

RAID

RESIDENTS
AGAINST
INTERMODAL
DEVELOPMENT
MOOREBANK

Full Speech Planning & Assessment Commission

19.12.2017

Moorebank Intermodal Precinct East Stage 2 & Concept Plan Modification 2 - D495/17

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* Shortened on the day to fit within 20min deadline

** Culled on the day to fit within 20min deadline



SPEECH – INTRODUCTION

DEC 2017

Good Morning – Madam Chairperson Annabelle Pegrum and Commission Members Peter Duncan and Steve O’connor – Welcome to Liverpool.

I rise today to speak on behalf of Residents Against Intermodal Development Moorebank and the wider community: a community with professional and vocational expertise relevant to this project and industry. Including but not limited to residents who have been transport workers through to traffic modellers, with decades of collective theoretical knowledge and on boots on the ground know how.

I also rise today to speak on behalf of my mother who has to work and cannot be here today. Like 8000 others she bought land and built a house in wattle grove for its location and lifestyle. She did so safe in the fact that the defence force promised there would only ever be low impact long-term storage activities at the sites adjacent. For a single parent family with no intergenerational wealth the sad reality is the family home represents my mother’s superannuation. Unwilling to be forced out by these projects my mother’s future is at risk.

Lastly I rise today to speak for myself as lifetime resident of South West Sydney and a Resident of Wattle Grove for 21 years. With 7 years experience in the transport industry and having retrained as a designer I have a strong interest genuine solutions for real problems. So I thank you for this opportunity to raise issues not heard, not considered or not addressed.

Candidly I must reiterate the deep frustration at having this process again scheduled in and around Christmas, this time with only 3 weeks notice. It is the reason why there are 14 speakers not 40. With only 3 weeks to review and respond to 1900 pages, on top of 3500 pages in the original applications, concise comments will have to be supplied in written submission.

Beyond frustration there is genuine anger and disillusion in the community. Almost into our 8th year opposing these projects it is clear that political brinkmanship is the sole reason this white elephant has achieved its current status. This assessment is supported by two further written submissions that should be supplied to you within the week.



Roughly 200 pages long these submissions are based on federal and state policies and papers and that of their respective agencies. A significant portion is drawn directly from the proponent's own applications in concert with other independent academic studies.

With your indulgence I will use what time I have to briefly touch on some condensed points from these submissions to provide some context for them and support other presentations you hear to today and any other submissions you receive through the week.

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SPEECH – FREIGHT POLICY

DEC 2017

Almost 18 years since Eastern Creek and Moorebank Intermodals entered the planning zeitgeist;
Almost 14 years since private interests and political party benefactors pushed for Moorebank;
Almost 9 years since the opposite party, under political instruction, put forward another adjacent and competing project across the road and almost 8 years since the Moorebank Project Office was formally announced, and far too many have lost sight of the true public policy goal, it is has been buried in process and hidden behind guidelines and greed.

As at 2005, when the Freight Industry Advisory Board produced its one and only report, the rail freight share was assessed at:

2005	Rail Share: 19%	Target: 40% by 2011
2010	Rail Share: 14%	Target: 28% by 2020
2015	Rail Share: 12 ~ 14%	Target: Dropped - N/A

In ARTC's Freight Strategy of October 2015 it states that: *"More recent strategy documents have not restated this objective but have reiterated the importance of rail as an element of government policy."*

[This is where the rhetoric around Moorebank breaks down.](#)

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SPEECH – FIRST PRINCIPLE JUSTIFICATIONS

DEC 2017

If you have been told Moorebank fulfils government policy you have been misled

- **Moorebank IMT cannot increase Sydney's rail freight mode share.** Only rail capacity infrastructure projects at Port Botany and across the MFN and listed by the ARTC, are relevant to this task. This is made abundantly clear in NSW Ports reporting, which states that throughput at Port is limited to 1,000,000 TEU p.a. even after upgrades. Further study of the ARTC Strategy shows that the natural growth at existing terminals and the announcement of Villawood will put Sydney intermodal capacity at almost 2Mil **and that's without Moorebank**. Conversely building Moorebank IMT will in fact retard the SSFL thereby undermining the billion-dollar rail project. Forcing the need to duplicate the SSFL, a project that has been nominated by the NSW Govt.

If you have been told Moorebank will reduce congestion at Port Botany you have been misled

- **Moorebank IMT cannot reduce current congestion at Port Botany.** In 2030, the governments modelling produced by Parsons Brinkerhoff, indicates that there will be 4608 trucks accessing or leaving Port Botany. This is an increase of 2346 trucks from 2018 levels. Therefore; even if 1507 trucks are successfully transplanted to Moorebank, an extra 745 trucks will still be attempting to access Port Botany; Foreshore Rd, General Holmes and the M5 East. As such can one conclude that building any Intermodal, anywhere in Sydney cannot strictly improve congestion at Port Botany; only opening up Port of Newcastle and Port Kembla can portside and landside congestion.

If you have been told Moorebank will reduce road freight congestion you have been misled

- **Moorebank IMT cannot reduce road freight on Sydney's congested road network**, in point of fact it increases congestion. It effectively transplants the road freight to a different heavily congested section of the road network. Upgrades to which, have not been costed into any business case created to date. This fact is quickly discernible from applicant's own statements: 3000 trucks removed at Port Botany, to create a minimum of 8160+ trucks at Moorebank.



If you have been told Moorebank will cut 3000 trucks off the M5 you have been misled

- **Moorebank IMT cannot remove trucks that do not exist.** There are not currently 3000 trucks travelling to Moorebank nor will there ever be. Based on 2018 demand / journeys – pg 18 of Part G of Appendix E of the Traffic and Transport Impact Assessment; Table 3.2 titled “Daily Truck Movements – Round Trips”, the real world best-case ‘road to rail’ mode shift offered by an intermodal facility at Moorebank is only 10% or 292 of the claimed 3000 trucks, the rest will be double handled.

If you have been told Moorebank will meet future demand you have been misled

- **Moorebank IMT cannot service demand that does not exist.** A build and they will come philosophy is fuzzy logic that ignores the reality of market demand. The TTIA numbers of 148 round trips or 292 trucks represents only **6.5% of all Port Botany Road Freight** in 2018. Independent modelling using NSW BTS Statistics factored out to 2031, inclusive of West Connex puts the trips past the **toll plaza at 6.7%** with demand of containerised freight in Moorebank / Liverpool at only 0.1 to 0.6% of all Port Botany Road Freight. In part because the growth market is in and around Eastern Creek where demand is expected to reach 30% or more by 2031.

If you have been told Moorebank will only have a minimal impact on the transport network you have been misled

- **Moorebank IMT does NOT represent 3% impact of local and regional traffic network.** Instead the aforementioned TTIA report specifically states that the increase in peak heavy vehicle impact is 57.72% and the average peak across 24 hours is 19.5%. This is because almost 80% of the 8000+ trucks generated by a terminal at Moorebank simply re-join the road network to head north toward Eastern Creek to meet market demand.

If you have been told Moorebank will reduce traffic accidents you have been misled

- **Moorebank IMT cannot reduce accidents and associated costs.** Government Bureaucrats have made the audacious claim that the Container Terminal would reduce accidents and save millions of dollars from reduced accidents. This is not supported by fact or experience. SIMTA’s own studies show that between one 5 year study (2004-2009) and the next 5 year study (2009-



2013) the number of Heavy Vehicle Crashes went up about 20% and the number of injuries went up almost 20%. One can assume the potential human cost and fiscal costs have also risen over the past 4 years and likely to take another 20%-60% bump if Moorebank IMT is built. Moreover any gains made on Foreshore Rd and General Holmes Dr. will be swallowed up by the losses on the M5 and the Hume Hwy. The first being a traffic blackspot almost 40 x RMS guidelines and the second being the No.1 accident hotspot in NSW in 2014.

If you have been told Moorebank will reduce emissions you have been misled

- **Moorebank IMT would not reduce emissions; in reality it would generate more emissions than it could ever remove.** The most recent TTIA reports, "...the 'Project Case' results in a reduction of articulated truck [VKT] vehicle kilometres travelled of **36,185**." Yet by applying Deloitte's nominal average round trip of 30km the actual [VKT] Vehicle Kilometres Travelled for 8160 trucks generated by the project is **122,400**. 3 to 4 times more than the terminal is projected to remove. Furthermore the 36,000km figure is an unlikely projection as it assumes all 1,050,000 TEU will be successfully railed out of Port Botany directly to Moorebank, a prospect already proven to be impossible at the first hurdle – the port itself.

If you have been told Moorebank will create 6800 jobs you have been misled two fold

- **Moorebank IMT will waste 100's hectares of riverfront land and create a huge jobs deficit.** Based on applicants' own reports and assessments of the twin intermodals the realistic best-case scenario; may produce 1700 to 2400 jobs [32.4% Unskilled, 49.4% Vocational Certificate, 18.2% Tertiary Qualifications]. 4000 to 5000 less than the inflated projection of 6800 and considerably less high value employment. In turn this is significantly less than plans initiated by LCC in 2003; and astronomically less than alternative uses would generate now in 2017; such that one can surmise Moorebank IMT would steal away the opportunity to create 15,000 to 50,000 more jobs for Liverpool and South West Sydney.

