to immediately redirect it to the accelerated delivery of a 1Mil TEU terminal at Eastern Creek [followed by another near Luddenham].



Terminal and Mode Shift Comparison

2011 – Port Botany 2,000,000 TEU Infrastructure NSW – SIS 2012
 2031 – Port Botany 7,000,000 TEU Infrastructure NSW – SIS 2012
 2031 – Over 30% Container Catchment – Broader WSEA [EC] NSW DP&I – WSEA by GHD 2013
 2031 – 0.1% Container Catchment – Moorebank [M] NSW BTS Freight Matrices 2011

2,300,000 TEU 2015	Current TEU Cap		No Cap Mid Growth		No Cap High Growth	
Port Botany TEU 2031	3,200,000 TEU		5,000,000 TEU		7,000,000 TEU	
Terminal Options	EC [30]	M [0.1]	EC [30]	M [0.1]	EC [30]	M [0.1]
Demand TEU	960,000	32,000	1,500,000	50,000	2,100,000	70,000
Per Day [/ 365]	2630	87	4110	137	5753	191
Trucks Per Day [1.93]	1363	45	2129	70	2981	99
Trains Per Day [600m]	15	0.5	24	0.78	33	1.1

Even factoring in the whole of the 'Liverpool Catchment' and the mode shift at Moorebank is 99 to a maximum 594 Trucks, while the much-famed **'3000 Trucks'** are actually heading to Eastern Creek.

Liverpool [0.6%]	270 Trucks	3 Trains	420 Trucks	4.7 Trains	594 Trucks	6.6 Trains
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Choosing Sydney's next intermodal Terminal could not be clearer – Eastern Creek is by far superior – and the numbers on the ground at Moorebank are frighteningly underwhelming. In point of fact, all the marketing of Moorebank, better describes the potential positive outcomes for Eastern Creek IMT.

With a Port Link to West Connex these daily truck movements would push West Connex to capacity from the day it opens. Without the Port Link, as is currently expected, it is even worse as these trucks will use the M5 East, the A3, to the M4, through all the currently horrendous congestion because there is no terminal at Eastern Creek.

So again the emphasis is on an accelerated delivery of a real solution at Eastern Creek, a terminal at this location would prevent the havoc of either path for almost 3000 trucks. Moreover this project is likely to prevent the associated containers [5753 per day] from ever entering the traffic network, prior to de-stuffing or forwarding.



The primacy of Eastern Creek continues to magnify the shortcomings of the Moorebank option, garnering disbelief that said option has existed in the policy zeitgeist for over a decade without detailed investigation. Diligent planning and assessment ought to have dismissed Moorebank on merit many years ago, and allow the State or LGA to recycle and repurpose the land, in an ESD manner, for housing, education and employment opportunities adjacent to two commuter rail lines.

Faced with the superiority of Eastern Creek, through the many years of Community Engagement, the CEO of Moorebank Intermodal Company, Ian Hunt has repeatedly retorted that both terminals would be built. Statements of this nature expose one of the most severe demand risks for Moorebank. Equally overlaid by Mr. Hunt's unparalleled level of disregard for the Australian Government's [taxpayer] financial interests, from Mr. Hunt.

In modeling the freight demand and markets or catchment area, the applicant effectively presents the fact that any intermodal terminal at Moorebank has a limited 5 to 9 year shelf life, an extremely poor performance by any measure. One expects to see the shiniest, most superlative frame of reference from the private business interests promoting Moorebank IMT. Accepting with "a grain of salt" the expected 'goldie locks' representation of markets see the attached maps overleaf.

Unexpectedly these maps excoriate the very project it seeks to promote. Composed in 2013, each figure or map attempts to present the Intermodal Terminal Catchments in 2016 and 2025, both with and without the Moorebank IMT. At time of composition there were "constraints" or caps on Enfield, Chullora, and Moorebank.

- **Figure 7 – 2016 model** assumes that [M] Moorebank IMT is built and operational.
 - Without [M] the Minto Terminal already services the southwest catchment.
 - With [M] the applicant assigns a huge market while [Y] & [E] are allocated very little.
- **Figure 8 – 2025 model** assumes that [EC] Eastern Creek IMT is built and operational.
 - With or without [M], the [EC] terminal takes up most of catchment of [M] within 9 years
 - The likely outcome of a constrained [M] shows that its remaining market is negligible.
 - With [EC], the expansion at Enfield and Minto, and the announcement of Villawood IMT, this small catchment would be better more efficiently serviced by these four IMTs.

