

JOINT MIC and SIMTA media release

**Government approves MIC and SIMTA agreement to develop and operate Moorebank Intermodal Terminal**

**Sydney, 4 June 2015**

The Commonwealth Government has approved Moorebank Intermodal Company (MIC) entering into an agreement with the Sydney Intermodal Terminal Alliance (SIMTA) to develop and operate the Moorebank Intermodal Terminal, with the contracts now signed.

SIMTA, a consortium of Qube Holdings and Aurizon Holdings, will develop and operate the open access freight terminal on a joint precinct comprising Commonwealth land and adjoining land owned by SIMTA.

The terminal will enable more shipping containers to travel by rail, reducing the distance travelled by freight trucks on Sydney's roads and the nation's highways, and helping Port Botany to continue to grow.

Moorebank has been identified as a priority location for a freight terminal since 2004. Its direct rail link to Port Botany and freight markets around Australia, and its proximity to major motorways, make it ideal for an intermodal facility.

The precinct will include an import-export (IMEX) freight terminal with eventual capacity for up to 1.05 million containers per year, and an interstate freight terminal with capacity for up to 500,000 containers a year. Stage 1 will see 250,000 containers per year through the IMEX facility. The first stage of the interstate terminal will have a similar capacity. Subsequent stages will be developed in line with demand.

Under the terms of the agreement, the two tracts of land will be combined under a land trust and leased to SIMTA for 99 years. The contractual framework creates strong incentives for the terminal to achieve the Commonwealth's objective to improve national productivity through an efficient supply chain, increased freight capacity and better rail utilisation.

The agreement will deliver economic, environmental and community benefits, including:

- reducing constraints on container volumes moving through Port Botany;
- relieving traffic congestion on Sydney's roads and the nation's highways;
- enabling faster freight times and reduced costs to business and consumers;
- creating jobs in south-west Sydney throughout construction and operation of the terminal; and
- reducing the project's rail track footprint and retaining more open space by connecting to the freight rail line at the south of the precinct.

Chair of MIC, Dr Kerry Schott, said the agreement with SIMTA was good news for the freight industry, road users and the economy.

"We are delighted that this agreement between SIMTA and MIC has been approved. The terminal is critical infrastructure that will help unlock Sydney's transport gridlock and get more interstate freight on rail," Dr Schott said.

"The terminal will be open access for transport operators to increase competition in the freight market, it will support Federal and New South Wales targets to get more freight on rail, and the cost to government will be small."

The Commonwealth is expected to invest around \$370 million in the development, including funding the rail connection between the terminal and the Southern Sydney Freight Line and land preparation works. This investment will attract a low-risk return and is significantly lower than the amount anticipated when MIC was established in 2012.

SIMTA has committed to build and operate the terminals and has development rights for associated warehousing at a total project cost of approximately \$1.5 billion over ten years. The precinct will include 850,000 sqm of integrated warehousing when fully developed.

The IMEX terminal is expected to start operations in late 2017 and the interstate terminal in approximately 2019.

Maurice James, Managing Director of Qube Holdings, said he was delighted to have reached agreement with Moorebank Intermodal Company on the development of this vital infrastructure for Sydney.

“The whole-of-precinct approach that combines the Commonwealth and SIMTA sites provides a greater opportunity for complementary warehousing development, enhancing the facility’s cost-effectiveness compared to road, and supporting throughput and greater rail use,” Mr James said.

“This first stage of development will ultimately process around 250,000 IMEX containers each year, with the interstate terminal expected to commence shortly afterwards. The stages of development will be carefully managed, but when operating at full capacity, the terminal will ultimately reduce the total distance travelled by import-export freight trucks in Sydney by more than 60,000km each day,” Mr James said.

“A combined integrated precinct will reduce the rail track footprint and preserve more open space along the Georges River by connecting to the main freight rail line at the southern end of the precinct, rather than through the public park next to the river.”

Lance Hockridge, Managing Director & CEO of Aurizon, said Moorebank represented an end-to-end logistics solution with rail terminals and warehousing in a single location, ideally situated given its proximity to North/South and East/West interstate rail corridors, as well as the M5 Motorway.

“As Australia’s largest rail freight operator, Aurizon brings unique expertise and perspective to this critical nation-building infrastructure project,” Mr Hockridge said.

“We are delighted to work in close collaboration with all parties, including the Federal Government, on a project with the potential to transfer a greater share of Australia’s freight from road to rail, delivering a range of economic, environmental and social benefits.”

The agreement has been subject to a cost-benefit analysis, which demonstrated that the economic benefits exceed the costs, and the Commonwealth contribution represents good value for money given the significant benefits that will be achieved.

The contractual structure enables the Government to sell its revenue stream from the terminal in the future, but the operating requirements for the terminal, particularly the open access rules, will continue for the term of the lease.

MIC and SIMTA are working to obtain the relevant planning and environmental approvals for the precinct. If the initial approvals are obtained, construction of the first stage is expected to commence in the second half of calendar year 2015. More information about Moorebank Intermodal Terminal is available at [www.micl.com.au](http://www.micl.com.au).

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