Any one of these nine points is sufficient cause to knock this project on the head and start again where the project is better placed. And still there is one misdirection that may be worse than all the rest – the fiscal cost to the local, state and federal taxpayer.



The symmetry is breathtaking: a project that has been touted as representing \$9 to \$11 billion in economic benefit over 30 years will instead cost over \$11 billion in real money over 30 years. And still the project is incapable of even the smallest dint in current congestion at Port Botany.

There is not sufficient time in this setting to walk you through the government's own traffic, employment and economic reports. Thus I make the empathetic request that you take follow up meetings to review the big picture and the granular detail.



SPEECH – RETURN ON INVESTMENT

DEC 2017

Varied and rather wild claims of \$9 to \$11 Billion in economic benefits have come from many sources with vested interests, including past and present applicants; in particular the Federal Government Business Enterprise Moorebank Intermodal Company Ltd [MICL] which claims 11 billion in benefits.

With a margin of error of \$2 billion there is clear cause for concern and the need to question the methodology undertaken. At best guess, the mythical figures arrive from desktop studies dreamed up on the back of a napkin; based the different quotas of containers that applicants want to transport, as opposed to what they can transport or any regard for demand.

However when consulting with the previous PAC Meeting Chair Paul Forward and fellow members Robin Kruk AO and Stephen O'Connor, in January 2016, representatives from Moorebank Intermodal Company confirmed the proposed economic benefits are \$2.3 Billion in quote: "today's money".

Fast-forward 15 months to April of this year and the *Moorebank Intermodal Terminal Project - Economic Evaluation Final Report* - produced for MIC – now puts the benefits at \$3.567 billion.

Without access to the source material there is no way to independently verify the statement from January 2016 nor is there the means for comparison to the revised 2017 figures. Furthermore without access to the 2012 Detailed Business Case there is no way to independently verify it or compare it to the current economic projections. To our knowledge no one was able to obtain an un-redacted copy of the 2012 report, not even the Federal Member of Hughes.

Notably the 2012 report came three years **after** the Infrastructure Minister added Moorebank Intermodal to Infrastructure Australia's Priority List. He did so under ministerial instruction without a cost benefit analysis. Directly contradicting Infrastructure Australia guidelines and instruction from the National Audit office.

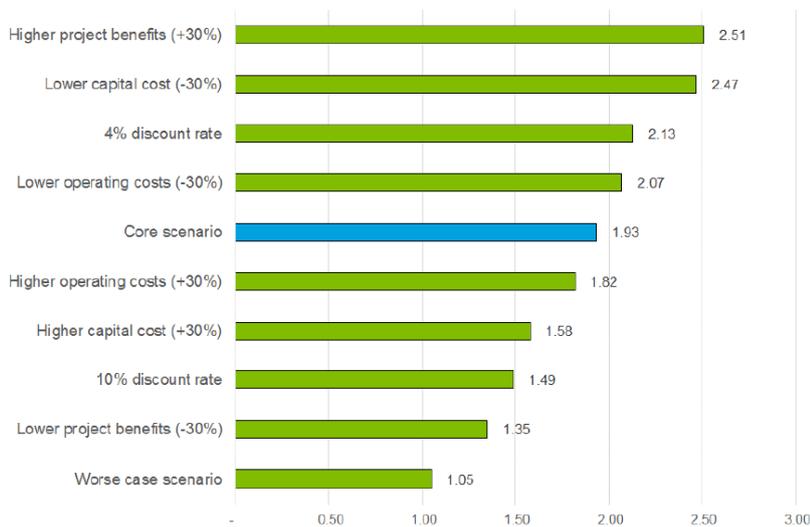
Without the capacity to compare the 2012 report to the 2016 + 2017 report one must take the latter at face value and deconstruct its assumptions.



At the outset the federal governments recent economic valuation only compares the Moorebank Project with a “do-nothing” scenario and ignores the Eastern Creek option despite their simultaneous emergence in the year 2000 [According to ARTC]. Thereby contradicting assertions by Senator Cormann and MIC CEO Ian Hunt, that alternative solutions would be investigated.

Additionally the project reviewed in the report grew to 1.55 Million TEU and 850,000m² of warehousing which no entity has applied for. The recent evaluation also ignores the impact of and relationship to WestConnex. It does not account for the expansion of Enfield Intermodal or the announcement of DP World Intermodals at Port Botany and Villawood. All of which are upstream from Moorebank, making the report incomplete and not suitable or fit for purpose. Alternatively the report indenifies a deliberate and calculated incremental-ist approach on the part of the Federal Government and Qube Logistics. Said entities have been in negotiation since 2014.

Figure 2 Sensitivity test results (Benefit cost ratios)



With an advantageous set of assumptions the Cost Benefit Ratio is listed at 1.93. While the Government’s Worst Case CBR is listed at 1.05. Said CBR or worse is more than likely given the WestConnex and three upstream projects will compete with Moorebank.

A reading of the report reveals one must immediately deduct Residual Value and Producer Surplus as they only benefit the private applicant and are of no value to the taxpayer. One must also deduct assumed savings on Road Damage and Accidents as it is already been shown that the 8000+ container trucks generated by the project will neutralize any savings and likely create a deficit in each of these categories. Based on the report allocations of benefits that’s a 10% reduction. [[\\$357Mil](#)]



More important than the faulty methodology of quantifying the economic value of the project inputs while ignoring project outputs, is the practice of counting benefits that do not exist at all. The 2017 reports states that: *“Nearly 73% of all project benefits are attributable to the IMEX terminal.”* and *“The economic benefits of the project will largely result from a shift from road freight to rail freight”*.

As has already been identified in the applicant’s own traffic and transport report: only 292 [in 2018] of the 3000 trucks [or roughly 10%] will in fact be shifted to rail freight. The other 90% will be railed and then double handled back into a congested road network. Furthermore to maintain this allocation of 10% is to assume that the freight and vendors from the minimal local market will not follow the other 90% and move to a more desired location within the Broader Western Sydney Employment Area, such as the Eastern Creek or Luddenham Intermodals promoted by GHD and the ARTC.

Nonetheless working from 10% of the espoused 73% leaves \$260.4 Mil in actual benefit from IMEX Mode Shift. The remaining 17% of benefit [606Mil] is attributable to Interstate freight. Without further scrutiny of Interstate demand and mode shift, the nominal remaining benefit for Moorebank IMT is **\$866.8 Million** in today’s money. **Not \$3.567 Billion.**

The April report goes on to list expenditure at \$1.954 Billion for capital expenses and \$1.103 Billion in operation and maintenance costs. Applying the 7% discount in accordance with NSW Treasury guidelines (NSW Treasury, 2007) the total CAPEX is \$1.844.5 Billion.

Outlaying \$1,844.5 Million to potentially obtain \$866 Million in benefit is ridiculous. It represents a **Cost Benefit Ratio of 0.47** or in other words this project represents spending more than double what one could ever to get back. An atrocious outcome that relies on accepting the Federal Government’s estimation that approximately 300ha of riverfront land is only worth \$228 million. The market rate for the 243ha portion of developable land is \$972 million. [\$400 p/sqm]

The government’s evaluation also indicates that it expressly ignores the cost of moving the defence force, while the government report on the Moorebank Unit Relocation specifically states that the move was made to facilitate the Federal Governments MIFT.

This move cost the taxpayer \$870 Million



Add the cost of funding Moorebank Intermodal Company and the Rail Spur Line to the tune of approx. \$500 Million then chuck in another \$150 Million in construction seed money from the governments Clean Energy Finance Corporation and the bill for this lemon keeps climbing.

For the sake of a magnanimous and conservative assessment, let us assume one accepts the governments under quoting the construction of a rail spur through public recreation RE1 land, bordering a landfill tip and riparian land, before crossing a river. Let us also accept the cost of operating Moorebank Intermodal Company and moving Moorebank Ave, which are listed but not itemised in the Governments report.

The effect is to recognize that the Taxpayer may be out of pocket to the tune of \$2.5 billion just to make Moorebank Intermodal possible – let alone successful.

To understand how bad this project is, see the first in a series of Cost / Benefit Analyses overleaf.



SUMMARY OF PRIMARY COST

Govt. Accounting	Real Cost	Item
\$0	\$870,000,000	Moorebank Unit Relocation*
\$0	\$150,000,000	Clean Energy Finance Corporation^
\$ unknown	\$70,000,000	Moorebank Project Office
\$ unknown	\$ unknown	Moorebank Intermodal Company Operations
\$0	\$380,000,000	Freight Rail Spur allocation via MIC "off budget"
\$228,000,000	----	Land Value as per Government
----	\$972,000,000	Market Rate for 243ha of developable land**
\$1,954,000,000	----	CAPEX to build and connect as per Govt. Report
\$1,103,000,000	\$1,103,000,000	Operation and Maintenance Costs over 30 years
\$3,057,000,000	\$3,545,000,000	Sub Total

Conclusion : Federal Taxpayer is out \$2,442,000,000+ not counting MIC at this time.

Evaluation : apply "real discount rate of 7% as per NSW Treasury Guidelines.

