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Supporting Document to East Liverpool Progress Association Submission on MP 10_0193 MOD2 : SSD 5066 MOD1 : SSD 7628

1.0 - Preliminary Comments

The East Liverpool Progress Association has been a firmly established association of local ratepayers for over 100 years.

This is the third time at forwarding a submission in exercising our public response to an EIS for a particular project. As such, It reflects the unique structure and process of the Moorebank Intermodal Freight Terminal.

Note: we use the abbreviation - MIFT - in this submission to cover both proponents (SIMTA & MICL) and all the configurations of their proposals.

This uniqueness, we propose, was formed in its origins with a reported fly over of the site by Mr. Chris Corrigan in his recreational helicopter in the early 2000's, and, as reported in The Australian became an "obsession" for him -

"Moorebank project has its roots in Corrigan's obsession with the potential of a strategic piece of federal government land just off the M5 freeway that stretches westward from Sydney city" - The Australian June 5th 2015.

We argue that Mr. Corrigan's presence in the project planning has seen a corruption of process emanating from the standing of him as a hero / villain on the Australian political stage at all levels. There is no fault of Mr. Corrigan in this, as he is simply a businessman going about his business within the law.

Corrigan's historical play in the breaking of trade union power on the wharfs in 1998 sees the hero / villain status held of him by the Liberal Party and the Labor Party respectively. Both Parties have adopted unsound positions when dealing with his commercial interests when either in Government or Opposition. Unsound, in that the question was of "who" rather than the "what, why and how" in studying a major infrastructure development as is MIFT. Where the public would expect the presence of public accessible comparative benefit-cost analysis we saw **"desk top checks"** by Infrastructure Australia of alternative sites in western Sydney. Where one would expect the Senate Estimates process be used to drill down on such a major national interest project to ensure it is truly viable, and the best value of all alternatives, it became a slanging tirade at times by friends and foes of Mr. Corrigan.

The Senate Estimates of May 24th 2012 and May 26th 2014 are most revealing.

In 2012, with Labor in government, Senator Cormann was challenging the Labor Government for initiating a government run MIFT (MICL) with Senator Wong challenging him on “whose interests” is he representing.?

***** **Senate Estimates Hansard Extracts - 24/5/2012 - ALP Gov.**

Senator CORMANN: The advice that I have got from the responsible shadow minister is that the—

Senator Wong: Which is from the proponent in whose commercial interests it would be?

Senator CORMANN: The advice that I have got, Minister—

Senator Wong: I think you should be upfront with the public. If you are coming in here and advocating a private sector proposal because of those commercial interests, it is fine for you to do that but I think you should be upfront about it.

Senator CORMANN: Minister, I am not pushing a private sector proposal: I am pushing for value for money for the taxpayer—

Senator Wong: And so are we.

***** **End of Extract**

In 2014, with the LNP in government, Senator Dastyari mentioned Mr. Corrigan’s name 18 times in pursuing “who owns what” concerning MIFT. The following extracts provide for our claim that the process became corrupted with the intent of Corrigan’s friends and enemies reigning over the pursuit for the best outcome for a major infrastructure investment. Labor, in Albanese MP and Senator Wong, betrayed their Party’s loyal voters in south western Sydney in their desire for a stoush with a Labor enemy. Rather than use the facts of the fatal flaws in the original SIMTA proposition they, as Government Ministers, took Mr. Corrigan’s business plan as credible and workable in order to gazump him with a far larger site to meet the same objective. How pathetic, and embarrassing, it must be today with Mr. Corrigan sitting atop the pile.

Hereunder Labor pursues the obvious. How perverse that the bipartisan position (establishing MIFT) quoted by Senator Dastyari turns on the superficial dialectic of hero and villain.

***** **Senate Estimates Hansard Extracts - 26/5/2014 - LNP Gov.**

Senator DASTYARI: The proposal is bipartisan. No-one is opposed to the proposal.

Senator CONROY: It is actually not bipartisan for Chris Corrigan to be given a monopoly, and expand his wealth. That is absolutely not bipartisan.

CHAIR: With your indulgence, Senator Conroy., pausing there for a second. So, what you are proposing is that this is a corrupt deal?

Senator CONROY: We are investigating what is going on.

Senator DASTYARI: I want to get to the bottom of the arrangement that came to this.

Senator STERLE: It is a bit sus, Chair.