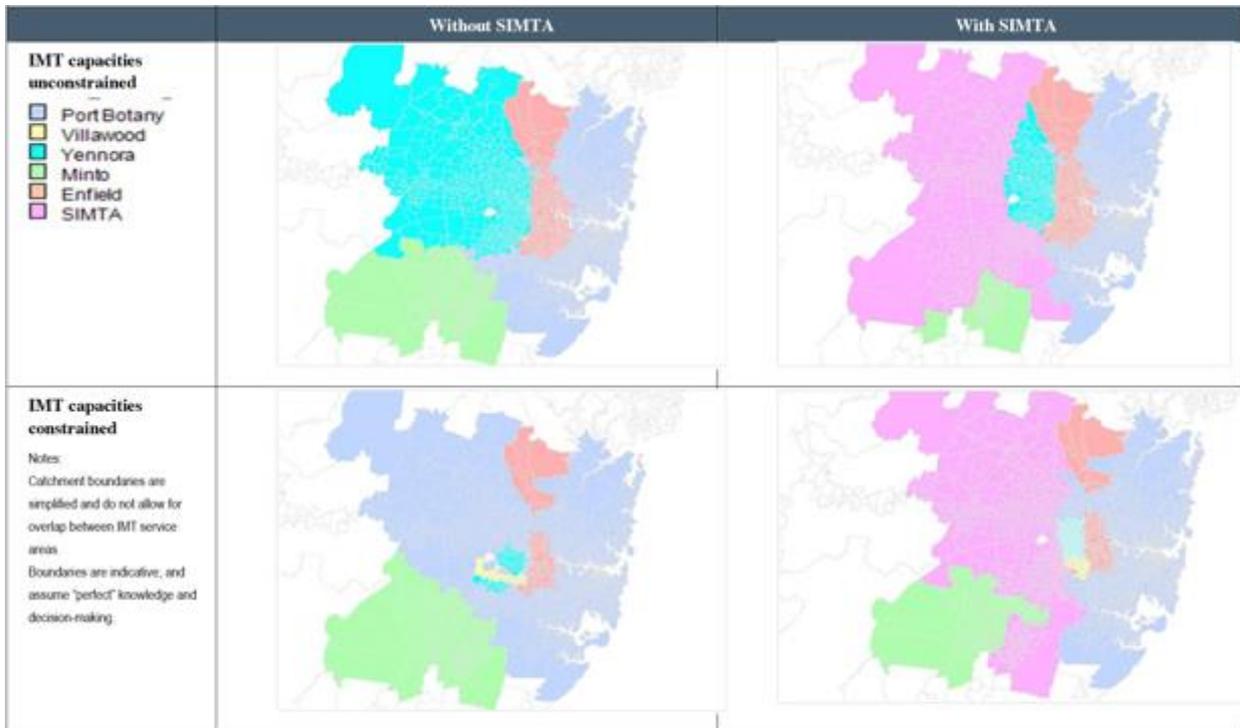


Figure 7 IMT Catchment Maps - 2016

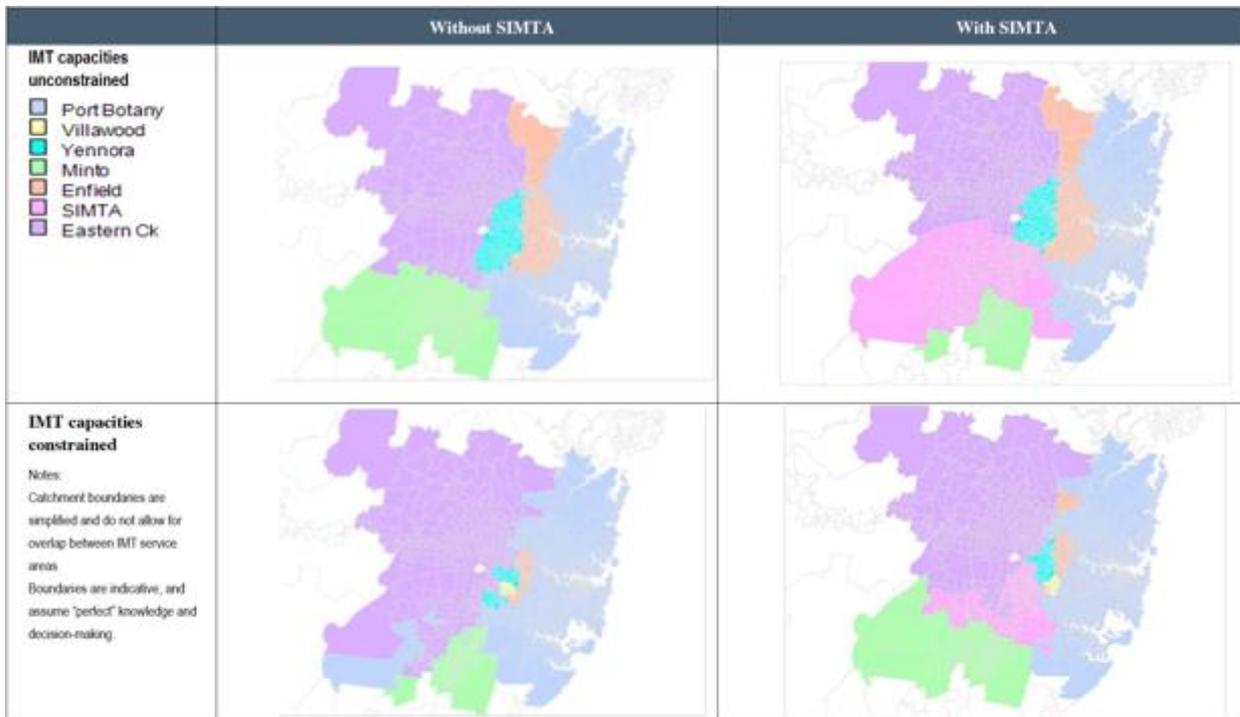


Figure 8 IMT Catchment Maps - 2025

RAID

RESIDENTS
AGAINST
INTERMODAL
DEVELOPMENT
MOOREBANK

3. PROTECT AUSTRALIAN GOVERNMENT'S FINANCIAL INTERESTS

Self-evident dogmatic pursuit of an out of date and soon to be superseded project has engendered a lack of diligent transparency and robust methodologies. In truth an objective assessment is not pretty. Past the veneer of a string of marketed alternative facts and on only finds pay-for-comment statistical jingoism. Giving this project a 'shoehorned' or 'grandfathered' nature, based on a process deficient in the agility needed to respond to market demand or detailed analysis.

In turn, poor execution is generating immense opportunity risk, as government or taxpayer funds [that can and should only be spent once] are being wasted on a non-solution, as opposed to a market and merits driven solution.

Most importantly willful ignorance of the negative economic, environmental and human health impacts is concurrently and proportionately multiplying exposure to the risk of long term financial liability. This is in addition to expected blowouts in primary and so far excluded or ignored secondary and tertiary costs.

A simplified, holistic, round figure Cost Benefit Ratio, based on the some of the demand risks, and including current and future associated costs, best illustrates how poorly this project has / will perform. Tendering an indication of how exposed the Government is, from a fiscal and or liability perspective.

The Real Costs & Benefits

\$870,000,000	Moving the School of Military Engineering [one suburb over]
\$500,000,000	Moorebank Project Office; Moorebank Intermodal Company Limited; "Off Budget" Moorebank Freight Rail Spur Line [\$350Mil + blowout]
\$500,000,000	Value of 220 to 300ha of Commonwealth Land [according to Fed MP]
\$150,000,000	Clean Energy Finance Corporation [long term govt. loan]

\$2,020,000,000 Conservative Value of Federal spending or investment



Varied claims of \$9 out to \$11 Billion in economic benefits have come from many sources with vested interests. These include past and present applicants and Moorebank Intermodal Company Ltd [MICL] in particular. Each claim is stretched over 30 years and likely folds in inflation. In consultation with the Planning and Assessment Commission representatives from MICL, confirmed that the proposed economic benefits are in fact \$2.3 Billion in today's money.

\$2,300,000,000 Economic Benefits in today's \$ [Jan 2016] [according to MICL](#) – pg 19

\$2,020,000,000 Economic Costs to make Moorebank a possibility [Aug 2017]

\$280,000,000 1.139 CBR

Allocating \$2.02 Billion to return \$2.3 Billion in benefits or a CBR of 1.139 is an extremely slight advantage, and one that requires everything to go exactly as planned, predicted or projected. Not the ideal odds for gambling or governing.

Returning to the original statement from the Department of Finance and Deregulation page 33 of [Shorthand Summary & Update on Traffic Science, Compliance and Planning Procedure – Aug 2017](#), we learn that the overstated “\$10 billion in economic benefits” are to include “reduced freight costs, reduced traffic congestion, reduced accidents and improved productivity”. Presumably from having “3300 trucks a day taken off Sydney’s roads between Port Botany and Moorebank by shifting freight to rail”.

Heretofore this submission and supporting material has empathically and empirically disproved or discredited these claims, to the point of nausea. Nevertheless to recap on the primary assertion of this submission:

Removing 3300 trucks off Sydney’s Roads through a shift to rail is a laudable goal, one that is anticipated could reduce freight costs, traffic congestion and accidents – However an Intermodal Terminal at Moorebank is not capable of doing so. 3300 Trucks are not currently taking this route, nor is there local demand to support the idea that 3300 trucks will ever be travelling from Port Botany to Moorebank at any time in the future.



If one accepts 3300 would be removed by Moorebank IMT, one must also accept it will generate [8000+ Truck journeys and 5700+ Light Vehicle / Commercial](#) journey's which double handles freight, moves and compounds congestion to multiply accidents.

On this basis, of zero current journeys being shifted off Sydney's roads [M5] and 13,700 future journeys being added to an over capacity traffic network and recognised Blackspot. Moorebank IMT is a genuine threat to current productivity and represents a benefit deficit.

Research and correspondence indicates that the primary espoused economic benefit [70%] comes from mode shift, followed by a reduction in traffic accidents, which for the purpose of this submission will be estimated at 10%, due to limited public information.

70 %	\$1,610,000,000	Mode Shift – Trucks to Rail [3300]
20 %	\$460,000,000	Reduced Freight Costs / Congestion + Productivity
10 %	\$230,000,000	Reduced Traffic Accidents

Taking 70% to mean 3300 trucks then the maximum 594 trucks that may possibly be shifted by Moorebank IMT represents 18% of the nominal target. While the base argument is: Moorebank offers zero or negative benefits, for the purpose of this submission, and continuing to calculate a conservative CBR, a conciliatory approximation of benefits [18%] will be maintained and utilised.

18 %	= \$289,800,000	Mode Shift – Trucks to Rail [594]
18 %	= \$82,800,000	Reduced Freight Costs / Congestion + Productivity
18 %	= \$41,400,000	Reduced Traffic Accidents
18 %	= \$413,200,000	Best Case Possible

By revisiting the CBR and recalculating it based on the revised best 'mode shift' case for Moorebank the stark reality of demand risk and poor project performance arises.



\$413,200,000 Economic Benefits in today's \$ [Jan 2016]

\$2,020,000,000 Economic Costs to make Moorebank a possibility [Aug 2017]

- \$1,606,800,000 - 3.89 CBR

It is not too late, immediate action can and will prevent this 15-year disaster before it reaches the point of no return. Of course without access to the finer details of contracts signed early this year, the impact of rescinding the contract is unknowable. Assuming there is some penalty for cancelling contracts it is important to continue assessing the project costs. Allowing one to openly review which path better protects the financial interests of the Australian Government.

To recap the Federal Government, through many of its agencies, has allocated \$2.02 Billion to make possible the best-case scenario of \$4.13 Million in economic benefits. This scenario does not presently account for the cost and funding of long-term road and rail infrastructure needed to support the proposed IMT. It is understood that such issues associated with the capacity of the local traffic network, were to be determined prior to consent and or prior to any development application.

Contrary to following common sense conditions or directions from the Planning and Assessment Commission [in 2014], the Federal Govt, Federal GBE, and the NSW Planning Department appear satisfied to sort this out after the fact. This represents the single biggest risk and misplaced cost.

In [Transport Modeling – Moorebank Intermodals: Better Options](#) on pages 11-12 appears an open source list of 34 intersections identified as needing upgrades or new builds to cope with the proposed IMT at Moorebank. Three of these are major arterial intersections that require graded overpasses.

Based on over 20 years of experience a simple cost projection has been produced in [Transport Modeling – Moorebank Intermodals: Background Costing Summary](#). The concluding dollar amount of \$2.95 Billion, may explain why such an assessment has not been done, or made public.

By again revisiting the CBR and recalculating it based on a simplified road infrastructure costing, governmental and taxpayer exposure grows exponentially.



- \$1,606,800,000 Economic Costs to make Moorebank a possibility [Aug 2017]
\$2,950,000,000 Simplified Costing of Road Upgrades at 34 effected intersections

- \$4,556,800,000 - 11.03 CBR

The 34 identified intersections do not include 3 additional projects listed in the [MICL Annual Report](#) – page 22: the M5 Merge problem, Cambridge Ave and the Hume Hwy / Brickmakers Bypass. The RMS is already working up solutions to the Hume Hwy due to background traffic and ranking as the number one accident hotspot.

For that reason it is not strictly counted. Nonetheless over 25% of intermodal traffic is expected to use this route, so a strong case could be made that the Federal Government ought to chip in to partially fund this new build of 7-8km Hume Hwy / Liverpool Bypass.

In 2014, SMH reported that toll roads were running at an average of \$500Mil to \$1Bil per 1km. The Cambridge Ave “solution” is rumored to be another [Transurban] toll road to connect to the M5 and M7. If it were progressed, the Cambridge project would run to \$7Bil plus to build. The project has been suggested due to the many independent critiques of traffic studies, which condemn the prospect of 13,700 trucks and cars pushing through one intersection everyday: M5 x Moorebank Ave. Access to Cambridge Ave is currently prohibited and unlikely to change*.