Scenario One – Accept all Government assumptions <> exclude Operation + Maintenance

Evaluation Scenario 2 – Add Market Rate Land Value**, the MUR* and CEFC^

PRELIMINARY COST BENEFIT ANALYSIS

Scenario One	Scenario Two	Item
\$1,844,000,000	\$3,608,000,000	Cost in FY2017
\$3,567,000,000	\$3,567,000,000	Claimed Benefit – Present Day
1.93	0.99	CBR Comparison
1.05*	0.60	Govt Worst Case Model*

Conclusion : Adding the real cost of moving the defence force, land value and a government loan indicates the Taxpayer is being billed for an amount [worst case*] roughly equal to projected benefits, all while not receiving any the benefit.



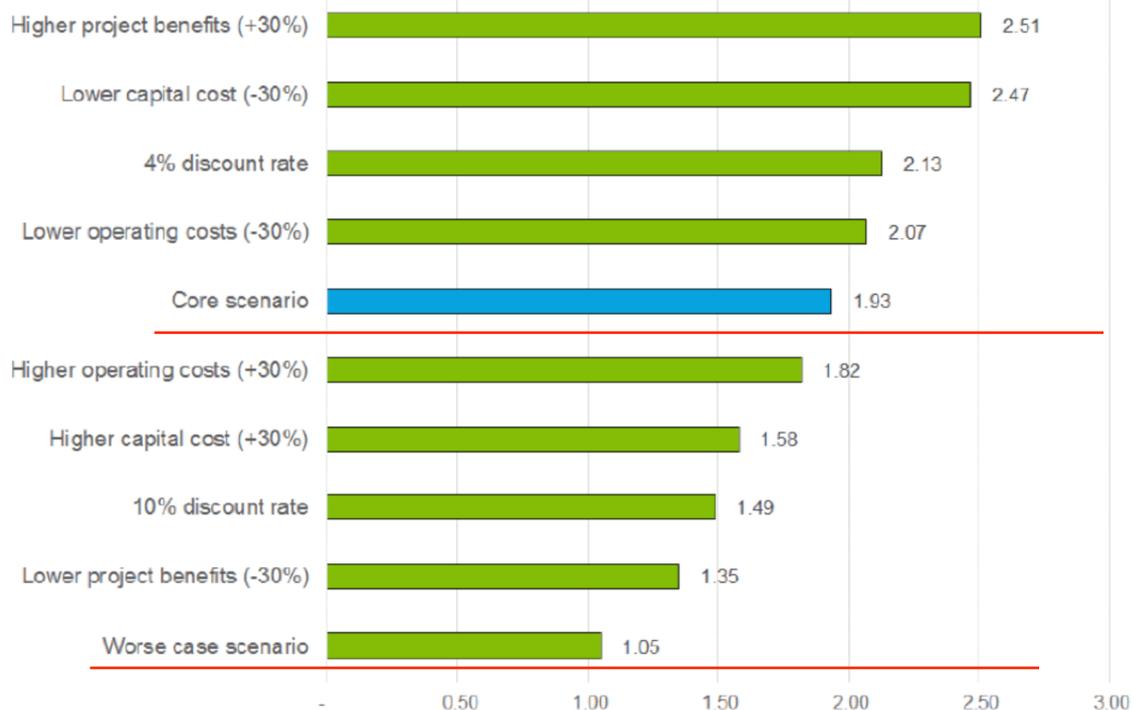
Based on the Govt. data points below *Scenario Two Worst Case** is \$4.156 Bil in Cost / \$2,497 in Benefit. By excluding the 10% discount rate one generates a conservative calculation for further evaluation. It is a good starting point in part because the Worst Case is the most likely outcome based on the landscape of planning approval caps, lack of local market demand, slow take up rate due to competition, cost sharing for rail infrastructure, and the “Core” scenario ignores West Connex.

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- Core scenario plus SSFL capital costs attributable to Moorebank, plus only 500,000 TEU usage of the terminal, resulting in a 300,000 square metres warehousing take-up, plus slower warehousing development (i.e. all revisions postulated above combined into one).

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Figure 2 Sensitivity test results (Benefit cost ratios)





SIMPLIFIED BENEFIT BREAKDOWN

as Identified by Deloitte

Scenario 1.93	Scenario 1.05	Item
\$3,567,000,000	\$2,497,000,000	Claimed Benefit – Present Day \$\$
\$2,603,910,000	\$1,822,810,000	[A] 73% IMEX Mode Shift
\$606,390,000	\$424,490,000	[B] 17% Interstate Mode Shift
\$356,700,000	\$249,700,000	[C] 10% Producer Surplus, Less Road Damage +

The Applicants own TTIA report indicates only 292 [in 2018] of the 3000 trucks [or roughly 10%] will in fact be shifted to rail freight. This in turn fatally undermines almost all of the projected benefit. As indicated a deeper reading of the report reveals one must immediately deduct Residual Value and Producer Surplus as they only benefit the private applicant and are of no value to the taxpayer. One must also deduct assumed savings on Road Damage and Accidents as it is already been shown that the 8000+ container trucks generated by the project will actually neutralize any savings and likely create a deficit in each of these categories.

REAL BENEFIT ANALYSIS

Scenario 1.93	Scenario 1.05	Item
\$3,567,000,000	\$2,497,000,000	Claimed Benefit – Present Day
\$260,391,000	\$182,281,000	10% of [A]
\$606,390,000	\$424,490,000	100% of [B]
\$356,700,000	\$249,700,000	0% of [C]
\$866,781,000	\$606,772,000	Real Benefit – Present Day
\$1,844,000,000	\$4,156,000,000	Claimed Cost / Real Cost – Present Day
- \$977,219,000	- \$3,549,228,000	Deficit
0.47	0.14	CBR

Conclusion : excluding underlying costs and accepting the government’s ideal “fairy tale” scenario but applying the real world mode shift performance effects a spending to benefit of more than 2 to 1.

Table 2 Evaluation results (\$ million)

	Discounted present day value (at 7% discount rate)		Undiscounted value aggregated over 30 years	
<i>Costs</i>				
Total capex	\$1,453 M		\$1,954 M	
Operating & maintenance	\$391 M		\$1,103 M	
Total costs	\$1,844 M		\$3,057 M	
<i>Benefits</i>				
Consumer surplus (attributable to):				
IMEX	\$2,553 M	10%	\$8,124 M	10%
Interstate	\$470 M	100%	\$1,468 M	100%
Producer surplus	\$65 M		\$208 M	
Benefits to non-users (attributable to):				
IMEX	\$72.5 M	10%	\$235 M	10%
Interstate	\$198 M	100%	\$544 M	100%
Residual value	\$122 M		\$991 M	
Avoided road damage costs	\$87 M		\$239 M	
Total benefits	\$3,567 M		\$11,811 M	
<i>Evaluation results</i>				
Net present value (NPV)			\$1,723 M	
Benefit cost ratio (BCR)			1.93	

Interstate Demand not tested for our model

Nearly 73% of all project benefits are attributable to the IMEX terminal.

Figure 3-3: Distribution of project benefits

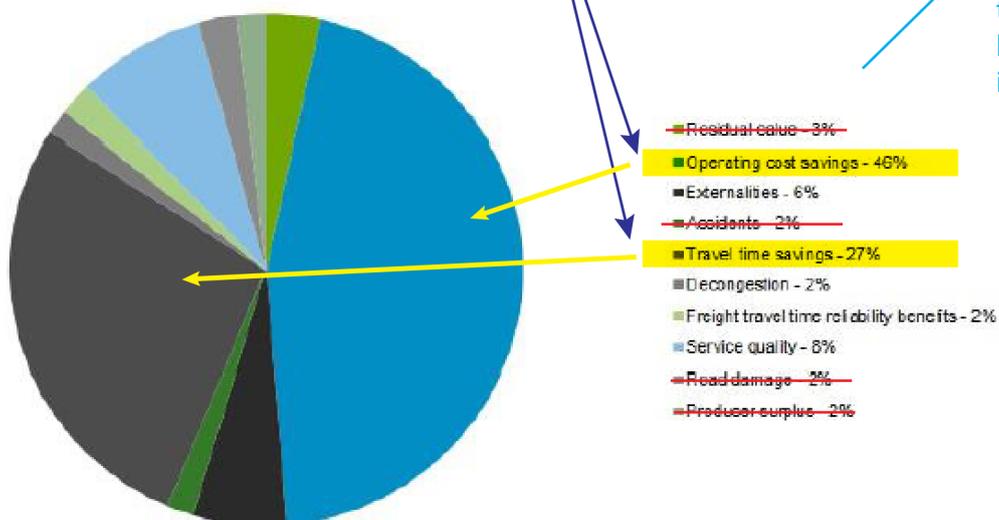


Table 2 and Figure 3.3 do not line up exactly, so the simplest breakdown is being used.

Source: Deloitte calculations



Conclusion : If the Worst Case or rather the Likely Case emerges in combination with the actual mode shift performance of 10% then the CBR drops to 0.14 and spending to benefit moves to 5 / 1. **And that's before adding road and rail upgrades.**

The Federal Government's report specifically states: *"No cost allowances have been made for any potential upgrades to the broader supply chain transport network"*. The report goes on to say: *"the main justification for this is that the broader network already experiences congestion during peak periods and the addition of additional Moorebank heavy vehicle traffic would only contribute a relatively small increase to this overall demand."*

This is the point at which the "3%" lie re-emerges as tool to minimise perceived costs to the state or the country and acquire Public-Private Partnership status with the intention of finessing the project through the planning process with political clout and shoehorned statistics.