Senator DASTYARI: I think it is a bit more than a bit sus, Chair.

***** **End of Extract**

***** **Senate Estimates Hansard Extracts - 26/5/2014 - LNP Gov.**

Senator DASTYARI: So, you are saying that while obviously people from your department have met with Qube—and I understand they are a big company and there would be reasons to meet with them—are you aware of any other meetings with Qube and Mr Corrigan and the minister?

Mr Mrdak : I am not aware of any such meetings or discussions.

Senator DASTYARI: Is anyone aware of any meetings?

CHAIR: Minister, can you take that on notice?

Senator Colbeck: Yes.

Senator DASTYARI: Is anyone in the department aware of meetings that have happened with Mr Corrigan and the minister?

Mr Jagers : I am not aware.

Senator DASTYARI: Are you aware of any meetings with Mr Corrigan and the Prime Minister?

Ms O'Connell : I am not aware.

Mr Mrdak : I am not aware.

CHAIR: Qube still lives in Switzerland.

Senator DASTYARI: Are you aware that according to the donor to political party disclosure returns, the last one that was publically available, that Mr Corrigan's company, Qube, was one of the largest donors to Liberal Party?

Mr Mrdak : I am not aware of that.

***** **End of Extract**

Further extracts exhibit a statement that it was Mr. Bruce Baird MP who recommended to the Howard Government the Moorebank Site in 2004.

Senator THISTLETHWAITE: And what was the process that was undertaken by the Howard government to identify that site as appropriate?

Mr Renwick : This is just from my recollection: there was a report, I think by Mr Baird, which identified it as a Site.

Senator THISTLETHWAITE: Bruce Baird, that is? **Mr Renwick :** I believe so. It has been identified as the perfect site for an IMT since then.

***** End of Extract

If the above is correct then it is not known who advised (lobbied?) Mr Bruce Baird on the use of Moorebank as a freight terminal. He was not the local member. Mr. Baird's son is the current Premier of NSW who, it seems, has graced the development with compliant public servants seemingly working to order. We understand some TfNSW staff associated with traffic modelling have felt the wrath of non-compliance.

The purpose of these Extracts is to exhibit the processes of review that were played out on Moorebank in the Senate. An attempt was made by the ELPA and Mr. Paul van den Bos to have Senator Leyonhjelm place questions on the project with the Senate. The Senator, upon understanding that both major political parties were supportive of the project, questioned at why he should engage in a futile exercise and refused, "as he had so much to do with his own Party's agenda".

A single voice has been heard in the Parliament. That of Mr Craig Kelly MP who as a lone soldier in the House of Representatives has called to question the project with all the force of a single MP given free reign in the liberal tradition.

2.0 General Comments

One advantage of the multiple Proposals / EIS is the opportunity to address the veracity of facts and soundness of reasoning reflected in previous decisions covering MIFT.

A further advantage is that with the passage of time more facts arise to give understanding of the dynamics that lay behind the decision making by the authorities in response to political masters, and, of how error in fact and process can persist through the iterations of planning process. This enhanced understanding provides the public "outsiders" further loss of faith in the democratic process. This is particularly the case where the proponents and the Transport for NSW (TfNSW) refuse to acknowledge the flaw in the original proposal to locate a heavy haulage freight terminal within a river bound, bridge reliant, flood prone, traffic corridor that is already near congestion levels and is expected to serve a region of Greater Sydney that is yet to grow by another 300,000 people in the coming 15 to 20 years.

2.1 Our Support, with proviso:

At this stage, the ELPA reminds PAC that we support the development if it can be demonstrated how the local traffic systems will support the 1.5 million TEU throughput, and who funds the solution. We hold that construction works required will place so much extra cost into the Benefit-Cost Ratio to make it far from acceptable for public tax payer investment.

This is why we require far better and immediate responses from the NSW Government Departments, the Proponents and the Federal Government to the requests of the public for recognition of the traffic problems and of the new road / bridge infrastructure costs to be incurred to meet the demands of the mix of 10,000 intermodal (IMEX / Warehouse ops) vehicles into the daily traffic passing through the Moorebank Corridor.