* The Cambridge Ave project cannot / should not go ahead as it would have to carve up a built up residential area. A route or road of this type through residential areas is explicitly forbidden, if one takes heed of [Recommendation 13](#) of the FIAB Report.

The M5 Merge or weave issue is one that plagued this project since the first EIS was submitted. [Transport Modeling – Moorebank Intermodals: Better Options](#) expounds this issue in Appendix 4 on page 81. Highlighting that *“there are no simple engineering solutions to this merging and weaving movement”*. Any miracle solution for this 1km stretch of the M5; currently an 8 lane bridge over the Georges River, is to be predictably heavily engineered, especially as it intersects with the Hume Highway. For this reason the cost can be reliably projected at \$1Bil to \$2Bil.



1km	\$1,000,000,000	M5 Bridge, Merge and On / Off Ramping
7-8km	\$8,000,000,000	Brickmakers Bypass of Hume Highway
6.5km	\$7,000,000,000	Cambridge Ave Tollroad *
	\$16,000,000,000	Total

One could assume that a 50/50 split is the probable outcome. Making both the State and Federal Governments responsible for \$8Bil a piece, notwithstanding any contributions from the private operator and primary beneficiary Qube Logistics. At this point the only upgrade Qube expects to contribute to or pay for is Moorebank Ave, in 2029.

For Moorebank IMT to avoid creating its very own immovable traffic jam, all three projects are imperative. Yet numerous political and or practical obstacles make the prospect of timely completion of all three projects dubious at best. Once again the ineffectiveness of Moorebank reasserts itself and threatens to incapacitate a major thoroughfare. To avoid retardation or flat out gridlock the M5 upgrades are a minimum requirement. Adding at least \$1Bil to the bill.

- \$4,556,800,000 Running Tab of Economic Costs vs. Benefits
- \$1,000,000,000 Minimum – Road Upgrade for the M5 Bridge / Merge issue or
- \$8,000,000,000 Moderate – Half of the cost of 3 requisite projects linked to Moorebank IMT

-
- **\$5,556,800,000** - **13.44 CBR** Minimum
 - **\$13,556,800,000** - **32.82 CBR** Moderate or Fair
-

Critically the cost and impacts on [Rail Infrastructure](#) has not been factored into the scale of works and the cost benefit ratio. In place of a preventative remedy there is a reactionary cost shift, to a time in future and an unknown party. It is the NSW Government, which has nominated the need for a duplication of the Southern Sydney Freight Line. In the nominated duplication the State sites Moorebank IMT as the source of the problem stating: “...particularly with the development of the Moorebank Intermodal Terminal, will place significant pressure on Sydney’s rail freight network and the Southern Sydney Freight Line (SSFL) in particular.”



“The SSFL forms a key connection between the proposed terminal and other logistics hubs. Without additional capacity once Moorebank Intermodal Terminal is fully operational, the SSFL could become increasingly unreliable and face capacity constraints.”

As identified in [Essay on Economic Benefits, Trucks and Jobs – Feb 2017](#) the SSFL has had 28-year lifecycle; being conceived around 1985 and completed in 2013, over time and over budget.

Based on the [ARTC Sydney Metro Freight Strategy of Oct 2015](#) it was identified that building the Moorebank IMT would push the SSFL to capacity very quickly. The quoted Priority Initiative, sites a timescale of 10-15 years. However the ARTC indicates that if Moorebank is operational this year [2017] the SSFL would likely be at capacity by 2020, and this projection is not likely to include the newly announced Villawood IMT of 200,000TEU.

The SSFL has streamlined connection between Port Botany, Chullora, Regional NSW / VIC and Melbourne by separating freight trains from Sydney Commuter Lines and Timetables. The final cost for this project was \$1Bil, which is [\\$700Mil over budget](#) [and 3 years late]. Therefore one can reliably estimate that any duplication and looping of the SSFL would run to \$1Bil if not more.

- \$5,556,800,000 Running Tab of Best Case Economic Costs vs. Benefits

\$1,000,000,000 Duplication and looping of Southern Sydney Freight Line

- **\$6,556,800,000 - 15.86 CBR ***

* Notably this working CBR does not factor in a dollar figure for the diminishment of the \$1Bil cost of the current SSFL, based on the impact of building Moorebank IMT, which will make the SSFL redundant within 7 years of its completion, and 3 years of operation of Moorebank IMT.

Protecting Financial Interests

Practically speaking Moorebank IMT, its requisite rail spur, the subsequent obstruction to the SSFL and its overall negative impact across the network, represents the foremost risk to achieving the global directive: supporting projects that lift rail share [and or doubling of rail share] for containerized freight from Port Botany.



Mr Maurice James the CEO of Qube Logistics has previously identified that the major risk or unknown for Moorebank IMT was: *“essentially it’s going to come down to the efficiency of the rail network with the Australian Rail Track Corporation.”*

The cruellest of irony, being that the success and efficiency of the rail network with the ARTC is fundamentally at risk from the Moorebank IMT, as has been assiduously articulated and frequently rephrased herein.

Disappointingly the issue of rail infrastructure costs only deepens for MICL and or the Australian Government and its financial interests. As it stands the original \$350 to 400Mil that was allocated to build the Rail Spur Line off the SSFL to Moorebank IMT is understood to be “off budget” expenditure. As such it is expected that these funds will be returned to the Government, presumably through some sort of access / tolling system or long-term loan to recover the investment. Review of the design of Spur Line puts the either likely revenue streams at risk. Furthermore it creates exposure to additional financial risk.

The funding is allocated to a project that knowingly contravenes EPA and TfNSW Guidelines. Instead of constructing a spur line with an average curve radius of greater than 500 metres MICL is pursuing a design of 160 metres. For perspective and context this radius curve is tighter than [Wollstonecraft](#), which is a [Commuter Line](#) in Sydney and also tighter than a [Freight Line](#) in [Beecroft – Thornleigh](#).

These hyperlinked examples give indication that the intended spur line located at Casula is likely to be beyond the scope of any genuine “feasible and reasonable” mitigation or amelioration. Its construction and operation will garner significant complaint for Noise Pollution, which in turn can and will attract a deferral of EPA Licenses, incur fines from the EPA and or Liverpool City Council. Principally this may also result in the suspension of access or egress for trains to the IMT.

Thus the risk:

- That the fundamental purpose of the project and terminal is undermined without rail access.
- Jeopardising the return on investment due to an inability to “toll” trains to recoup expenditure.
- Further compounded by additional potential costs of fines accrued by a federal asset.



The X Factor

And so here lies the X factor; by pulling the federal funding for the spur rail line the Federal Government eliminates both primary and secondary financial risks. Requiring the private beneficiaries to fund the asset and take on the risk themselves. Most importantly the Federal Government can reallocate the very same funds to expediting implementation of the ARTC plan.

[On page 29](#) of its Strategy the ARTC lists **7 Metro projects** that will alleviate constraints on the freight rail network **in particular at Port Botany**. These projects will cost over \$400 million in 2015[\$] money and come online in 2021, **2023**, 2025 and 2026. By diverting \$350-400Mil from one project at Moorebank to accelerate seven projects across the MFN and SSFL it is therefore possible to treat the problem at its source rather than create new ones.

Such an undertaking would create rail share capacity of 40 to 50% for Port Botany containers

Having pulled out of the spur line, the Federal Government through MICL need also to pull out current contracts and retract SDD 5066. Leaving SDD 6766 to compete in a free market while the govt. reallocates and reassigns itself to focus on delivery of Eastern Creek IMT, where there is a clear market and growing demand.

Removing the burden of 1.05Mil TEU on this portion of the SSFL, leaving only 500,000TEU, or ideally nil, therefore eliminates the need to duplicate the SSFL just seven years after it was completed. Preserving the current SSFL and its primary task of connecting Sydney [Chullora] and Melbourne for many more years to come.

Equally advantageous the same \$1Bil that would be wasted on duplicating the Southern Sydney Freight Line could and should be reassigned to accelerate the design and construction of the dedicated Western Sydney Freight Line. The WSFL is projected in many government documents to roughly cost \$1Bil. The line is expected to link at Leightonfield without impacting on existing freight and commuter rail, thus protecting the purpose of the SSFL, and creating future capacity for IMT facilities at Luddenham and St.Marys.



A like-for-like swap or reassignment of earmarked federal funding, practically and frugally protects the financial interests of the Australian Government, while effectively meeting market demands and importantly achieving and exceeding stated objectives.

Such an undertaking would rail 5700+ Port Botany containers daily and indisputably prevent almost 3000 container trucks from ever entering a congested road network everyday.

How this might impact on contractual arrangements of Feb 2017 is unknowable given the inability to fully access and assess said arrangements. The focus of this submission is a practical return on investment, through analysis of demand risks and fiscal risks. A change in contractual arrangement may then fall into the category of fiscal risk.

In deliberation of this possible and unknowable risk, set against the desire to protect the financial interests of the Australian Government as it navigates its way out of a potential disaster, a possible and achievable solution is proffered:

An appropriate land swap between the State and Federal Governments would secure the required land for Eastern Creek IMT & WSFL. While allowing the State and Local Governments' to appropriately repurpose the 220 to 300Ha of environmentally sensitive riverfront land. Concurrently favorable terms or priority consideration could be given to Qube Logistics as a primary private sector participant in the delivery of Eastern Creek IMT. In this way Qube, the Govt, the Taxpayer, Sydney's Roads, the Georges River and Regional Residents achieve an altruistic median that benefits **all** stakeholders.