In this case it is achieved by folding the PM Peak Heavy Vehicle Increase of 57.72% and or the Daily Average Peak Heavy Vehicle increase of 19.5% locally and regionally, in with the total number of vehicles using the M5 or the entire State Road Network. The government's Traffic and Transport Impact Assessment is not specific about which one it is, or what it means by "overall" and TTIA does not provide the calculations involved. It only spits out a duplicitous conclusion of 3.31%.

The utility of this misleading statement for the Applicant is near unlimited. First and foremost it achieves and maintains the aforementioned Public-Private Partnership whereby the taxpayer subsidises significant portions of what is best described as being a government backed private monopoly. Functionally the statement has been used to give the impression that the project will have minimal even negligible impact on the transport network. In fact the statement was trotted out in Federal Senate Estimates for this exact purpose.

At a State level it has been used to navigate SEARS and Conditions, to achieve conceptual approval and or conditional consent. Lastly and perhaps most importantly, it has been used to obfuscate and minimise any infrastructure upgrade costs to the federal government and or the private proponent: Qube Logistics.



Conclusion: the Proponents of these projects should be required to pay a minimum of 55% toward all local road and rail upgrades and a minimum of 20% toward all regional road and rail upgrades.

The significance of the “3%” lie is felt when one understands that if nothing changes all infrastructure upgrade costs will be forced onto the taxpayer. In this case the State or Federal Governments will be looking at almost \$20 billion in infrastructure upgrades to accommodate Moorebank Intermodal. Without the sharp HV Peak increase, many of the necessary projects would not be necessary or would not need to be brought forward by decades, solely to service Moorebank Intermodal.

A collation of government and applicant reports indicates that 34 intersections will be effected by the projects, upgrades to which, are conservatively put at \$2.95 Billion. In its Annual Report MIC lists the M5 Bridge upgrade, the Brickmakers Bypass of the Hume Hwy and the Cambridge Ave upgrade as necessary but in a manner that suggests MIC expects the federal or likely the state government to pick up the tab.

Conversely the NSW Government has nominated the M5, M7 and Hume Hwy Upgrades, Interchanges and Connections as well as the duplication of the Southern Sydney Freight Line to the Infrastructure Australia Priority Initiatives List. In each case the NSW Govt has listed “Moorebank Intermodal” as the problem to be solved. Creating an expectation of federal funding and what looks to be a perfect storm for planning mayhem.

INFRASTRUCTURE UPGRADES

Approx. Cost	Applicant's Share	Taxpayer Share	Item	
\$2,950,000,000	\$1,622,500,000	\$1,327,500,000	34 Intersections	55/45%
\$1,000,000,000	\$550,000,000	\$450,000,000	M5 Bridge	55/45%
\$1,000,000,000	\$550,000,000	\$450,000,000	SSFL Duplication	55/45%
\$7,000,000,000	\$3,850,000,000	\$3,150,000,000	Cambridge <-> M7	55/45%
\$8,000,000,000	\$1,600,000,000	\$6,400,000,000	Brickmakers Bypass	20/80%
\$19,950,000,000	\$8,172,500,000	\$11,777,500,000	All Upgrades*	



*Note: this is not a recommendation for building these upgrades; instead it is a list of projects that would have to be built to make sure the MIFT has the best chance to succeed, if it goes ahead.

FULL SCOPE BENEFIT ANALYSIS

Factoring in Mode Shift + Upgrade Variants

CORE BEST	SPLIT BEST	SPLIT LIKELY	STATUS QUO
Core Case 1.93 + No Primary Costs 100% Mode Shift Share Upgrades	Core Case 1.93 + MUR, CEFC, Land 10% Mode Shift No Upgrades	Worst Case 1.05 + MUR, CEFC, Land 10% Mode Shift Share Upgrades	Worst Case 1.05 + MUR, CEFC, Land 10% Mode Shift All Upgrades
- \$1,844,000,000	- \$3,608,000,000	- \$4,156,000,000	- \$4,156,000,000
+ \$3,567,000,000	+ \$866,781,000	+ \$606,772,000	+ \$606,772,000
- \$8,172,500,000	Nil	- \$8,172,500,000	- \$19,950,000,000
= \$6,449,500,000	= \$2,741,219,000	= \$11,721,728,000	= \$23,499,228,000
\$391,000,000	\$391,000,000	\$391,000,000	\$391,000,000
\$6,840,500,000	\$3,132,219,000	\$12,112,728,000	\$23,890,228,000
CBR 0.521	CBR 0.277	CBR 0.050	CBR 0.025
Spend 1.92 x Return	Spend 3.6 x Return	Spend 20 x Return	Spend 39 x Return

There is no combination that delivers a good result for the State / Federal Govt. Taxpayer.



SUMMARY

The only possible way for the Applicants: Qube Logistics and Moorebank Intermodal Company can make its case, is for both ignore necessary road and rail upgrades off the back of perfect fairy tale operating conditions, which are themselves based on the falsehood of 100% Mode Shift.

Take the “Best *Core* Scenario” which ignores primary costs, assumes optimal performance but contributes to infrastructure upgrades. This offers a cost / benefit of 0.521 but requires the developer to spend over \$9 Bil on warehouses, roads and rail and still requires the Government to cover \$11,777,500,000 for infrastructure to support the project.

Flip this around and take the “Best *Split* Scenario” which has the Developers / Applicants paying nothing toward infrastructure upgrade costs, but does account for initial primary costs and real world mode shift of 10%. While the Developers / Applicants would contribute less overall the CBR drops to 0.277 and the infrastructure bill for the taxpayer becomes \$19,950,000,000.

Finally take the “Status Quo Scenario” which is based on the Government’s sensitivity test and extrapolating real mode shift performance; the option, which at this point appears to be the most likely outcome if relevant agencies and departments do not step in.

The Status Quo factors in higher operating and construction costs [by +30%] and lower project benefits [-30%] from lower throughput, as well as the worst case take up rate due to competition and the CBR is on the very edge at 1.05. Add in the initial primary costs, real mode shift and all infrastructure costs and the CBR drops to 0.025 or spending 39 x return on investment.

Collating this option into simple round figures: Taxpayer input to supply land, help build, connect and service the project is \$2.5 Billion and Taxpayer input to upgrade required infrastructure would be \$19.95 Billion. While the Private Developer would contribute \$2.25 Billion toward warehousing and onsite rails siding and automated gantries – all to net \$600 Million to \$900 Million in benefit.



Alternatively if the Applicant and Developer agree to pay their fair share toward infrastructure upgrades then their burden rises to \$10 Billion+ and the Taxpayers burden shrinks to \$13.5 billion+

Even if one multiplies the actual benefits for 30 years [\$2.87 Billion] and spreads the total costs over 30 years [\$24.70 Billion] there is no scenario in which this project makes any sense, no way to deliver government policy, protect the public purse or generate productivity. No way that a CBR of 0.12, even over 30 years, is ever acceptable. **Proceeding with the project is madness, especially when there are better alternatives.**

The Key Point here: is what was once a clear objective *not to exceed the capacity of the transport network, including the local, regional and State road network*, appears to have been replaced by another. The new objective being to avoid at any cost, the confirmation or conclusion that MIT will exceed capacity of the transport network. What was once a clear mandate to reject this project on assessment of its merits has now been twisted into a mandate for unlimited unquantified public spending to make sure the defective private project achieves consent and construction. Instead of preventing another failed PPP it appears the pathway laid out, is doomed to repeat the same prescient script; whereby the public purse is raided again and again to fix, after the fact, what could have been easily avoided and unlike the Cross City Tunnel, Lane Cove Tunnel or Airport Rail Link this disaster can still be avoided.

Applying the conservative 55% + 20% rule to the respective upgrades and the proponent incurs roughly \$8.1 Billion in infrastructure costs. Add this secondary expense to the primary capital and land acquisition investment of \$3.6 Billion and the cost to build, connect, service and manage Moorebank Intermodal is over **\$11 billion**. No private enterprise would be allowed to pursue a project of this nature without it being heavily subsidised by the government of the day. That is why both are hiding the true cost to the taxpayer.

