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Cc: AMPS - MPO
Subject: Moorebank announcemnt pack [SEC=IN-CONFIDENCE]
Attachments: Moorebank Event Brief .doc; Attachment B- QA .docx; Moorebank Fact Sheet.docx; Summary DBC.PDF; Photo 3 Map Moorebank Intermodal Terminal.7z; Photo 2 Concept Plan.jpg; Photo 1ArtistImpression.jpg; Green Hill Caliburn Peer review Phase 1.pdf

Good afternoon all,

Attached is the complete pack that has been sent up to Minister Wong's office for tomorrow's announcement:

- Moorebank Event Brief

Section 22

Regards,

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Ministerial action required by: Monday 23 April 2012

PRESS CONFERENCE BRIEF

Announcement Planning Strategy & Schedule – Moorebank Project Office

This event is to announce that the Australia Government will proceed with the construction of the Moorebank Intermodal Rail Terminal (IMT) Project.

Project title	Moorebank Intermodal Terminal (IMT)
Day & date	Monday 23 April
Time of event	11.30am
Location: Parliament House Canberra – Blue Room	

Minister Albanese's role

Joint Press conference. You will announce the project with Minister Wong.

Section 22

Peer Review

- An independent, third party assessment of the Detailed Business Case was carried out at the request of the Minister for Finance and Deregulation and attached to the detailed business case for Government consideration. The assessment provided an additional and independent perspective. Greenhill Caliburn agreed on all key points with the detailed business case's recommendations.
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Section 22

- The detailed business case found that:
 - Additional freight capacity delivered by the IMT would help manage congestion at the port and on local roads, enabling an increase in the planning cap on throughput at Port Botany (currently 3.2 million containers a year). It is estimated that if rail's share of the freight task is not improved, truck traffic at Port Botany will increase by nearly 400 per cent by 2030.
 - An IMT at Moorebank would enhance the competitiveness of the interstate rail freight network and reduce the adverse environmental and social benefits of continuing to increase road freight.
 - The total project benefits over the 30-year evaluation period are valued at approximately \$10 billion or \$2.3 billion in present value terms. These benefits include operating cost reductions, reduced road congestion and accident costs, reduced environmental costs associated with road transport, journey reliability benefits, improved freight service reliability and revenue from operations.

Key Dates

January 2013:	GBE established
July 2013:	Procurement process for IMEX terminal operator begins
December 2014:	Defence vacates IMT site
January 2015:	Construction begins
Mid 2017:	IMEX operations begin

Section 22

Project Status:	April 2012, Construction approved
Start Date:	January 2015
End Date:	Mid 2017

Section 22

Minister Albanese

- It is my pleasure to announce the Australian Government has committed to the construction of an intermodal container freight terminal at Moorebank to open by July 2017.
- This decision follows a major feasibility study which has looked in depth at Sydney's growing problems in managing freight movements through the city.
- In a nutshell, this project is about taking 3,300 trucks off Sydney's roads every day and replacing them with cleaner, greener trains. It is about reducing air pollution, taking the pressure off commuters and driving down freight costs that affect businesses and consumers.
- The statistics are stark - Port Botany is Australia's second biggest container terminal and it is experiencing record growth in container movements - around 7 per cent per annum growth in freight volumes over the past five years and this is expected to grow at 6.7 per cent per annum over the next 25 years.
- The vast majority of these containers move through Sydney's congested road network by truck, exacerbating congestion for commuters trying to get to work or home. The city has become a freight bottleneck and this is inefficient and costly and it reverberates right through the national supply chain.
- It is estimated that truck traffic at Port Botany would increase by 400 per cent by 2029/30 if the current rail mode share is not improved.
- Since May 2010 the Government has had a public sector taskforce, the Moorebank Project Office, reviewing this issue to see what can be done to address the situation.
- I can confirm that the study has found that it is essential to establish what is effectively an inland port linked to Port Botany by rail to help manage freight and increase capacity.
- This Project will complement the \$1.84 billion investment in the ARTC's North-South Strategy including Northern Sydney Freight Corridor Project (\$840 million) and the Port Botany Freight Line (\$170 million). The site is directly opposite ARTC's \$1 billion Southern Sydney Freight Line (SSFL).
- Cabinet has agreed that a port shuttle will be delivered in July 2017 with an interstate terminal delivered after 2029 when current analysis indicates it will be needed. To enable this to happen, Defence units currently on the site will move to an expanded Holsworthy Barrack by the end of 2014.