Independent of any possible renegotiations the \$150Mil in taxpayer funds "invested" by the Clean Energy Finance Corporation needs to be pulled immediately and irrespectively of determinations of the ANAO or the currently listed Merits Appeal before the Land & Environment Court of NSW. The CEFC makes [a series of wild claims](#) and mistruths to legitimise what is effectively "seed money" for a project that is failing on the open market, failing to secure vendors or clients. As indicated by Craig Kelly, the Local Federal member for Hughes, in his address to Parliament, [this is not the purpose of this fund](#).



The vast majority of mistruths are based on the original mistruth: shifting 3000 Trucks off Sydney's Roads. As has been proven, such a shift will not take place; therefore neither any of the wild claims made to justify the 'investment'. Focusing in one particular calculated fantasy illustrates the reality:

Reduce the distance travelled by container trucks on Sydney's road network by 150,000 kilometres every day (56 million kilometres per annum, saving 73,000 tCOe of emissions)

As stated earlier if one accepts Moorebank IMT will remove 3000 Trucks one must also accept that Moorebank IMT will generate 8000 to 10,000 Truck Movements. Independent modeling indicates that at least a quarter [25%] of these truck movements will be heading north through Liverpool via the Hume Hwy, the No.1 accident hotspot, on their way to Wetherill Park, Eastern Creek and beyond.

Equating to adding 56,000 painfully slow kilometres everyday, or 20,440,000 km per year, as a minimum. Stripping out a 3rd of the espoused benefits based on their unknown model for calculating 73Mil Km per year: calculations that are in any and every case faulty, at first principle.

The responsible course of action is reallocating the \$150Mil to accelerating investment in Eastern Creek IMT. Better yet CEFC funds ought to be utilised to set Emissions Standards for Diesel Locomotives [for urban areas]. Inclusive in this function would be a requisite commitment to research and develop diesel locomotive technologies to meet said standards. In so doing the CEFC could well open up a new market as well as drive investment in the sustainable development of intermodal facilities around the country and even for international markets.

Ignoring local representatives like the Hon. Craig Kelly MP is to ignore and or misunderstand the value of local knowledge, a perilous and oft repeated mistake of governments of all parties, and failed government programs of all compositions and purposes. Major infrastructure projects being over represented in this way.

Liverpool City Council has been officially opposed to Moorebank IMT since Moorebank Project Office was formally announced in 2010. Importantly this opposition has focused on demand-based positions on both; better locations for an Intermodal Facility and better uses for river front land near its CBD.



Liverpool City Council is pro infrastructure, and has been calling for appropriate investment in public and road transport for an eon. It has not and will not put up a NIMBY position. In fact Liverpool City Council put considerable time and money into researching an alternative site in its own LGA, producing a prospectus [Badgerys Creek – An ideal location for an Intermodal](#) in October 2014 and distributing it to all decision makers.

Despite a LNP Mayor, Councillors and Local Members presenting a better business case, in line with the primary directives and Broader WSEA, to the LNP Infrastructure and Finance Ministers, they were ignored. Local knowledge and local representative were locked out, as the local community is being locked in to Moorebank.

Summary

The Moorebank IMT represents expenditure of **\$6,970,000,000** [likely] to **\$13,970,000,000** [possible] to achieve the best case of [18%] **\$413,200,000** in economic benefits or a CBR of **-15.86**.**

***See PAC Speech + DPE Submission for updated and revised figures based on Govt. reports released after this ANAO Submission was composed. The logic deconstruction remains accurate.*

These numbers get embarrassingly worse at the realisation that the 99-594 daily container truck movements would be eliminated and better served by Villawood, Eastern Creek and Minto IMT's. Leaving the benefits of Moorebank IMT at **Nil** as the costs and problems only multiply.

Current cost estimates do not factor in potential fines for noise pollution or wiping value off a \$1Bill rail asset. Neither do these estimates put a monetary value on the loss of human life due to expected road casualties in a blackspot 40x RMS Guidelines. This week just past saw [another death on this particular road](#), which was crassly broadcast, live by Channel 9 News.

It is truly dumbfounding to think that 2000 trucks, will initially be added here everyday, let alone the expected 13,700+ trucks and cars by 2028/30. Such risks are beyond comprehension and calculation. The choice to maintain the pursuit of this project lacks compassion and or any modicum of bureaucratic benevolence, one might expect from ones own government.



Further supplementary risks and unquantifiable costs, not calculated or estimated at this time are of a compensatory nature, and include issues that may require various forms of reimbursement to the State, the Local Council and or the Local Community.

A primary example would be the [PFAS Contamination](#) on the site of this former Defence Land. This very issue created a class action in Williamstown, where water sources are considered to have been contaminated with PFAS due to their use by Defence at this site. The same contamination of land is accepted at the Moorebank site. However at present there is no intention to prevent water contamination, only to monitor “receptors” like the water catchment, particularly the Georges River.

As stated by the NSW Office of Environment & Heritage “...*the Georges River is in good condition and is improving. It is creating economic value for properties nearby.*” In light of this statement, proceeding with MICL – SSD 5066 and likely subsequent contamination of the river, could open up the government to compensation and or fines from State Agencies.

It could also open up the government to compensation, fines and or funding grants to the LGA of Liverpool. Moreover local fisherman and water based activities around Chipping Norton Lakes or the nearby barefoot skiing club would need to be prevented access. This too may result in litigation and perhaps compensation.

Companies like Coronation Construction whom is building high-rise apartments on the river may also seek compensation due to loss of amenity along the river [and or the air and noise pollution running under balconies of prospective buyers].

Litigious activity could spread further to the 40,000 nearby residents whom see loss in amenity of the river, and the local environment and access to safe roads, as the cause of lost value in their land and or homes.

This may well lead to class action proceedings of a different nature to that in Williamstown. Creating additional fiscal risk top of the current demand risk posed by public interest proceedings to protect a presumed extinct flower – now listed as critically endangered: [hibbertia fumana](#).



The sheer scale of this project, on a riverfront location, further continues to be a source of financial risk and or compensatory liability. The most significant being the massive impact of 2,200,000 cubic metres of imported fill, utilised to create a 'concrete island' base for Moorebank IMT, on a water catchment area and floodplain.

First and foremost there may a need for compensation to Liverpool Council and or DPI / NSW Water for having to dig out a portion of the river system to a corresponding magnitude, so as to maintain or reduce the 1-in-100 flood level. Knowledge on this undertaking is limited. If this requirement is not satisfied more frequent and more destructive floods are to be expected in the area.

Floodwaters being generally destructive may cause physical and commercial damage. However these floodwaters are likely to be contaminated by PFAS and just as importantly, by run off of settled carcinogenic particulate matter [diesel NOx pollution]. Therefore any floods after or as a result of construction of Moorebank IMT are likely to be more destructive from a human health, environmental and biodiversity perspective.

By 2011 [GHD](#) had already been critical of single mode; governmental single mindedness that misses the value and execution of integrated transport / land use planning [pg7]. Examination of this project echoes this assessment; it is almost the very epitome of single mode blinders.

Maddeningly, assessment of this project shows that first principles have been so overlooked that the aforementioned list of secondary and tertiary financial risks and potential liability, have been completely missed or flat out ignored. So one is led to ask, **how did we get here?**

4. THE PROJECTS GOVERNANCE FRAMEWORK

GOVERNANCE & GOVERNMENTS

The ARTC indicates that both Moorebank and Eastern Creek IMT emerged at the same time in 2000. Eastern Creek is the far superior option, so how did the government of the day settle on Moorebank. For many, the answer is the [Corrigan Factor](#) or rather Chris Corrigan's political influence which is most exemplified during the [Particks vs MUA](#) period of pre 2000.



By 2004, after a “fly over” by Chris Corrigan, interest in Moorebank is announced as Commonwealth Policy. As cited by The Australian “ *the Moorebank project has its roots in Corrigan’s obsession with the potential of a strategic piece of federal government land...*” – cheap land.

Drilling down to the project in question and both the Moorebank Intermodal Company and Infrastructure Australia heavily reference the 2004 policy announcement and the FIAB Report of 2005. Effectively treating it as their “bible” or mandate when corresponding with the NSW State Government and its delegates – [Planning and Assessment Commission – MICL – SSD 5066 Concept Report + Instrument](#) roughly a decade later 2014 – 2016.

At the outset it is wholly contradictory and disingenuous to site the aforementioned FIAB Report of 2005 when discussing Project Justification [for the MICL Project] with PAC in early 2016. Specifically because the No1 and primary recommendation of said report has since been abandoned – lost in translation – or recognised as fancifully out of reach.

This point is of particular significance, as it was well established and reported by October 2015 that the primary limitation to rail share performance was and is the limited rail capacity out of Port Botany itself – [NSW Ports Master Plan – page 52 – Road and Rail Connectivity](#).

Furthermore the Freight Industry Advisory Board was an industry led panel that did not include the Australian Rail Track Corporation. But surprisingly did include the General Manager of Transurban. The Board’s report into “Railing Port Botany’s Containers” took submissions from major corporate enterprises, including from Chris Corrigan of Patricks [at that time]. These particulars speak to how and or why transport planning has been referred to as myopic; why preservation of roads projects is mentioned in a rail focused report and how many of the recommendations favor or find room for the business interests of Mr. Corrigan.