The symmetry is breathtaking: a project that has been touted as representing \$9 to \$11 billion in economic benefit over 30 years will instead cost its Developer over \$11 billion and the Taxpayer over \$11 billion in real money over 30 years, or it could cost the taxpayer over \$22 billion. **And still the project is incapable of even the smallest dint in reducing current congestion at Port Botany.**

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SPEECH – EXECUTIVE SUMMARY / RETURN ON INVESTMENT DEC 2017

\$1,844.5 Bil / \$3,567 Bil = 1.93 CBR	1	2	Federal Governments fairy tale scenario of assumed uptake, optimal performance and limited included costs
	Costs almost half projected Benefits		
Add cost of Land Acquisition, Moorebank Unit Relocation and CEFC Loan. All Federal Govt. or Taxpayer losses	1	1	\$3,608 Bil / \$3,567 Bil = 0.99 CBR
	Costs slightly more than Benefits		
Exclude above Primary Costs. But apply Real World Mode Shift of 10% and remove Developer Benefits.	2	1	\$1,844.5 Bil / \$866.7 Mil = 0.47 CBR
	Costs more than double Benefits		
Apply Governments Worse Case Scenario, All Initial Costs, 10% Mode Shift and remove Developer Benefits	7	1	\$4,156 Bil / \$606.7 Mil = 0.14 CBR
	Costs approximately 7 x Benefits		
Add in Developers share of Road and Rail Infrastructure Upgrades [\$8,712 Bil]	20	1	\$12,113 Bil / \$606.7 Mil = 0.050 CBR
	Costs approximately 20 x Benefits		
Add in all Road and Rail Infrastructure Upgrades for a possibly successful project [\$19.950 Bil]	39	1	\$23,113 Bil / \$606.7 Mil = 0.025 CBR
	Costs approximately 39 x Benefits		
Add ALL costs associated with the Project and its infrastructure stretch it out over 30 years and compare to 30 years of Benefits	9	1	\$24.7 Bil / \$2.87 Bil = 0.11 CBR
	Costs approximately 9 x Benefits		



SPEECH – DIESEL LOCOMOTIVES

DEC 2017

TO BE CLEAR WE ARE NOT OPPOSED TO RAIL FREIGHT

In fact we would support it wholeheartedly if there were emissions standards for Diesel Locomotives.

However according to a report by Environ in March 2013 for the NSW EPA, there are no emission standards anywhere in the country. As such there is no way to quantify and assess the impact of Diesel Locomotives and their emissions, specifically the noxious particulates PM2.5 and PM10. It follows then that there are no standards for measurement and data collection and no way to set relevant conditions or enforce compliance trigger points. Truly this is a glaring oversight. One missed by all levels of government and their respective agencies.

At “full build” Moorebank Intermodal [2025-30] is projected to solicit 300 train movements a week, to and from Port Botany. Beginning with 10 per day it will become 2 every hour by 2025. It is unclear at this time how many interstate trains would add to the early daily number. Based on NSW Ports reporting of daily trains movements, this one project could effectively account for a **250% increase in diesel locomotives in the Sydney Metro Area**. The overall cumulative impact is unknown as the increase cannot factor in planned growth for movements to existing terminals or the announcement of expansion at Chullora and Enfield Intermodals and an Intermodal at Villawood, which all travel the one freight line through Sydney.

As already detailed it is unlikely that there will be capacity on the rail freight network for Moorebank to solicit 10 trains let alone 42 trains per day. Nevertheless it is incredibly irresponsible, bordering on negligent to approve Moorebank or any other intermodal project or expansion without any knowledge or application of standardised measurement and assessment of carcinogenic emissions. Conducting assessment and planning in this manner is counter to World Health Organisation Recommendations, the NEPM’s and the State’s Clear Air for NSW Policy Paper.

Frankly the absence of this data point undermines all previous assessments, determinations and consents, such that rescinding them and starting again is the best option. At a minimum we ask the Commission to consider how it will add appropriate conditions to the Concept, Stage 1 or Stage 2.

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SPEECH – OPPORTUNITY COST

DEC 2017

AGAIN TO BE CLEAR:

WE ARE NOT AGAINST GROWING THE GDP OF THE STATE OR COUNTRY.

WE ARE NOT AGAINST IMPROVED SUPPLY CHAINS AND TRANSPORT NETWORKS.

WE ARE NOT AGAINST CHEAPER AND FASTER FREIGHT.

[But we are certainly against wasting over \\$11 billion to \\$22 billion dollars of taxpayer's money to subsidise a project that cannot possibly achieve any of these outcomes, or those previously outlined.](#)

Furthermore once the opportunity cost is factored in the gravity of this travesty multiplies.

Fortunately solutions are self-evident.

An integrated Three Port Strategy for Port of Newcastle, Port Botany and Port Kembla creates three points of access and egress: three times the freight, with supply chains benefits back through to shipping lanes and forward through landside road and rail networks and planning.

Such a strategy has a multiplying economic effect by drawing investment, workers, and homeowners into regional markets while proportionately easing congestion through Port Botany and the Greater Metro Area of Sydney. In fact this strategy would even make gains in housing affordability by spreading demand for housing across the eastern seaboard.

Based on the State Governments miracle *No Cap High Growth Model* Port Botany would be expected to service *7million TEU* in 2030. This detached “desktop” number ignores physical caps and planning caps at Port Botany of 3.2Mil TEU. Current Port throughput of 2.3 to 2.5Mil TEU at Botany emphasises the urgent need to develop Port of Newcastle and Port Kembla. Reaching 3.2Mil or even 4Mil at Port Botany can be sustainably managed if PoN + PK each reach 2Mil TEU.

In either case shifting the containerised freight still entering at Port Botany to rail and reducing road freight and congestion remains a laudable goal. However it is clear that the best solution involves preventing containers from hitting the road network at Port and then ensuring they do not merely re-join the road network at an equally or more congested point.



To achieve this we must capture as much existing and future demand as possible, and rail, most if not all, of the future containers direct to their preferred final destination such as Eastern Creek.

Assuming 7million TEU in 2030 the market demand this involves getting 30% or 5753 TEU to Eastern Creek everyday. This can be achieved via 33 trains per day through immediate rail expansion at Port Botany and the creation Western Sydney Freight Line to a Terminal at Eastern Creek. Alternately without this option 2981+ trucks will head for the high demand Eastern Creek region via the WestConnex/M4 or M5 East/King Georges Rd/M4.

Moorebank is a dismal self-defeating option; railing almost half the previous number [1507 trucks] to a rally point [MIT] between residential areas and a river, to then generate and push [4080] container trucks onto the road network, to finish their journeys to Eastern Creek. It is beyond moronic. Specifically because these 80% of these trucks [4080] will be added to the traffic already heading direct to Eastern Creek from Port. Creating a compounding disaster. Particularly as the local network is just as congested, as Port Botany. A likely foundation of the ARTC statement: *“Design and land acquisition for both the proposed Eastern Creek IMEX terminal and a second terminal within the ‘employment lands’ area for both IMEX and interstate containers, together with connecting rail lines, needs to proceed as a matter of priority.”*

Building the Western Sydney Freight Line and Eastern Creek IMT would actually protect the 20 billion dollar investment in the M5 East + WestConnex and ensure the project is not forced to capacity at date of completion. Conversely by ignoring the best option [EC] and pushing ahead with Moorebank, Eastern Creek IMT has gone from a 2026 completion date to a 2036 completion date in Govt. literature. A decade long delay directly contradicting the ARTC’s recommendation.

This scenario is pushed to the point of farce, because, when Eastern Creek is eventually built it will swallow up all throughput that would be otherwise forced to Moorebank. Making “Australia’s Largest Intermodal Facility” redundant. This could rival the lunacy of spending \$2billion to rebuild major sporting stadiums just 17 years after completion. Major Social and or Utility Infrastructure cannot and must not be based on private monopolies and planned obsolescence. Citizen Voters and Taxpayers deserve better. You deserve better.



Worst still, if Eastern Creek land acquisition, rail line preparation and construction [and a 3-way Joint Venture Tender process] is not begun “yesterday”, planners will again be facing the proposition of the wrong project and the wrong time. Resulting from residential encroachment from profit hungry developers or public space encroachment from alternate developers of open-air projects like Wet & Wild and the proposed Western Sydney Zoo, which back onto or into the transport corridor.

Alternatively if Moorebank is immediately abandoned, as it should be, the \$300-400 Million for the Rail Spur can be repurposed to the 7 projects the ARTC lists for rail capacity infrastructure. By not building the spur, the \$1 Billion dollar investment in the Southern Sydney Freight Line is protected, as the capacity of the SSFL will not be compromised. This in turn stalls or even eliminates the need to duplicate the SSFL.

Averting this duplication results in an estimated \$1 billion dollar saving that could be repurposed to build the Western Sydney Freight Line to connect Eastern Creek IMT. The benefit here is two fold. Not only is the money saved but capacity is also added to the Main Freight Line while additionally the capacity of the SSFL is protected until the Inland Rail Line is delivered in or around 2025.

As per the Broader Western Sydney Employment Area – Structure Plan produced by GHD for the NSW Government a secondary IMT at Luddenham [500,000 TEU IMEX + 500,000 TEU Interstate] would in turn connect to Eastern Creek [1,000,000 TEU IMEX] back to Port Botany via the WSFL.

The Western Sydney Rail Line could then connect to the Outer Sydney Orbital Rail Line, then onto Parkes and the Inland Rail Line or the Central Coast and Newcastle. The aforementioned Orbital Line will connect in the Macarthur/Menangle region and onto Port Kembla via the completed Maldron-Dombaton Line.

With Port of Newcastle also potentially connected to the Inland Rail Line and accessing a Sydney Orbital and Luddenham IMT the NSW Government and its Planners will have arrived at a truly integrated Port & Rail Strategy that will significantly and successfully lift Rail Share and GDP.

[Assuming Diesel Locomotive Emissions Standards exist]



This scenario extrapolated out to 'six degrees of separation' serves to emphasise the severity of the opportunity that would be stolen away if Moorebank were built now instead of Eastern Creek. It is precisely because Moorebank missed its moment, and because major infrastructure has such long lead times, that Planners, and in this case Commissioners, must avail themselves of the complete freight and commuter transport picture.