2.2 Dirty Industrial Use :

The ELPA reminds PAC that the core MIFT development is for a dirty industrial use; Hectares of hard covering and tyre residue - Diesel emission from train, trucks and container movers - Continual noisy electronic reverse warning sounds - 21 metre light poles - Container gantries and ground vehicles moving metal containers - Noisy stacking and un-stacking of empty heavy metal containers. All of this is located between existing residential neighbourhoods and flat terrain scrub to the East and the riparian areas of the Georges River. It is no place for another "pocket" IMT development of 250 - 500 TEU throughput as MIFT, we argue, is destined if approved in any configuration.

2.3 A Business Indicator?

Of interest is that the Proponents (MICL) applied to, and attained, listing on the Infrastructure Australia Priority List. The purpose of this action was to attain "access to the Infrastructure Tax Loss Incentive and to highlight the improvements required to local arterial roads to support the terminal." (IA 2014-15 Assessment Brief). The Infrastructure Tax Loss Incentive provides for a more amenable exit allowing losses to be retained with the site ownership, as we understand it.

<http://infrastructureaustralia.gov.au/projects/tax-loss-incentive.aspx>

Tax Loss Incentive

The tax loss incentive was introduced in 2013 to encourage private investment in nationally significant infrastructure. The incentive works by removing two key impediments in the tax system, allowing eligible entities to benefit from:

- Uplifting the value of carry forward losses by the 10 year Government bond rate; and
- Exempting the carry forward losses and bad debt deductions from the continuity of ownership and the same business tests.

To receive the tax loss incentive, applications must first be made to the Chief Executive Officer of Infrastructure Australia for designated infrastructure project status.

2.4 Sophistry at work:

In his response to our correspondence to Mr. Corrigan the “re-lisitng” was expressed as an achievement of attaining recognition by IA; there was no reference to the Tax Loss Incentive. Such is the sophistry coming from Qube and MICL in their endeavours to counter the facts placed before them. It seems their sole task is get the planning approval to their latest configuration while hanging on to what they have got so far. The status of “planning approvals gained” have been quoted in QUBE Holdings publications supporting their various stock market takeover plays and debt funding promotions. We understand from published stock market analysis that the Qube share price is valued to include the full 1.5 mill TEU development at Moorebank.

Further sophistic comments were offered by the Mr Maurice James. MD of Qube Holdings in a published letter in the Australian Finance Review (9/8/16) responding to an AFR letter by the signatory to this submission. (see attached copy). Mr. James again referred to taking trucks off the M5 referred to in **S1** below. As well, to past governments recognising Moorebank for its attributes discussed in **G4** below.

3.0 Rebuttal of PACs “Commission Consideration” dated 3rd June 2016

As an initial comment we commend PAC for introducing the condition that the project approved does not “exceed the capacity of the transport network with, or without, mitigation measures/upgrades”. We received this as a recognition by PAC of the credible and argued facts covering Transport / Traffic issues in the public submissions and Hearings to date.

There are several matters open to challenge in PAC’s consideration.

One is the reliability PAC places on the TfNSW. Its work has been challenged directly by independent reviewers engaged by the Department of Planning and Environment (D P&E) . There is a litany of inconsistencies provided by the department since the earliest of applications for planning approvals from SIMTA. We understand personnel have been sidelined for not producing the product required. This adds to our concern of the project being a top down initiative with minds made up already and not open to the reality of facts and argument that may counter the interests concerned.

3.1 General Points:

Note: From here we refer to the professional works by Paul and Narelle van den Bos (**vdB**) covering the deep analysis of the site's traffic restraints and general freight industry demands. We recommend that PAC review fully the work of **vdB**.

G1: The urgency of the project is overstated. Statistics (vdB) show the demand of port freight transport is below the lower projections by State and Industry authorities. Urgency and scarcity are no longer a factor.

G2: Alternative sites at Badgery's Creek and Eastern Creek are green field developments, and expansive for good planning. Infrastructure Australia has had the identification of a Rail Corridor to Eastern Creek on its Priority List as a High Priority for several years.

G3: Moorebank is a circumference site, not a hub site for efficient distribution. The suburb to its east is Milperra which registers on the web site of Intermodal Logistics Centre - Enfield as a circumference delivery location.

Port Botany is in a geographical corner owing to 270 degrees of sea water around it. The question remains as why locate Moorebank in a geographical corner that is reliant upon bridges and surrounded by existing traffic congestion along routes to delivery points?

