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Australian Government

Department of Infrastructure and Transport

MEETING BRIEF

Subject: Commonwealth and NSW CEO's meeting on Sydney infrastructure
Attendees: Mike Mrdak, Secretary, Department of Infrastructure & Transport (DOIT)
Lyn O'Connell, Deputy Secretary DOIT
Chris Eccles, Director General, DPC
Simon Smith, Deputy DG DPC
Les Wielinga, Director General, Transport for NSW
Sam Haddad, Director General, Planning & Infrastructure
Phil Gaetjens, Secretary to the Treasury
Paul Broad, CEO, Infrastructure NSW
Andrew Jagers, DOIT;
Robin Renwick, Moorebank Project Office
Date and Time: Tuesday 29 May, 3.00 – 5.00pm
Location: DPC Conference Room 1 - Level 39, Governor Macquarie Towers, 1 Farrer Place, Sydney

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Key Issues: Moorebank IMT

1. The Commonwealth Government decision to proceed with the Moorebank Intermodal Terminal (IMT) is to be implemented through the establishment of a Government Business Enterprise (GBE). To optimise private sector investment the GBE will be responsible for selecting a private entity to design, build and operate the IMT through a competitive tender process.
2. In taking this decision the Commonwealth Government considered the SIMTA proposal and determined it was not comparable, nor would it meet the Commonwealth's long-term transport and national productivity objectives. The Government's decision is informed by the KPMG Detailed Business Case (DBC).
3. An independent review of the DBC by Greenhill Caliburn also confirmed the following:
 - The Defence lease over the SIMTA site includes renewal options to 2023 which Defence may take up, dependant on the timeframe to relocate the Defence National Storage and Distribution Centre currently at the location. In this regard SIMTA is not likely to meet its stated operational timeframe of 2014. Defence confirmed this in their letter to the NSW Dept of Premier and Cabinet of 30 March 2012 (*Attachment A*).
 - The limited size of the SIMTA site it will not be able to deliver an integrated logistics precinct with co-located import-export and interstate terminals.
 - Additionally Defence hold concerns over the possible impact of an operating logistics hub adjacent to the residential School of Military Engineering.

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Position: Director

Contact Number: 6274 7291
Branch/Section: Rail and Intermodal

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SECURITY CLASSIFICATION

Background:

Moorebank IMT

When fully operational, the Moorebank IMT will:

- Deliver co-located import-export and interstate terminals and accommodate warehousing and ancillary facilities;
- Enhance the distribution of freight, boost productivity and mitigate urban congestion around Port Botany and the adjacent airport precinct;
- Deliver productivity improvements and reduce truck volumes of about 3,300 vehicles per day from 2020;
- Generate employment in Sydney for approximately 1,600 full time staff employed during construction of the import-export facility and 1,700 full time staff to be employed when the IMT is operational;
- It is estimated that the Moorebank IMT will inject \$950 million a year into the NSW economy.

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17/05/2012

Issues for discussion: Secretary Meeting with NSW CEOs 20120529

Australian Government Position

Moorebank Intermodal Terminal Project

1. NSW Government support is necessary to implement the Moorebank Intermodal Terminal. This includes
 - Consent for the project involving railway construction - to meet Constitutional requirements
 - Support for acquisition of a portion of the Northern Powerhouse Land and rights to other parcels of land,
 - Assistance with enabling infrastructure and improvements to arrangements for rail at Port Botany.
2. It is the Government's intention to optimise the role of private capital and expertise. The funding, design, construction and operation of the terminal will be undertaken by the private sector, following a competitive tender process.
3. The Detailed Business Case identified a number of issues with the SMTA proposal, which was confirmed in a peer review by Greenhill Callburn:
 - The ability to implement Stage 1 of the project by 2014 is in doubt given Defence' lease tenure, and
 - The site is unlikely to accommodate an integrated interstate freight terminal and ancillary facilities eg warehouses, empty container storage

Talking Points

1. I seek your commitment and co-operation in taking the Moorebank DMT forward, including but not limited to, your guidance to NSW Government representative members of the Planning Approvals and Connections Enabling Committee to work in a spirit of co-operation. The first meeting of PACE is to be held on 1 June, 2012.
2. The perception that the Government is seeking to establish a Government-owned and operated DMT facility in competition with a private sector project is completely wrong. The funding, design, construction and operation of the terminal will be undertaken by the private sector, following a competitive tender process.
3. It is important to ensure probity around the tender process and that no private entities are discouraged from participating. For this reason, certain financial aspects of the Detailed Business Case will not be disclosed at this stage.

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