

Appendix E MCA criteria relating to Project objectives



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E.1 MCA criteria relating to the Project Objectives

Indicative sub-objectives	Scope outline
1. Boost national productivity over the long-term through improved freight network capacity and rail utilisation.	
Effective connections to rail network	Determination of feasible routes for the spur line and bridge over the Georges River, associated cost impacts, connection points into the SSFL alignment, timing of the availability of the SSFL and future capacity on the SSFL system.
Effective connections to the local road network	Detailed traffic planning including modelling of impacts on local roads (especially Moorebank Avenue and M5 westbound), mitigation measures and associated cost impacts.
Complementarity and integration with Port Botany	Planning for integration with Port Botany for freight documentation, receipt and inspections to attract import and export cargo to rail and the new terminal.
Suitable for interstate freight	Managing the special capacity, lay-out and SSFL connection requirements of interstate and local (shuttle) rail traffic.
Efficient terminal lay-out	Development of an optimum terminal capacity operating model taking into account market requirements and best practice design principles.
Flexibility to expand over time	Designing for a staged development to match demand and to minimise risk.
Capacity and design for multiple operators	Designing to service multiple market segments and/or to promote access by multiple operators.
Provision for a range of ancillary services	Assessing the co-location of complementary activities (warehousing, etc.) to maximise land value and IMT viability.
Suitable site characteristics	Balancing operational design requirements with environmental, heritage, hydrological/floodplain, geotechnical and other site constraints.
Adequate supporting utility infrastructure	Assessment of the adequacy, proximity and location of utility supply and potential augmentation requirements.
Constructability	Assessment of technical design options for ease of construction and for avoidance of risks that could give rise to additional costs and delays.
Consistency with National and State freight policy priorities	Ensuring that rail and road freight infrastructure is planned and implemented in a coordinated manner, in accordance with national and state strategies.
2. Create a flexible and commercially viable facility and enable open access for rail operators and other terminal users.	
Capacity and services match demand over time	Robust analyses of market requirements and projected demand will be critical to the technical design solution and to the assessment of commercial viability.
Financially sustainable	Demonstration that services and pricing are competitive with other IMTs and freight transport options and that the IMT can deliver a commercial rate of return for the risks assumed under a range of scenarios.
Ensures open access to rail operators and customers	Consideration of the need to promote competition through horizontal or vertical separation of key participants or other regulatory measures.

Indicative sub-objectives	Scope outline
Market capacity, experience and interest	Consultations with a range of market participants to test key market, operational and financing assumptions and to gauge market appetite.
Ability to benefit from complementary initiatives (SIMTA)	Consideration of whether the SIMTA proposal is complementary or competitive and potential management strategies.
3. Minimise impact on Defence's operational capability during the relocation of Defence facilities from the Moorebank site.	
Separation of environmental, planning and other approvals for the two projects	Given that implementation of the MUR will largely or wholly precede commencement of the IMT, it will be important that the MUR environmental application can be submitted while the IMT feasibility study is still in progress.
Staged development to match feasible vacation of site by Defence	Consultations with Defence to explore options for progressive decanting from the site and commencement of IMT works.
Commencement of development works that do not disrupt Defence activities	Careful planning of environmental, geotechnical and other site studies and any construction works while areas are occupied by Defence.
4. Attract employment and investment to South West Sydney.	
Maximise construction activity, cargo throughput and ancillary services	Consideration of the direct employment requirements during the construction and operation phases and economic modelling of impacts of the project on GDP, consumption and employment at national and state levels.
5. Achieve sound environmental and social outcomes that are considerate of community views.	
Mitigate adverse environmental outcomes including impacts on flora and fauna; local air, noise and light pollution; ground and water contamination	Managing the implications of a range of specialist studies into ecology, air, noise, light, vibration, unexploded ordinance, surface water and groundwater impacts.
Reduce traffic congestion, greenhouse gas emissions and road safety risks	Quantifying the wider economic benefits of reducing the impact of road freight transport on communities and the environment.
Mitigate adverse social impacts including impacts on local road safety, traffic disruption and other loss of community amenity or aesthetic values	Detailed traffic studies including simulation modelling to assess the impact of the IMT on the surrounding road network and to propose mitigation measures. Consultation with the local community to determine key concerns and to inform the development of appropriate mitigation strategies.
Mitigate impacts on Aboriginal cultural heritage and European heritage values.	Site studies to determine any sensitive areas of Aboriginal or European cultural heritage, building upon the work done in previous Defence studies.
6. Optimise value for money for the Commonwealth having regard to the other stated project objectives.	
Maximise the NPV and/or benefit cost ratio in the economic evaluation	Economic evaluation of freight transport costs and benefits (savings in freight transport costs relative to a base case) including quantifiable externalities such as travel-time savings and reductions in costs from road accidents, noise, air pollution and greenhouse gas emissions.
Achieve the highest ratio of benefits to costs through qualitative evaluation of achievement of project objectives relative to project cost to the Commonwealth	Assessment of project technical and commercial options on a value for money basis using the technique of multi-criteria analysis with selection criteria based on project sub-objectives broadly of the kind indicated in these tables.

Indicative sub-objectives	Scope outline
Minimisation of cost to government/maximisation of land value	Assessment of the net cost to the Commonwealth taking into account the accounting treatment for budget purposes of the Commonwealth's contribution and constraints that may be applied for budget affordability reasons.
Certainty of delivery	Short-listed project options will be subject to a detailed risk analysis to identify risk impacts including quantification of cost impacts where feasible, mitigation strategies and the optimal allocation of risks between the Commonwealth and private sector under the short-listed commercial structures.
Use of a commercial structure and procurement and/or divestment method that maximises value for money for the Commonwealth	<p>Associated procurement and/or divestment processes. The comparative evaluation of these commercial structures is likely to have regard to the following factors (some of which have been listed above as sub-objectives – or criteria - for assessing the feasibility and viability of project delivery options):</p> <ul style="list-style-type: none"> • Minimisation of government intervention (avoid long-term) • Operational role and risk) • Minimisation of cost to government/maximisation of land value (taking into account Budget treatment) • Certainty of delivery (time and cost) • Flexibility (ability to respond to market needs over time) • Market capacity, experience and interest • Open access • Optimal risk transfer • Financially sustainable (independently viable, competitive with • Other intermodal facilities and freight options) • Consistent with State and National freight policy priorities • Ability to benefit from complementary initiatives (e.g. SIMTA) • Acceptable taxation and legal outcomes.