Nevertheless, despite the apparent contradiction of using the FIAB Report as a mandate, or the gospel of first principle justifications, it is important to further investigate some of the details of the FIAB Report. Including general recommendations as well as some relevant or specific to Moorebank.



Those isolated here provide exemplars of recommendations from the FIAB Report that have been executed superficially and or ignored completely as though picking and choosing which of the Ten Commandments to follow.

Recommendation 12 sets up general principles around locations of new IMT facilities.

- *Terminals be located adjacent to or close to key distribution and warehousing areas in metropolitan Sydney;*
- *Terminals be located adjacent to, and with good access to, key arterial road corridors, particularly the M4, M5 and M7;*
- *Terminal locations be adjacent to dedicated rail freight lines;*
- *Terminals have the capacity to receive, load and unload 600m push-pull unit trains for the import/export trades;*
- *Terminals be of sufficient capacity to load full trains either to or from a single stevedore;*
- *Terminals be of sufficient size to accommodate on site empty container parks and servicing, on site warehousing development, driver facilities including truck and trailer parking, rest facilities, and AQIS Inspection and Customs bonded areas;*
- *Terminals be available to operate 24 hours a day, seven days a week to maximise the return on investment in the sites and utilise the rail network to its maximum capacity; and*
- *Terminals be adequately buffered from residential areas in order to minimise noise and light spill.*

Where Moorebank IMT is concerned some of these broad generalities may apply, yet any subsequent merits based assessment beyond superficiality [as presented herein] demonstrates that Moorebank quickly disqualifies itself.

- a) It is not adjacent or close to a warehousing area and any warehousing that was nearby, has moved west / northwest, to be replaced by residential development and a health & education precinct.
- b) Proximity to road and rail as a salable feature at this location is counter-intuitive, as there is neither the access nor capacity. To build an IMT here is to massively retard and undermine both the road and rail networks.



- c) The environmental context makes a “bonded” customs area untenable.
- d) At 250m and 400m to 600m from built up residential areas there is not sufficient buffer from noise and light, especially given the expectation of a 24 / 7 operation.

Recommendation 2

- *Sydney’s future network of intermodal terminals be connected to Port Botany by way of dedicated freight rail lines.*

Eastern Creek IMT is to be connected by a dedicated line, providing almost unfettered access to and from Port Botany. While Moorebank IMT can be joined by a spur line to the SSFL for its own convenience, this action will impact negatively on the primary function of the SSFL and in turn the rest of the network, as has been described.

Recommendation 3 + Recommendation 22 relate to a:

- *Freight Infrastructure Charge and a statutory corporation administering the Fund to be constituted with power to acquire land, commission research and make funds available for capital and other projects; such as road upgrades*

The Federal Government appears to have stepped away from the idea. The Victorian Government has attempted it to varied success while the NSW does not appear to have even tried. Fast-forward to 2014 to 2017 and we see Stevedores charging the surcharge but it is unclear if this is being swallowed into their revenue streams or set aside for open access infrastructure.

Given there is currently no State or Federal Budget set aside for the required infrastructure for Moorebank IMT one can surmise that: as at 2017 it does not appear that this initiative has been successfully executed.



Recommendation 13 promotes mandatory Community Consultative Committees recommending:

- *These Committees to ensure local residents are kept informed of terminal operations, and provide liaison with operators with a view to minimising the environmental impacts of terminal operations;*
- *The Government adopt a 'zero tolerance' policy involving heavy penalties in respect of container road traffic travelling through designated residential precincts; and*
- *Before projects are approved, residential areas surrounding intermodal terminals be designated in order to give effect to this policy.*

No such Committee of this type and function was ever commissioned for the proposed Moorebank IMT, to great frustration and distress to the Local Community [for the past 7 years]. Furthermore it is unknown whether residential areas and their local roads were ever “designated” as such or which jurisdiction would determine the designation. There is therefore also confusion around which party would police the “zero tolerance policy”, Local, State or Federal Authorities. This complexity is multiplied again by the context of overlapping and intersecting Local, State and Commonwealth roads.

Recommendation 4 seeks to regard Moorebank as a key component in meeting Sydney's Intermodal Capacity recommending:

- *Ensure that the Moorebank site is secured for intermodal terminal development by the private sector and be prepared if necessary, on a transitional basis, to use funds from the Freight Infrastructure Charge for this purpose;*
- *Work with the Commonwealth to see the School of Military Engineering moved from the site as soon as possible;*
- *Commence planning for the site's development by the private sector as an intermodal terminal with the capacity to handle at least 500,000 TEUs annually;*

As indicated on the previous page the existence, function and governance of the requisite Freight Infrastructure Charge is uncertain at best.



Nonetheless the bulk of this submission has empathetically explained why Moorebank IMT is a wasteful use of federal funds, no matter the source. The key issue however is that the [DNSDC](#) [across the road from SME] was sold in March of 2003. Not long after, the Consortium that would later become Sydney Intermodal Alliance [SIMTA] took ownership and began work toward a 500,000 TEU to 1,200,000 TEU IMT.

On this final point one begins to see the emergence of errors in judgment, policy and governance that would later become the massive waste of funds and missed opportunities of today – **here and now**.

With an intermodal project in the works on the DNSDC site, the primary function of [Recommendation Four](#) was well in hand. There was and is still no need to move the School of Military Engineering for the sole purpose of making room for another competing IMT next door; most especially in 2012 – 2013 with seven plus years of data pointing toward a shifting market and a revised 'centre of gravity' for the city of Sydney.

Best presented on page 20 of the [Broader WSEA Structure Plan of 2013](#), it shows the two new major growth centres of Sydney and their common connection to and through the BWSEA – Broader Western Sydney Employment Area.

At the upper most, the State Government ought to have been assessing the container freight market and the impacts of IMTs on state infrastructure at both Moorebank and Eastern Creek. At the minimum the Federal Government ought to be reviewing which market was stronger over the longer term [in 2036 + 2056] and at the uppermost assessing whether its land at Moorebank or Badgerys Creek had the most return on investment for taxpayers.

Succinct merit based assessments of this nature would then inform decisions by the State regarding access to its rail corridor and or decisions by the Commonwealth regarding access to its land for construction of a rail corridor at Moorebank. This is or should have been the upper limit for credible government involvement in private industry goals.



Notably by **May of 2007** the NSW Government's Infrastructure Implementation Group conducted a review of the Freight Infrastructure Board Report and its Recommendations. In this document we find the nearest rendering of a definitive government policy, whether one agrees with its sentiment or not:

“Generally, the role of Government in relation to terminals should not be to operate them but, where it is financially and economically justifiable, to facilitate the provision of their infrastructure.”

It is therefore confounding to find direct federal government [2012-2017] and even ministerial involvement [2009-2011] in the pursuit of its own a competing terminal at Moorebank.

The 2007 review goes on to say:

The FIAB Report recommended that a site be reserved for a large intermodal terminal on land in the vicinity of Eastern Creek with potential for connection by rail to the Main West Line in the short term, and that further investigation be undertaken in the longer term for potential connection in the longer term to the Southern Sydney Freight Line.

Grade-separated access to the Main West Line would cost about \$500 million. A freight-only rail line connecting to the Southern Sydney Freight Line in the vicinity of Leightonfield would cost over \$1billion.

The Review concluded that neither of these expenditures is at present warranted – but the issue will need to be reconsidered if the Moorebank option is not available. Eastern Creek will become an increasingly important location for warehousing and distribution in western Sydney, and an intermodal terminal at Eastern Creek remains a possible future option.

Here the 'review' disrupts the current revisionist narrative of Moorebank vs Eastern Creek, whereby it is secondary cost of the rail link that is the determining factor, not markets or performance. Again superficially one can understand the logic, however at a cost of \$350 to \$400Mil the Moorebank Spur Line is not insignificant. Of course add in the demand risk, the real costs and the potential fiscal risks, including the duplication of the SSFL, and the scale shifts dramatically the other way.



Objective investigations of the kind provided herein, almost instantly signify and echo the sentiments of the 2007 IIG Report. Invoking the notion that “...*the issue will need to be reconsidered if the Moorebank option is not available*”. In turn this leads one to ponder why objective investigations were not prominent or even conducted between 2005 and 2012.

Chris Corrigan, his colleagues and his corporate partners are not at fault here. They are well within their right to promote their business and their business' interests. The failure is of governments' and governance, as both sides of the political landscape “played the man” rather than execute their duty.

On one hand there is a failure to assess whether private business interests are aligned or serve the public interest, instead these were folded in as one and the same. On the other hand after a change of government [Nov 2007] there is an almost overt agenda to stifle Chris Corrigan and SIMTA by denying rail access and seeking to create direct competition across the road [Moorebank Project Office]. In each of these arguably excessive private and public pursuits, the citizenry was forgotten and the public interest was not served.

The most explicit example of the latter public pursuit comes in 2009, when Moorebank IMT is placed on the Infrastructure Australia Final Priority List by way of Ministerial Intervention [Albanese].