The heretofore described sliding doors dynamic further solidifies why Eastern Creek is so important; it can be delivered for far less overall cost; deliver double the output; to arrive at more capacity and productivity. Effectively paying for itself over the longer term and paying it forward into connected infrastructure, both current and future. Moorebank IMT is the diametric opposite: an expensive "too big to fail" white elephant which would in practice compound the disease it claims to fix. It would limit overall rail performance, constraining Sydney's Metro Freight Network: in particular the train movements between Melbourne and Chullora or Port Botany via the SSFL, while also adding further congestion to Sydney's road network.

This speech and the underwritten submissions to be provided; has and will articulate how the proposed Moorebank IMT cannot achieve either State or Federal Freight Policy, in either its original or modified form. As has been detailed the project cannot obtain any of the much-hyped first principle justifications. It would either undermine or directly reverse or retard the claims made in its promotion.

And yet the true value of opportunity cost emerges when one considers what else can be placed on 300ha of riverfront land 3-km from a major CBD and a major Hospital.

Presently the Greater Sydney Commission is pushing its Health and Education Precinct; Liverpool City Council is attempting to support and or possibly combine this with its CBD Master Plan [LEP Amendment]; Liverpool City Council has also produced the Georges River Master plan in response to a Planning Proposal from Goodman and pressure or targets for Housing from the State Govt. and on the other side of the M5 the Federal Govt. and political influencer Chris Corrigan wants to be build "Australia's Largest Intermodal Faculty".



A distillation of these proposals represents 30,000 Jobs projected for the Health + Education Precinct and 28,000 to 35,000 Residences projected for the Georges River Master plan. These two proposals alone equate to 60,000 to 90,000 vehicles attempting to cross the river and or access Liverpool CBD via the M5, the Hume Hwy, Hoxton Park Rd, Moorebank Ave and Newbridge Road.

Feeding from the south into the exact same local and regional transport network is the proposed Moorebank IMT. Based on the Federal Governments own reports and modelling these proposed terminals are to grow to 850,000sqm of warehousing servicing 300 Trains per week and 1,550,000 TEU per year. With this size and throughput increase; well beyond the 250,000 TEU Cap; 300,000sqm application; or the recent 515,000sqm modification, one must apply the same increase to the Governments Models. Having done so in one of the connected written submissions we can firmly state the Governments and Qube's ultimate project will generate over 35,000 Daily Vehicle Movements. The worst case being 12,500 Container Trucks [FCL], over 14,000 Trucks and Vans from Warehousing and over 12,000 movements from Staff Vehicles across a 24 hour period.

Three glaring problems emerge immediately.

First the situation described above is a prime exemplar of four levels of Government or Bureaucracy having played "fantasy football" slash "sim city" with the same overlapping stretch riverfront land at the entrance of Liverpool. Second the Intermodal is the odd one out; it simply cannot fit and has no place in a residential area, next to an education and health hub. Third the traffic output of the Health and Education Precinct and Georges River master plan directly compromises the other.

As has been detailed at length and at nauseam the proposed Moorebank Intermodal can and should be moved to Eastern Creek immediately. Facilitated by a State/Fed land swap deal that allows Qube Logistics to remain a landowner and one of 3 primary tenderers for construction and operation.

Removing Moorebank IMT from the equation allows for an integrated solution for the GSC's Health and Education Precinct and LCC's Georges River Master Plan, River Corridor Master Plan [2002] and its Defence Lands DCP [2003]. Combining these plans and initiatives will remedy those on hold or overridden by the private and or federal SSD's, as well as allowing for successful execution of the recent plans that would contravene and undermine each other.



Combining these plans into one integrated master plan, covering 700 to 1000ha of waterfront land from the Holsworthy train line back up the river into Liverpool CBD could represent the biggest most significant opportunity for investment, and needs based urban renewal, in a sustainable and environmentally sensitive manner that would revive the Georges River and open up the South West of Sydney and this gateway City.

This plan has been lovingly named “Mini-Melbourne” and proposed to anyone and everyone in a position to understand the common sense superiority of meeting all policy targets, generating a genuine public good off the back of distributed socio-economic uplift, that prioritises the health and livelihoods of Sydney’s West, Sydney’s growth centres, Sydney’s future backbone.

Loosely the framework for this Mini-Melbourne Master Plan is based on a Financial / Legal CBD in combination with the Health and Education Precinct, with Universities which stretches southeast toward the second Cornerstone. An Arts, Culture, Heritage and Education Precinct, built on and around the rich Early Settler, Military and Indigenous history. Reusing, repurposing or recycling military buildings and memorials in connection with conservation, biodiversity, public and sporting land that feeds toward Casula Powerhouse Arts Centre and Casula Train Station. Also in the southeast corner we would likely see a Corporate Business Park filled with health adjacent R&D, communications and services businesses, which access to a new Train Station we have dubbed “Georges River”. Weaving back through the plan up to the Liverpool CBD would be intelligently designed mixed commercial and residential use.

Commissioner Steve O’Connor based on your expertise in planning and environmental science you must recognize that the alternative “Mini Melbourne” responds to the site and region, with ESD principles at its core. Furthermore you can surely recognize the alternative proposal represents a one-of-a-kind opportunity to create a test case for mastery of mixed used mixed density integration; an opportunity to get past the hyperbole and design a genuine 30-minute city; an opportunity that the PIA and its members would jump at. It is an opportunity to run a nation wide competition, starting with local high schools, on out to Universities, Agencies and Major Firms, whom would contribute portions or fully integrated proposals that could deliver 50,000 to 80,000 jobs and exceed the GSC’s goals. Liverpool could be the exemplar to the rest of the city and state.



Commissioner Peter Duncan AM it is clear that based on your role for the Olympic Coordination Authority, you will have an implicit understanding of the great outcomes that can be achieved from integrated multi-agency work product. Over the appalling planning that results from silo like separation without interface, context or strategic thinking. As a former Chief Executive of roads and infrastructure you will no doubt appreciate that our alternative “Mini Melbourne” is predicated on the delivery of public transport to and through the corridor. Removing and replacing the Intermodal with the Casula-Y-Link and another Train Station has knock on benefits such as heavy rail capacity and preserving the highly valuable M5 Corridor. With the public transport foundation this alternative can help undo current congestion, reduce the reliance on cars and assist with meeting the Premier and Cabinets Housing Targets. By implementing much needed public transport improvements one lays the foundation for further public transport options connecting west of Fairfield, west of Liverpool, west of Campbelltown. The effect is to allow LGA’s the capacity to approve housing in direct proportion to needs based public transport, which is in turn, linked to density. Liverpool could be the exemplar to the rest of the city and state.

Chairperson Annabelle Pegrum AM no doubt as a Professor in Architecture with experience in city management, and urban landscape policy, strategy, planning and design, you and your students would also jump at the chance to design a modern waterfront city built around the dominant principle of public or shared social spaces, and the fundamental philosophy of designing like you actually want to buy and live there. Surely Architects are dying inside always having to deliver sub-divisions with no public space and string thin streets. Surely Architects are tired of serving profit over the people whom will live in the buildings they design. A master planned “Mini-Melbourne” is the chance to turn that around strip away shoeboxes and floor space ratios and in their place to focus on 9ft Ceilings, Solar Access, and Cross Flow. It is truly not that hard to design a 2-3 bedroom apartment that people would enjoy living in or a 2-3 bedroom apartment whose eaves are not touching those of ones neighbor. Recently Architecture Critic Sarah Williams Goldhagen said “*the environments we inhabit shape who are*”. So one is led to wonder how planning and development is shaping us, shaping our city and our country. How is it shaping our modern culture and how we treat and interact with each other; the power of architecture and urban design is ephemeral but ever present and eternal. By creating Mini-Melbourne, one can create cultural microcosm of unparalleled quality while or by addressing all the relevant intersecting policy initiatives. **Liverpool could be the exemplar.**

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SPEECH – MODIFYING A CONCEPT

DEC 2017

Written submissions will articulate more on the foundational considerations of Freight Policy, First Principle Justifications, Diesel Locomotives, Return on Investment and Opportunity Cost.

To understand why each of is worthy of your review and why each is more relevant than ever, is to understand that **the applicant** is choosing to go back to beginning. **It is the applicant** that wishes to change the concept rather than strictly present how it plans to meet the conditions set down in the original 2014 determination. By doing so the applicant is requiring that all stakeholders including the DPE, the PAC and the impacted community, to not only review how the particular modifications stack up against the original elements, but also how this new revisions stacks up to the project and conditions as a whole. Likewise, not only is it vital to compare and contrast the changes and their impacts on the MPE Concept and its foreshadowing of further modifications through Stage 1 and Stage 2 of MPE. It is the PAC's own recommendation that demands a cumulative process is followed and all evaluations are undertaken from a precinct wide perspective: MPE & MPW simultaneously.

To that end the importation of 2.2 million cubic metres of dirt via 350 to 450,000 dump truck and dogs is an astronomical change. Under Section 79 of the Act one has to seriously question the suitability of the site and perhaps more importantly in the cumulative context: under Section 96A one quickly comes to the conclusion that the modifications do not pass the significantly same test. Putting aside the issue of non-existent dust suppression or even the providence of the dirt, adding that many trucks to local and regional road network over a two-year period is hugely significant. Even more so, when one realises that this number of additional trucks was never modelled in the original [flawed] concept.