- We expect the project to cost approximately \$2 billion with a considerable amount of funding coming from private sector sources who will operate the facility. The detailed business case indicates that the value to the economy will be around \$10 billion.
- This is both nation building and a game changer for Sydney. It has been talked about since 2004, it is strongly supported by business and industry and now it will be delivered.
- There are multiple beneficiaries:
 - The average commuter stuck in Sydney traffic – there will be 3,300 fewer trucks on the roads per day from 2020.
 - Everyone in the national logistics chain as freight costs and times are reduced.
 - The design, construction and operation of the terminal will be undertaken by the private sector through a competitive process, in which they will be provided with an opportunity to contribute to the overall funding costs of the Project.
 - The rail freight sector – it will have a real chance to be competitive with road freight, building on the Government's existing \$4 billion commitment to develop the Australian Rail Track Corporation network.
- The environment will be a major winner:
 - 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.
- Importantly, the south west Sydney community will also benefit – some 1,650 full time jobs during construction of the port shuttle terminal, 975 jobs during construction of the interstate terminal and approximately 1,700 jobs in the region once the facility and associated warehouses are open.
- It is the Government's intention to optimise the role of private capital and expertise. The design, construction and operation of the terminal will be undertaken by the private sector through a competitive process, in which they will be provided with an opportunity to contribute to the overall funding costs of the Project. The Australian Government is confident of strong market interest following a market soundings process in which more than 40 major freight operators, financiers and users participated.

- The project remains subject to planning approval which is being managed jointly with NSW. I would expect a draft EIS to be displayed for public comment in late 2012.

Minister Wong Speaking Notes

- I am pleased to be here with my ministerial colleagues confirming the Government's commitment to this essential nation building project.
- I want to address two aspects of this process – the exhaustive process undertaken to prove the project and the operating model we will adopt.
- In May 2010, the Government established the Moorebank Project Office to conduct a two year feasibility study. The MPO comprises senior officials of the Departments of Finance & Deregulation, Infrastructure & Transport and Defence with significant experience of commercial projects.
- The MPO has been advised by leading private sector experts in this field including KPMG, Deloitte, Parsons Brinckerhoff and Ashurst.
- In coming to this decision, the Government has reviewed the outcome of 18 months' work to review the factors driving freight growth in Sydney and to establish a detailed business case that would facilitate a solution.
- What the detailed business case shows conclusively is that improving intermodal freight capacity is not just a Sydney issue, it is a national productivity issue. Sydney's status as a freight bottleneck drives up supply chain costs nationally through unreliable and longer freight times.
- The Government is in a position to make the Moorebank site available in order to deliver the solution. It has already contributed \$35 million towards understanding the issues through this breakthrough study. This will however be a partnership with the private sector.
- The design, construction and operation of the terminal will be undertaken by the private sector through a competitive process, in which they will be provided with an opportunity to contribute to the overall funding costs of the Project.
- Due to the significance of the project and the policy issues involved, the Australian Government will establish a Government Business Enterprise (GBE) to manage the tender process, protecting the interests of taxpayers. The board of the GBE will be drawn from the private sector.
- It is also expected there would be significant complementary development by the private sector in the broader Moorebank area including through the development of warehousing and other services. We look forward to working constructively with the private sector and the NSW Government towards these goals.
- The Government believes this model strikes the right balance in getting the necessary public policy outcomes while allowing the private sector to manage the development and operation of the site.
- There will be further funding details in the Budget.