At that time it was the Australian National Audit Office who audited Infrastructure Australia's processes in forming its initial Interim and Final Priority Lists. The fundamental requirement for any projects to be listed in this way is a positive Cost Benefit Ratio. The ANAO audit reported that the Moorebank IMT [now MPW] was placed on the Final Priority List by way of Ministerial instruction.

There was no CBR provided.

There are at least two significant errors of judgment, policy and governance, both before and after this moment – but this is most moronic, easily avoidable, train wreck of a moment – setting up the contemporary pathway to this potentially destructive, retarding, irrelevant and wastefully government subsidised white elephant.



By pushing [the singular] Moorebank IMT without the appropriate cost benefit ratio and any comparative CBR's for other sites, government agencies have been locked in to this white elephant. Forced to shoehorn the merits that the Minister needed after the fact, as opposed to scientific methodologies to select the right projects and the right level of investment to achieve any and all primary directives.

Essentially this is the how and why of the redacted detailed business case [Feb 2012] and conditional conceptual planning approvals [Sept 2014] where the vast majority of forecasts exist in a goldie locks zone, almost expressly ignoring even the most obvious demand risks and expenditure.

In May 2012, with Labor in government, Senator Cormann was challenging the Labor Government for initiating a government run Moorebank IMT [MICL] with Senator Wong challenging him on “whose interests” is he representing?

***** *Senate Estimates Hansard Extracts - 24/5/2012 - ALP Gov.* *****

Senator CORMANN: The advice that I have got from the responsible shadow minister is that the—

Senator Wong: Which is from the proponent in whose commercial interests it would be?

Senator CORMANN: The advice that I have got, Minister—

Senator Wong: I think you should be upfront with the public. If you are coming in here and advocating a private sector proposal because of those commercial interests, it is fine for you to do that but I think you should be upfront about it.

Senator CORMANN: Minister, I am not pushing a private sector proposal: I am pushing for value for money for the taxpayer—

Senator Wong: And so are we.

Senator Cormann states that his interest is “...**pushing for value for money for the taxpayer.**”

Yet when in government, as the new Minister for Finance, Mr. Cormann did not suspend the project, or put a pause on the \$870Mil MUR Project, to investigate all value for money alternatives. Instead there was an arguably pernicious shift in direction and purpose for Moorebank Intermodal Company. To gift the asset back to Chris Corrigan and execute the delivery of a government backed monopoly.



This very probability was argued in 2014 Senate Estimates, with the LNP in government, Senator Dastyari mentioned Mr. Corrigan's name 18 times in pursuing "who owns what" with regard to SIMTA / MIFT. The following extracts provide background for the assertion that the process became corrupted, with the intent of Corrigan's friends and enemies reigning over the pursuit for the best outcome for a major infrastructure investment.

******* Senate Estimates Hansard Extracts - 26/5/2014 - LNP Gov. *******

Senator DASTYARI: The proposal is bipartisan. No one is opposed to the proposal.

Senator CONROY: It is actually not bipartisan for Chris Corrigan to be given a monopoly, and expand his wealth. That is absolutely not bipartisan.

CHAIR: With your indulgence, Senator Conroy... pausing there for a second.

So, what you are proposing is that this is a corrupt deal?

Senator CONROY: We are investigating what is going on.

Senator DASTYARI: I want to get to the bottom of the arrangement that came to this.

Senator STERLE: It is a bit sus, Chair.

Senator DASTYARI: I think it is a bit more than a bit sus, Chair.

******* End of Extract**

******* Senate Estimates Hansard Extracts - 26/5/2014 - LNP Gov. *******

Senator DASTYARI: So, you are saying that while obviously people from your department have met with Qube—and I understand they are a big company and there would be reasons to meet with them—are you aware of any other meetings with Qube and Mr. Corrigan and the minister?

Mr. Mrdak: I am not aware of any such meetings or discussions.

Senator DASTYARI: Is anyone aware of any meetings?

CHAIR: Minister, can you take that on notice?

Senator Colbeck: Yes.

Senator DASTYARI: Is anyone in the department aware of meetings that have happened with Mr. Corrigan and the minister?

Mr. Jagers: I am not aware.

Senator DASTYARI: Are you aware of any meetings with Mr. Corrigan and the Prime Minister?

Ms. O'Connell: I am not aware.

Mr. Mrdak: I am not aware.



CHAIR: Cube still lives in Switzerland.

Senator DASTYARI: Are you aware that according to the donor to political party disclosure returns, the last one that was publically available, that Mr. Corrigan's company, Qube, was one of the largest donors to Liberal Party?

Mr. Mrdak: I am not aware of that.

Politicians of the day continue to be lost in the weeds, consumed by political pot shots and arguing over how to deliver Moorebank IMT. All the while the real mistake was made years ago. The pressing question being how did Moorebank IMT originally 'make the grade' without being tested.

The lack of an artful Deal

Having worked in the industry, lived in the area for 20 plus years, researched and followed this proposed project, for 8 plus years, it was gravely concerning but not surprising to learn that Qube Logistics was one of the largest donors to the Liberal Party, in the lead up to negotiations which began in 2014. It was clear to even the laypeople in the community that the later tender process was farcical; lip service at best. The other "interested parties" were not seriously interested. First because other these firms were already seeking better solutions at Port Botany and more reliable rail options closer to port. Moreover the CEO of MICL had advised that SIMTA [or Qube Logistics] was in the priority position.

One can reliably conclude that value for money was never the KPI for this project, and its tender process. With the ANAO's access to the contractual arrangements, this must be one the central deep dive areas of its investigation into the performance audit of Moorebank Intermodal Company Ltd.

The lack of Design Thinking

Poor Policy and Governance has had further negative impacts on performance and or has directly steered decisions toward the above described, poorly performing tender process. The most pivotal road less taken, or in this case not taken, splits off during 2007 to 2009. Not conducting a full market appraisal, capacity assessment and business case [in 2007-8] prior to adding Moorebank to the IA Priority List was a mammoth error. Having done what was appropriate, may have led the government of the day to meet <> create opportunities of great benefit.



The road not taken in 2007 – 2009 was the creation of the Australian Intermodal Company.

To work with or under the Australian Rail Track Corporation: its intended role being the assessment of the next and best intermodal sites in each capital city. Working with environmental, transport and planning agencies in each state to develop and execute a best practice land use / transport planning model for site selection, funding, preparation, connection [and construction].

This mythical statutory body or agency would have provided merit and market based solutions that delivered capacity, value for money and return on investment for the public interest and the taxpayer. Instead the Commonwealth creates a GBE to deliver just one project.

By creating the Moorebank Intermodal Company the government essentially put the answer in the name, suggesting 'there is no solution or scope outside of Moorebank' and all roads lead to Moorebank. They must.

Transparency

This is precisely why the CEO Ian Hunt and his team would suggest to the Planning and Assessment Commission in January 2016 that: *"MIC is of the view that Moorebank is the best location for an intermodal terminal and that no other sites are suitable or available"*.

Where the [Governance Framework](#) is considered, most if not all of the local community would be of the view that the organization and the individuals representing it lacked Accountability, Transparency and Integrity.

Frankly the experience of years of community consultation leads one to conclude that the CEO's role was and is to sell whatever new misdirection was and is necessary to shepherd this white elephant PPP to completion.

It is therefore welcome news that the Turnbull Government announced it would be reviewing government CEO remuneration in May 2017 – conversely this may merely be a political panacea of nil consequence.



Returning to the context of Mr. Hunt's role as CEO of MICL, one needs look at the performance of the Lane Cove Tunnel and the Cross City Tunnel. Two transport-based public-private-partnerships that failed or rather 'performed dismally' due to inflated goldie locks forecasts that ignored tangible demand risk. Given this history and the broader political context one must consider the possibility that shepherding failing projects to their completion is the intended goal and purpose of Mr. Hunts involvement; to cycle colossal sums of public funds into monopolistic private assets and profits.

Much back and forth in consultation sessions and email correspondence related in particular to noise pollution and the buffer from residential areas as well as significant through traffic that use Moorebank Ave to reach Glenfield, Macquarie Fields and on to Campbelltown: specifically due to the immense congestion of the Hume Hwy and the M5.

Figure 1 [overleaf] from the MICL website was sourced and raised with Mr. Hunt. In response to these issues Mr. Hunt advised that warehouses would be designed to face inwards and Moorebank Ave would never be moved or realigned. This is just one example of what could be labeled an outright lie perpetrated by Mr. Hunt.