Like us, this project has been dumped in your lap just before Christmas and like us you are being told what to think about it – with draft conditions already written up for you – waiting for you to sign on the dotted line. 100s if not 1000s of people before you ought to have made better decisions and curtailed the influence of politics on planning. We see no reason for you to follow their lead. Instead we ask you to set your own scope, follow the PAC's own recommendations and review the whole project, the whole precinct and how it relates back to integrated land use planning, environmental protections, freight policy, fiscal cost and opportunity costs.

SPEECH – PROCESS + PROCEDURE

DEC 2017

In concert with following PAC's own past recommendations, with a cumulative assessment it is our view that the current set of Commissioners has both the responsibility and opportunity to interrogate and correct past errors of previous PAC processes and DPE assessments. By so doing the Commissioners will avoid compounding said errors, with new procedural errors, by undertaking this current referral as is.

Last PAC – Similarly to the recent meeting the previous Public Meeting held by the Planning and Assessment Commission was scheduled around the Christmas/New Years break. On this occasion it was the 1st of February; the day before school was to start, another burden on the community and deterrent to public engagement. The greater burden on this occasion was the Commission's choice to combine its assessment of SSD 6766 Stage One Development & SSD 5066 Concept + Stage One Development. The issues being:

- Folding SSD 5066 Concept *AND* Stage One into one step assumes PAC would approve the 5066 Concept without exception or condition, which has allowed for massive land clearing before the proposed project has proven it can successfully meet conditions.
- It does not appear that SSD 5066 Concept has actually responded to the Conditions of Conceptual Approval of MP10_0193 from across the road. It is common sense that it would abide these conditions. This appears to have created duplicated Throughput Caps for the very same road transport network.
- Crucially folding SSD 6766 Stage One Development *INTO* an assessment of an adjacent and supposedly separate and competing Concept is a huge error. It again puts the cart before the horse and assumes that this separate and competing project would preternaturally address any and all conditions attached to an opposing and adjacent concept next door, before knowing what they might be.
- Off the back of the Applicants own clearly defined assumptions the overarching fear of the DP&E “box ticking” emerges.

The perceived procedural error was raised in written submission to the previous PAC. A remedy was proposed: assess SSD 5066 Concept only – comparing it to MP10_0193 Conditions. It was ignored.



Remarkably it appears that the Traffic and Transport Impact Assessment performed by Parsons Brinkerhoff on behalf of Moorebank Intermodal Company, was also used to assess the SIMTA / Qube project across the road. In this way two projects with separate applicants and separate throughput goals were assessed together based on faulty “full build” conclusions. Not strictly the throughput caps of separate projects and separate stages.

It begs the question; why was the DNSDC land not simply added to SSD 5066 as single precinct master planned concept [as recommended by PAC]? This would have allowed the Federal Govt. and or its tendering developer to submit single consolidated stage developments that address one unified set of conditions and approval limits.

Perhaps it was more important to maintain access to 75W and give the impression of momentum so as to sure up investor sentiment and perpetuate the message SIMTA has consistently presented to the community: *there is nothing you can do to stop us, so you may as well give up...*

This PAC – Now roll forward 22 months; the DP&E and perhaps the PAC is presently repeating the same but different mistake. First MPE is being split from MPW for assessment, and in addition to this being counter to past PAC recommendation, the mere fact that the separate projects have been rebranded or renamed to Moorebank Precinct East and Moorebank Precinct West, further implies the connected cumulative nature.

For the second time the Proponent has applied for a Concept [Modification] and a Staged Development at the same time. Thus the Applicant and the DPE is expecting that the PAC will not find fault or add conditions based on its own deliberations. In point of fact the Applicant and the DPE is relying upon it. Fundamentally the Commissioners must be free to assess the Concept Modification and refuse it on its merits or apply conditions to be met prior to moving to Stage Development applications. The alternative we are currently appraising is not best practice as it is far too open to buzzwords like *“mitigation, consideration and feasible and reasonable”*. It is far too susceptible to *“we’ll fix it later in Stage 1 or Stage 2”*.

[Why is it so hard to demand that unsolicited SSD concepts are complete and accurate to begin with?](#)



Partial Solution – At a minimum the current Commissioners ought to independently assess both Concept Modifications cumulatively and compare them to the Conditions attached to MP10_0193. The minimum baseline for this assessment must be informed by Section 96A not Section 75W. Section 75W was repealed long ago and the current EP&A Reform Package removes it entirely, while adding in Design and Strategic Planning as Objects of the Act. Moreover the modifications themselves cannot possibly be classified as minor. Rather than be caught up in semantic interpretation or stuck in the web of litigated guidelines the Commissioners should consider the words of the NSW Government’s Chief Planner Gary White, whom earlier this year spoke on the need for strategic planning stating that the *“process and regulation has become the plan”*.

We firmly ask that the Commission push back on this referral, which is a deliberate and duplicitous attempt at “incrementalism”, that seeks to side step good planning by manipulating the process. Furthermore we suggest that the Commission takes up our Best Practice solution, so as to avoid a repeat of Barangaroo. The last thing an independent commission needs is to again be backed into a corner because of State or Federal political influence. [[see SMH – June 2016](#)]

Practical ‘Best Practice’ Solution – Rescind the current twin SSD consents, and reject the current twin modifications and advise the Department, the Secretary, the Minister and Qube Logistics to begin work **on one single precinct wide SSD application**. One that is fully costed and incorporates all the elements that have been missed or deficient; specifically the appropriate Traffic Studies, Ecological Studies, Public Health Studies and Feasibility Studies of Rail / Noise redesign. Including independent blind peer review baselines for each.

SPEECH – CONSENT + COMPLIANCE

DEC 2017

Diving deeper into the fine grain detail, the modifications could well be illegitimate from both the cumulative or singular perspective. There is a concern that the applicant does not have standing to submit any modifications, as previous consents are in fact defunct, due to non-compliance with conditions. I refer you to the original conditions of consent, specifically limits of approval 1.6 and 1.7. Therein is a clear restriction “*not to exceed the capacity of the transport network, including the local, regional and State road network.*”

Modelling undertaken by SIMTA was first exhibited for its initial proposal in 2012. The proposal was re-exhibited in 2013 and then went to the Planning and Assessment Commission in 2014. It has been well established that this modelling is faulty. Put simply the use of HCM 2000 [1 volume] instead of the HCM 2010 [4 volume] undermines the methodology, conclusions and extrapolations made.

Therefore the aforementioned modelling was not to standard and was not fit-for-purpose; it was not acceptable for the purpose of an independent PAC deliberation and determination. Accordingly the conceptual consent for MP10_1903 ought be vacated.

From the point of conditional conceptual approval Moorebank Intermodal Company and SIMTA engage in a muddled process whereby cumulative traffic assessments were undertaken by MIC and its consultant. This in turn makes it hard to interpret or apply 1.7.

How is it the Commission would restrict throughput on one project to 250,000 TEU with the option to double up to 500,000 TEU **after** monitoring operation at 250,000 TEU. Only to give away another 250,000 TEU to a parallel but separate project right across the road? How is that not a contradiction? How is that not a contravention of the Commissions own conditions?

To remedy any misunderstanding and prevent any future confusion it would be of great utility to know exactly how the DPE and or the PAC interprets and expects to enforce its own conditions assigned to MP10_0193. It is also of specific importance to know exactly how the DPE and or the PAC interprets and expects to enforce its own conditional consents for SSD 6766 & 5066.



For instance are they:

- Two competing consents for the same 250,000 TEU
- Two concurrent consents that add up to 500,000 TEU total
 - With two separate frameworks for compliance?
- One cumulative consent that add up to 500,000 TEU total
 - With one combined framework for compliance?
- One single consent with one single Stage 1 cap of 250,000 TEU
 - With one combined framework for compliance?

With regard to SSD 6766 and 5066 according to Aurecon the independent consultant for the DPE: the Federal Government's consultant, Parsons Brinkerhoff, identified in one of its reports [in 2011]; that in order to assess both the local and regional impacts, three levels of modeling would be employed, including strategic modeling, micro-simulation modeling, and intersection modeling. However, by the time of the EIS [2014], the TTIA did not include micro-simulation modeling, and instead relied on SIDRA intersection modeling, with inputs from the STM.

Thus a critical method identified in 2011 is missing from all traffic studies submitted in 2014 and resubmitted in 2015. Only after a second try at Response to Submissions does the applicant agree to produce and supply micro-simulation modelling, which it already knew was required. The applicant also conceded to produce and supply mesoscopic modelling as well. A clear indication that the applicant was aware of the flaws in its own modelling.

On this point alone the traffic modelling supplied to the DPE and PAC for their deliberation was and is incapable of meeting the standard set out in the conditional approval of MP10_0193. This is cause enough to vacate the consents for SSD 6766 and SSD 5066.

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SPEECH – ASSESSMENT + CONDITIONS

DEC 2017

As compliance and enforcement is the role of the DPE, it would appear that the Department, the Secretary and perhaps even the previous Minister have failed both the Commission and our Community, by not listening to us and not interrogating past traffic modelling appropriately.