G4: The Moorebank site's attributes - availability, topography, and access transport infrastructure with its proximity to M5, M7, and SSFL - are fine to initiate a study of an option. These are referenced by all, and acknowledged by all, including the locals. However, we are armed with local knowledge to put light on the limits of the attributes to deliver a successful IMT operation.

Ignorance is no defence in any investment decision.

G5: It is stated that MIFT will return \$9 billion economic benefits to the nation. The largest component of benefit is the removal of traffic congestion from around and beyond Port Botany. Presumably to free up more road for heavy truck transport from that location regardless of the expanded short haul rail operations.

MIFT is merely relocating the traffic congestion. In modern Australia there is no place for infrastructure development that has the seeds of stunted growth sown from the outset.

The independent reviewer of the SIMTA Stage 1 EIS makes this point, but it never surfaced in the EIS summary of it.

G6:: There are no accessible “studies” (Business Case, Benefit Cost Ratio analysis of Moorebank and comparable sites.) This is confirmed in the Senate Estimates Hansard.

***** **Senate Estimates Hansard Extracts - 24/5/2012 - ALP Gov.**

Ms Mason : Greenhill Caliburn conducted a peer review of the detailed business case and that confirmed that this site was the best site. (MICL)

Senator CORMANN: But that was a business case focused on one site—or did you evaluate different sites?

Ms Mason : We evaluated different options for delivering the government's policy.

Senator CORMANN: Did you evaluate different sites or did you only evaluate one site?

Mr Renwick : We were asked to evaluate, or do a feasibility study for, the site in Moorebank. In undertaking that, **we did a desktop review of other sites** which had been identified as potential sites—such as Eastern Creek, Badgerys Creek and a few others.

Senator CORMANN: Sorry: did you assess different sites?

Mr Renwick : We did not go into a detailed assessment as we did on the Moorebank site but we did have a look at the work that had previously been done on those sites.

***** **End of Extract**

G7: It is difficult to think other that the MICL site (MPW) was taken up by the Labor Government in 2010 to be in opposition to the committed Corrigan interests across the road.

At alternate times of Government we had the LNP support a valid opportunity knock from a Party hero, and then, with the ALP in Government, it assuming a business case (Corrigan's presence confirms there would have been one) to initiate a commercial project, far larger and in opposition to an old villain as they see Corrigan. With the return to Government by the LNP, we see all eyes on the inevitable integrated operation.

More recent history has seen Mr. Corrigan's Qube consume its main competitor, Asciano, and pick the bones for Patricks and several other pocket IMTs in the Sydney mix.

G8: Some observations PAC may pursue are:

- that the site models appear to have the rail operations packed in with very tight turning at the southern end towards the sidings.
- The lack of integration across Moorebank Avenue. From rail to warehouse. There are published maps from MICL that exhibit Moorebank Avenue

being re-routed to the east boundary of the industrial area. At what cost to the remaining amenity of nearby residential neighbourhoods, and who pays for the land and construction?

We have here delivered the scenario of where government failure occurs.

The public interest, and the processes to enhance and protect it, play second fiddle to those of political / corporate / industrial - friend and foe.

3.2 Rebuttal and Comment on Specific Points of PAC Commissioner's Consideration - 3rd June 2016

S1: “MIC estimates that 5522 heavy vehicles per day as a result of the proposal and 3000 heavy vehicles per day would be removed from a section of the M5 motorway between Moorebank Avenue and Port Botany. ”

This carries the longest surviving misrepresentation. It has been carried by Ministers of the day, from Albanese to Truss., from Qube's CEO to MICL publicists, and anyone from the side line to justify the case. Minister Albanese was the first to use the falsity of “3200” heavy vehicles travelling from Port Botany to Moorebank and beyond on the M5 Motorway. **It is a falsehood and one recognised and admitted to by the Chair of MICL Dr Schott in an email to vdB stating it is in error.** The original calculation was 1.2 mill TEU / 365 = 3267 .. And yet it is still used by MICL. There are no statistics or other references to give this claim any foundation. So the bulk of the admitted 5522 heavy vehicle daily traffic is new traffic to the Moorebank M5 Bridge.

S2: “The Commission notes that MIC is continuing to consult with TfNSW and RMS regarding the proposed mitigation measures and delivery timing.”

Our observation is that TfNSW is acting to instruction from political masters and is failing in its responsibilities.