1. Early MICL Website



2. Later MICL Website + Annual Report





3. ARTC – Oct 2015



4. Biodiversity Offset – Oct 2016

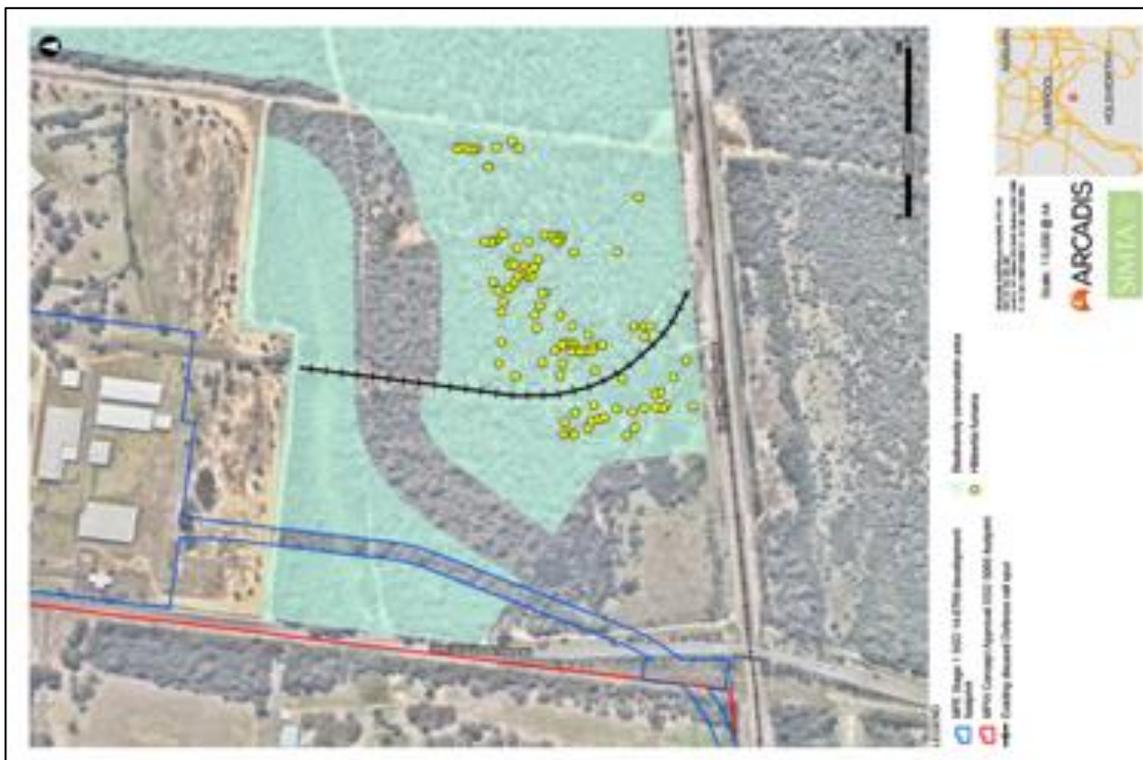




Figure 2 represents a later infographic still present on the MICL website and found in the MICL Annual Report of 2016. It again clearly shows that Moorebank Ave is to be re-aligned around the outside of the “precinct” of SSD 6766 + SSD 5066. The significance of this is three-fold; the realignment is not present in any of the current partial or conditional development consents or recently lodged modification applications; adding the realignment incrementally or after the fact undermines the modeling of noise, light and vibration pollution at levels exploited to achieve consent; and Mr. Hunt’s lie now seems blatant and undeniable.

Figure 3 represents a version of the project that does not exist, meaning it has not been submitted, assessed or approved. Yet this image or version was supplied to the ARTC by MICL / Qube during 2014-15, with the expectation that the ARTC assimilate this project variant into its freight rail model, as being operational from 2017. Thus exposing the possibility of deliberate and duplicitous incremental presentations of the project to obtain consents and move the project [and share price] forward, only to jettison the approved version for the always-expected version later?

Figure 4 presents a close up of the “biodiversity offset” or boot land through which we see a rail corridor, and a selection of the *Hibbertia Fumana* discovery. Additionally and most importantly one can make out a division through the offset “bio-banked” land. The division appears to create an additional corridor that mimics the path of the very realignment of Moorebank Ave that appears in official MICL / Qube documentation. An alignment that was advised verbally would never happen.

The figure overleaf [GHD May 2015] better represents the environmental and ecological significance of the aforementioned biodiversity in the “boot land”. It also better contextualizes the proximity of the project and the likely to emerge covert / overt realignment of Moorebank Ave.

A realignment of this nature will see warehouses and lighting face into Wattle Grove and bring terminal truck traffic, induced truck traffic and thoroughfare traffic as close as 350m to homes. This shift undermines previous consents and the modeling used to achieve consents; it may also undermine the EPBC Act and the original [pre-conditions of March 2014](#).

All told there is little to no confidence in the transparency of Mr. Hunt and the organisation he leads.



Elton Consulting is the go to firm for both State and Federal Governments, and it has acted for both Moorebank Intermodal Company [MICL] and Sydney Intermodal Alliance SIMTA. Elton was retained for the November EIS for SSD 7709 Moorebank Precinct West – Stage 2, on behalf of Qube Logistics for Arcadis. In Elton’s report they state:

[3.4 Consultation Feedback and Submissions](#)

In line with recent engagement from the local community, no submissions were received.

This shows that, whilst the community have not demonstrated explicit support for the Proposal, neither have they objected to it.

Our communications have aimed to inform and engage the local community, while providing an opportunity to contribute to the application process.

A lack of vocal objection or support has been a consistent feature of the project.”

This assertion has been made and supplied to the NSW Department of Planning and Environment. It is technical obfuscation bordering on bold-faced lie. The local community has openly opposed these proposals in all its guises, including this one, which garnered roughly 120 objections.

Over the last 7 years Liverpool City Council sourced 10 different Peer Review Reports from [Cardno](#), at an estimated cost of over \$1million. Underpinning this, the broader community has made over 1000 email or ‘major project portal objection submissions’ and supplied over 1500 signatures in petition form over the past 5 years. Additionally Over 70 members of the community prepared and presented speeches against the proposals, over two PAC Public Meetings in 2014 and 2016.

The characterisation by Elton Consulting is one in a long line of abhorrent false positives “constructed” for the benefit of all past and present applicants. It is a particularly heinous statement to make as Elton Consulting did not conduct any Public Consultations Sessions on behalf of either SIMTA / Qube. Indications are that Elton only conducted sessions for MICL. The very same sessions where Mr Hunt advised there would be no realignment of Moorebank Ave, but also conceded that Moorebank IMT would not functionally remove any trucks off Sydney’s Roads. Accordingly it is understandable that a lack of confidence has grown to an active mistrust of Mr Hunt and MICL.



Conflict of Interests

Previously herein the conduct of MICL CEO Ian Hunt is raised, as is a small catalogue of his actions and representations. These were provided to expand on the local community's view that Mr. Hunt, his subordinates and the organisation he leads lacks accountability, transparency and integrity in contravention of best practice governance frameworks. While Mr. Hunt's conduct may be found to be lacking and inappropriate, and the "company" and project, poorly performing; this however may only rise to the level of regrettable [or dismissal if he were to be scapegoated].

Ultimately the key performance indicator of Mr. Hunt's described conduct leads to whom he reported.

Dr. Kerry Schott is the Chairman of Moorebank Intermodal Company; she is also a Director of Infrastructure Australia and has held these roles simultaneously. Plainly this is a conflict of interest and could well be the source of malfeasance.

As the Chairman of MICL Dr. Schott has the primary function to deliver the Moorebank IMT. Thus as a Director of IA Dr. Schott would have had the incentive to influence general direction or effect a 'go-slow' on the better options of Eastern Creek and later Badgerys Creek.

As though on-queue to echo MICL's statement to PAC in early 2016: *"MIC is of the view that Moorebank is the best location for an intermodal terminal and that no other sites are suitable or available"*. Infrastructure Australia followed up in a meeting with PAC a few months later, where: *"IA confirmed that Eastern Creek was considered to be a long term option for an intermodal site, as was Badgerys Creek."*

This statement is intended to contradict the Local Council and Community's position. Yet this statement does more than that, it is duplicitous in nature; the very act of making this statement in this context is cyclical and self-fulfilling. It is prohibitive to the better options explained herein. Moreover it presents an unflattering favouritism for Moorebank. While there may not be a direct link to Dr. Schott or necessary proof to claim misconduct it no less troubling from a governance perspective, and no less worthy of thorough investigation by the ANAO. Further still, Mr. Hunt and Dr. Schott were both well apprised of the shortfalls of the Moorebank, so the question emerges: did they report it?



No matter the personal ethics of Dr. Schott, or even the question of what Ms. Schott advised her subordinates, shared with her colleagues or what and how she reported to the board and superiors. The conflict of interest is well pronounced and unequivocally represents poor governance: such that it raises the question of collusion.

And perception of possible collusion and concern around conflicts of interest multiplies when one reviews the involvement of Mr. Paul Forward as Chair of the Planning and Assessment Commission charged with assessing and determining whether both, one or neither of the proposals may proceed.

SSD 6766 for SIMTA and SSD 5066 for MICL were reviewed together at the same time despite being separate projects and separate companies.

The critical element and the source of the conflict is that Mr. Paul Forward was the Chief Executive Officer of the Roads and Traffic Authority and a Member of the Freight Industry Advisory Board. Who later presided over whether to approve some of the projects explicitly advanced by the FIAB in its 2005 report into Railing Port Botany's Containers:

July, 2005 RAILING PORT BOTANY'S CONTAINERS

Appendix A – Membership of the Advisory Board

Hon. Laurie Breton Chairman, Freight Infrastructure Advisory Board
Paul Forward Chief Executive Officer, Roads and Traffic Authority

Vince Graham Chief Executive Officer, RailCorp
Lisa Hunt NSW & Queensland General Manager, Transurban
Greg Martin Chief Executive Officer, Sydney Ports Corporation
Neil Matthews Director, Strategic Design + Development
Mal Peters President (to 21 July 2005), NSW Farmers Association
Llew Russell Chief Executive Officer, Shipping Australia
Tony Sheldon NSW Branch Secretary, Transport Workers Union
Jennifer Westacott Director General, Department of Infrastructure, Planning and Natural Resources



It is precisely due to Mr. Forward's involvement, that both Moorebank Intermodal Company and Infrastructure Australia under leadership from Ian Hunt and Dr. Kerry Schott, each reference the FIAB Report. The report is after all, the work product of Mr. Forward whom had considerable bearing on whether each of them was to be successful in shepherding Moorebank IMT over the line.