There was much hope of a correction after members of the community met with the Department in March. But having now referred one part of the precinct, in isolation, the department appears to be breaking with its own recommendations for a cumulative approach, and may be compounding its previous errors.

For this current assessment the Department has not used the same Traffic Consultant: Aurecon, it has not included Aurecon's report or other independent studies for review by the new consultant. Most concerning of all, it does not appear that the DPE has supplied the \$3.4 million dollar RMS Study to its consultant or to the Commission. Community Stakeholders not received a copy either in spite of the recommendation that *"this modeling must be completed as a matter of urgency and with maximum transparency, so that the Planning approvals process can progress effectively."*

Without access to this crucial modelling – that was to be the foundation of all traffic assessments, all road upgrade commitments and costing, you as members of the commission would be denied the opportunity to make an informed determination. This is of grave concern as the previous PAC determination was challenged in the Land & Environment Court in large part because the commission did not have access to crucial information.

Without it – local and regional communities cannot trust that the delegation has been able to truly assess the impacts of 100,000s of dump trucks traversing the M5 to import 2.2mil cubic metres of dirt from WestConnex. Potentially contaminated fill from WestConnex is also a scary prospect especially given that there is already PFAS contamination onsite and said contamination has been excluded from the Defence Departments investigation program.



Moreover with some if not all of the dirt being supplied by Westconnex at no cost there is a real danger of a conflict of interest. It is unclear how any state body could independently review a project in its jurisdiction when another department and or state government business enterprise is a contractual party whom is reliant on the project under review, going ahead.

On numerous levels these projects and their modifications are conclusively illegitimate and represent a retardation of government policy, while posing significant fiscal risk, environmental risk, public health and contamination risk. Based on illuminating each of these issues, there is no rational public interest and no foundation to proceed with assessing the project or allowing any further land clearing.

Nevertheless a series of detailed Conditions will be articulated in written submission, and these should in no way be considered as community acceptance or approval of the project. For the purposes of this presentation I will comment on two themes for Conditions more generally. The themes being: Community Consultation and the Freight Industry Advisory Board Report of 2005.

Far too many throw away lines or promises made during community consultation processes [undertaken by MIC because SIMTA/Qube Logistics did not do any] turned out to be knowing lies or unknowing lies.

During consultation sessions we were insulted with remarks that ignored background air quality in an inversion zone and referred to back burning and or poor individual choices [smoking] as primary causes of poor health outcomes. Of course the 3% traffic impact lie was also trotted out without explanation or methodological evidence. But going back the very beginning [2012-2014] we were told that only one project would be built – NOT BOTH – yet we are still face both projects, which are still chasing 70% of the 2.2Mil TEU originally applied for. Why didn't "*only one - not both*" become a policy and or a condition on the project and process?

Later we were given assurances that all activities would be centralised internally and warehousing would be on the edge [of MPE] facing in to limit noise travel and impacts. This same promise was made with regard to not moving Moorebank Ave. Yet now we face modifications that turn warehouses outward to face the suburb of Wattle Grove and a dead end externalised road.



This road serves zero purpose in the current Modification + Stage 2 applications, but lays the foundation for yet another [75W] modification to move Moorebank Ave. This move has gone from a promised no, to a denial, to a deflection to “future developer” choices. All the while the moved road has appeared in corporate reports for some years, has been costed into the “business case” and appears as dissection corridor in the biodiversity assessment report. Why didn't “*it won't be moved*” become a policy and or a condition on the project and process?

Is it because both applicants merely self-report on community consultation? Allowing SIMTA who did no open public meetings / presentations, to knowingly lie about our community and its opposition. Or allowing MIC who did a few open meetings / presentations to streamline its reporting to items it had applied for but not items it would apply for later?

While this may not be the fault or responsibility of the DPE and PAC, it most definitely highlights series issues with the regulations, guidelines, compliance with and enforcement of Community Consultation. Another issue that is rather black and white is how the DPE and PAC dealt with the FIAB Report on “Railing Port Botany's Containers”. It was repeatedly used as a foundational document in service of promoting the justification of these projects.

As the Rail Target had been abandoned and the report reads as a singles sector, single industry corporate wish list it ought to have been disregarded completely. However in its own report the previous PAC references the document. Thus as a bare minimum the PAC ought not allow the applicants to pick and choose which of the reports recommendations they would promote to seek approval, and which they would ignore to ensure approval or minimise cost.

Recommendation 4

- *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;*



- **No.4** reads as a government backed gift to the private sector, specifically Chris Corrigan, whom was a contributor to the report. Of particular note “industry” was therefore chasing the removal of SME and ‘recycling’ the defence land since 2003-2004. It is therefore disingenuous to exclude the Moorebank Unit Relocation costs [\$870Mill] from the business case of any IMT project undertaken on this site.
- With the DNSDC Site already in planning phase for a 1,000,000 TEU Terminal it is unclear why two projects should ever have emerged. In fact, only half, of one of the proposed projects, is required to meet the 500,000 TEU recommendation.
 - *So why didn't “500,000 TEU” become the initial documented cap on any project proposed at this location, prior to acknowledging any applications.*
 - Said limit would help address part of recommendation 12.

Recommendation 12 [partial]

- *Terminals be adequately buffered from residential areas in order to minimise noise and light spill.*

- **No.12** sets a general limit for all future Intermodals. Putting aside the ambiguity of “adequately” and the tendency for applicants to be hyperbolic in their definition of a “buffer”, this recommendation acknowledges the likely impacts. Yet it does not cater for a project of the size being proposed, as the recommendation does not include Traffic, Air Quality and Warehousing activities. Instead it only focuses on noise and light spill from a 24/7 terminal, gantry and stacking etc...
 - *So why not set a 500m or 1000m or 3km as a minimum “adequate buffer” especially give the trouble experienced at Port Botany itself.*
 - *So why not enforce the “build one not both” promise to meet this recommendation?*
- Is it possible that this common sense, common courtesy FIAB Recommendation was “missed”, due to political influence and or economic pressures? Is it possible that the Federal Govt promoted a huge expansion of throughput to generate a fairy tale business case, so as to legitimise the gift of 220ha of waterfront defence land toward a [doomed to fail] public-private enterprise to be inherited by Qube?



Recommendation 13

- *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.*

- There can be no ambiguity around **No.13**. None of these recommendations have been followed or implemented over the past 12 years. No Community Consultation Committee [CCC] and no Transport Modeling Project Control Group [TMPCG], which was recommended later by the DPE's Independent Traffic Consultant.
- There is no formal designation of "residential precincts" in any of the literature and no limits of approval or specified conditions that indicate a designation or the implementation of a "zero tolerance policy".
 - **So why not set up these pre-conditions as part of the SEARs?**
 - **Why has the Private and Government Applicants both ignored these recommendations when pursuing their respective projects?**
- It is more than likely that both applicants recognised that implementing the three elements of Recommendation 13 [from at least 2010] would have produced either: a much smaller project footprint and throughput cap, in concert with appropriate concessions and conditions OR it would have completely discredited the project.
- It is alarming that the net result of still not having implemented **No.13**, is the fact that there is no condition or mechanism to effectively manage and monitor local and regional traffic impacts. No real time review of this key limit of approval or the mechanism to suspend and correct the project parameters. While additionally there is no mechanism to address or redress the traffic impacts or any other issue that may be considered another broken promise or flat out breach of limits or conditions. This is the default result of there not being independently verified baselines or a minuted CCC format to directly seek remedy for exceeding.



Each of these issues are too complex to completely dissect in this setting. They require significant background reading – which will be supplied to the Commissioners – **so what's next?**

RAID

RESIDENTS
AGAINST
INTERMODAL
DEVELOPMENT
MOOREBANK

SPEECH – WHATS NEXT?

DEC 2017

With 8 years of research and development we have a well-matured well-considered alternative solution centred on better locations for this project and better projects for this location. We would be more than happy to share said solution as it marries up well with NSW Government Architects Integrated Design Policy aptly name: Better Placed.

[In this setting we would make a single overarching recommendation:](#)

Rescind the current twin SSD consents, and reject the current twin modifications and advise the Department, the Secretary, the Minister and Qube Logistics to begin work **on one single precinct wide SSD application**. One that is fully costed and incorporates all the elements that have been missed or deficient; specifically the appropriate Traffic Studies, Ecological Studies, Public Health Studies and Feasibility Studies of Rail / Noise redesign. Including independent blind peer review baselines for each.

[Lastly we make the following requests independent of whether you are willing or able to adopt and enforce our recommendation:](#)

First: please take up the request for follow up meetings. With most of the key stakeholders in the room today you could collect details and set meetings for the New Year or as needed. This would be consistent with the opportunity offered to the Applicants as they have taken multiple follow up meetings with the Commission through both of the previous PAC processes.

Second: please ensure that if the delegation of MPW is not amalgamated into single assessment of MPE/MPW Concept Modifications, that the next delegation of MPW is at least allocated to the same Commission Members and;

Third: whether combined or separate, please ensure that sufficient time is given between delegation, notification and schedule of the subsequent public meeting.

Thank you for you time and attention this morning.

We look forward to following up with each of you on any and all matters raised.