In its justification for Moorebank IMT, 10 days prior to a Public PAC Meeting, MICL representatives Ian Hunt, Anthony Vaccaro, Vanessa Tiernan and Dee Brock make a series of sweeping statements, the most important for the purposes of this exposition is: *"NSW Ports is Targeting 3 Million TEU per year by rail [40% of TEU throughput]"*.

The delusion of 3 Million TEU by Rail from Port Botany is two fold, as the 7 Million total TEU throughput target is unlikely due to many factors and the rail bottleneck will doubtful ever service 3Mil TEU no matter the total throughput. Moreover the monopolistic goals of the now private consortium of NSW Ports are immaterial. Nor are they independent, or by extension, credible. The stand out in this case is the reference to **40% TEU of throughput**; a cleverly codified invocation of the FIAB Report and its No.1 recommendation: *"40 percent rail share target must be met and if possible exceeded..."*

Three months later Mr. Forward alone met with Infrastructure Australia to *"gain a broader understanding of the objectives and policies on freight and the impacts of constructing an intermodal terminal at Moorebank"*. Conspicuously the minutes indicate that impacts were not covered nor were there any discussions of contemporaneous policy. Instead *"IA advised that there has been interest from both the Commonwealth and State Governments in the development of Moorebank as an intermodal terminal since 2004"*. Out of date and 12 years after the fact.

"IA noted that a number of relevant background reports and studies have been undertaken in the past, related to Moorebank..." The sweeping nature of the initial point is without detail and not strictly accurate as the Commonwealth "interest" is political and traces back through Mr. Bruce Baird to Mr. Chris Corrigan, while the State investigation of 2005 was industry stakeholder only, and the references therein to Minto, Ingleburn and Moorebank likely trace back to Chris Corrigan also.



Providence aside, the reference to **a number of relevant background reports** is again a cleverly codified invocation of the FIAB Report. The prospect that Mr. Forward would discredit, disregard or modify his own work product is slim to none, thus the consistent invocation of the FIAB Report. PAC denied any conflict of interest, citing its own guideline of a two-year limitation as sufficient.

Yet one is inclined to dismiss said guideline as inconsequential given the PAC Report of the conditional approval of SSD 5066 specifically sites the FIAB Report, making a conflict of interest a simple matter of fact. The front page of this report [Planning & Assessment Commission – MICL – SSD 5066 Concept Report + Instrument](#) – Jun 2016 verifies of the conflict of interest described on the previous page.

1.1 Background

For over 12 years, the site has been endorsed as a prime location to construct an intermodal terminal to promote national productivity in the long term and to assist in the development of Sydney. A brief history of the NSW and Commonwealth Governments' plans for the site is as follows:

Year	Action(s)
2004	The Commonwealth Government announced that the site would be considered as a location for a major intermodal freight terminal.
2005	The NSW Government's Freight Infrastructure Advisory Board identified the construction of an intermodal terminal on the site as a critical element for achieving the NSW Government's target of an increased rail mode share of port container freight.
2007	The NSW Government endorsed plans to establish new freight terminals at Enfield and Moorebank. Later that year, the Commonwealth Government allocated funding towards detailed planning of an intermodal terminal at Moorebank as part of its Nation Building Program.
2010	The Commonwealth Government allocated further funds for a feasibility study. The project was submitted to Infrastructure Australia by the Commonwealth and NSW Governments and was placed at Threshold on the Infrastructure Priority List of Infrastructure Australia.
2012	The Commonwealth Government committed to funding the project.
2014	The project was placed at Real Potential on the Infrastructure Priority List of Infrastructure Australia.

As though the foundation of this very submission, the audience for this submission will find that for each of the dates, documents and assertions above there are corresponding citations, explanations and contextualisations of first and second sources.



Debunking the false narratives set by Mr. Hunt, Dr. with a collation of independent data and modeling to expose the utter and astounding failure that the Moorebank IMT project represents: under performing, failing and even deterring outcomes on every quantifiable metric – save one. Privatisation.

Without immediate decisive action and recommendations from academic and administrative catch-alls like the ANAO, the slow motion tragedy of Moorebank will meet a predictably underwhelming end. Condemning all forward thinking and feasible solutions, proffered throughout the submission, to become a haunting ghost of yet another “white elephant” snuffed out by demand risk.

Privatisation

Broadly speaking privatisation has little to no utility for the people of Australia. A small national population relatively clustered and constrained in capital cities does not allow for the prerequisite competition to justify the costly process and addition cost layer of privatization. In each case the government of impetus that pushes for privatisation, is in practice gifting a portion of its citizenry as a captive market to private interests, and in so doing removes its accountability. Often in a swell of public discourse that questions the transparency and integrity of the parties involved.

This is largely due to the fact that most critical industries in this country are pinch points and paywalls administered by government endorsed monopolies or duopolies; thus preserving and or fostering the globalist status quo at the expense of the national and public interest. Transport, Ports and IMEX is the ultimate pinch point, on the verge of being consolidated into a duopoly. Or at best a series of private vertically integrated monopolies vying for supremacy – which does not necessary mean cheaper, faster or better.

As mentioned earlier in this submission, the privatisation of major or critical infrastructure is a hindrance to expedient integration. Beyond the additional cost layer and potential for price fixing, the competition can exacerbate existing constraints. This is especially true of the bottleneck of Port Botany for both Road and Rail. Where a single integrated supply line and interface, accountably administered by government, based on best practice, utilising private expertise would achieve the fundamentals of productivity, economic growth, public and national interest.



In lieu of integrity, transparency and accountability, the concept of a non-discriminatory open access intermodal facility will collapse due to demand risk, fiscal cost and the objective will cease to exist – replaced by a closed access monopolistic private asset which will reek havoc on the shared transport network as described.

Devoid of the promised throughput vendors will select other IMT facilities, leaving the Commonwealth with a gold plated stool sample, it must get 'off the books'. Enter Qube Logistics whom will offer to renegotiate the lease, to likely buy the site for 10c on the dollar, at which point Qube inherits a billion dollar asset and [a billion dollar tax break](#), to be cycled out until Qube can prop up the operation with enough Interstate throughput and a push into the road freight market.

Thus the cycle will be complete, the project will be fully privatised having shifted 10's of billions of taxpayer funds from the service of the public good into the service of private wealth, off the back of a project that offers no utility or public interest. A project that in fact retards each of the metrics, for which it was proposed, for which its exponents claimed the project, must be built.

As defined herein Moorebank IMT is a project that fails to deliver on any meaningful metric. Save for providing Qube Logistics and Chris Corrigan with a state subsidised base of operations for his long fought, long desired eastern seaboard monopoly of IMEX and Interstate Container Freight.

Closing a chapter for Corrigan at the precise moment he emerges as the Chairman of Webster Holdings. A central entity embroiled in "...[the biggest water grab in Australia's history](#)."

Whether one reads this submission alone or chooses to review 20 years of history, source 100s of relevant documents to consume the 20,000 plus pages that inform this submission, the following will always remain true.

The Moorebank IMT concept and project starts and ends with Chris Corrigan. As such it was never for the benefit of the public interest, it was never going to prize the public good, protect the environmental and ecological good or advance public health, wealth and productivity.



5. WHAT CAN BE DONE

AUSTRALIAN NATIONAL AUDIT OFFICE

It is too late to recover the \$870Mil used to move the School of Military Engineering; it is too late to save the 400 plus trees and part of the surrounding ecosystem that has been destroyed; it is too late to preserve and reuse some of the Military buildings. **Nothing is yet built.**

Thus it is not too late to prevent this misadventure, it is not too late to pull \$500-600Mil in federal funding; it is not too late to repurpose the riverfront land and in so doing salvage some of the money wasted to date; it is not too late to reallocate federal funds to real solutions both at Port Botany, across the freight rail network, in support of the City, the State and the Country.

As civically minded and directly impacted citizens we will continue to put the truth in front of decision makers. **This too must be the goal of the ANAO.**

For this reason it is behoove of the ANAO to conduct an appropriately expansive and much needed study into the inappropriately entangled Private and Commonwealth projects and the risks posed to the public interest. And in doing so we emphatically ask the ANAO to detail the options for breaking or rescinding contracts; by way of a full exposition for navigation of the rescission pathway. Set firmly in the context of all demand risks, and the high likelihood of long-term opportunity, productivity and financial costs, if Moorebank IMT is allowed to go ahead.

An expansive and contextual report from the ANAO may actively prevent the wasteful allocation of **\$6,970,000,000** [likely] to **\$13,970,000,000** [possible] for a best case of [18%] **\$413,200,000** in economic benefits or a CBR of **-15.86**. Stepping out in front of this avalanche rather than being confined to comment on its causation, after the fact, is the single greatest thing the ANAO could do.

It is our dearest hope that this submission will inspire such actions.