MICL insist on limiting its traffic studies to Moorebank Avenue and its junction with the M5 Motorway. **The M5 Georges River Bridge is the link out of the corner located MIFT to the wider west.** Yet its problematic current traffic counts and performance, and its status as a Traffic Black Spot with a worsening danger factor, **(vdB)** should be ringing alarm bells.

The length of Moorebank Avenue itself is a Traffic Blackspot as well.

The most dangerous, and insurmountable effect / efficiency problem, is the **weave / merge operations on the M5 Georges River Bridge.** This bridge and the nearby 4 lane bridge at Liverpool CBD and the 2 x Warwick Farm Bridges carries more daily traffic than all bridges that serve the Sutherland Shire (Taren Point, Tom Uglys and Alford's Point) and 80-90% of all Harbour Tunnel and Bridge traffic. The M5 bridge alone carries 80%-90% of this traffic.

The M5 GR Bridge is the only component of the M5 Motorway complex between King Georges Road and Prestons that did not have widening works performed in the recent M5 upgrades. The M5 GR bridge carries 3 lanes in each direction, with a 4th lane used for the ingress and egress of traffic across its span. **Traffic is travelling at 80 to 100 kph.** Vehicles on the eastern side of the bridge heading west **are merging from Moorebank Ave into the same lane from which cars are weaving to exit to the Hume Highway** on the western side.

This is all occurring along the span of the bridge, say 200 metres.

The same occurs for the opposite direction. Merging and weaving are dangerous driving exercises at the best of times. Yet it is here that the proponents plan to have their trucking services enter and exit the M5 - by the thousand per day.

This merge/weave action at this point causes loss of speed by a factor of 50%+ of the M5 Motorway in afternoon peaks to as far back as Revesby.

PAC may well ask of TfNSW their plan to avoid this from worsening.

There is not a mention of this activity in the 500+ page EIS.

The word "merge" is not present. The word "weave" appears once on Page 133 under the Consultation / Traffic / Transport / Access heading - "It was recognised within the assessment that the increased congestion and **inadequate weave distance** associated with M5 Motorway would require more sophisticated traffic modelling..".

Its context saw it reduced to a "safety" issue. Which it certainly is. Yet it is fundamental to the traffic operations of the overall project - even as a far reduced "pocket" sized MIFT.

The B-Doubles, Semi Trailers and rigid trucks, by their thousands, merging and weaving in both directions on the M5 bridge will be the cause of failure of the Proponent's project in attaining 33% of plan, let alone the full 1.5 million TEU throughput.

The limited 250,000 TEU capacity will place more heavy vehicles in to the mix of the dangerous merge/weave activity.

That MICL, and TfNSW, make no reference to the above in the body of their submissions should be of real concern to the Commissioners. MICL's view is that it is responsible to get trucks to the M5 junction. That all other key local intersections are soon to fail, or exacerbate existing low performance appears of no concern to them as expressed in their EIS. They seem to have no concern of adding a mere "3 to 4%" of heavy vehicle traffic into the

existing traffic congestion with a dangerous merge/weave operation. We view this as shameful.

The same can be stated for the previous SIMTA/MICL EISs.

It is best to leave it to the experts. The Department of Planning & Environment (D P&E) engaged Aurecon Australia Pty Ltd in 2015 to provide advice on the adequacy of the assessments and reports for the Moorebank Intermodal Company's (MIC) proposed Moorebank Intermodal Terminal (IMT), including:

1. the scope of the assessment in relation to both local, regional and cumulative impacts;
2. the validity of the underlying assumptions, modelling undertaken, and outcomes of the modelling;
3. the validity of the conclusions reached in relation to impacts
4. the validity and adequacy of proposed management and mitigation measures at a conceptual level.

We commend the full report to PAC - Independent Review : Aurecon
Moorebank Intermodal Terminal - 8th October 2015 : Revision: 2 : Reference: 236935

We offer the following **extracted statements**:

- Given the network in this area is largely at congestion even without the project.
- The **most contentious ongoing issue is the traffic congestion** of the existing road network around the Intermodal Terminal, even with just background traffic growth into the future. The results of the modelling show that even without the Intermodal Terminal, many intersections will be operating at LoS E or F during peak hours at "full build", and will continue to do so even after the localised intersection adjustments proposed by MIC.
- **One of the key "benefits" of the project** - that it is close to key motorways (M5, M7, Hume Highway) which will provide convenient and economic access to large areas of Sydney - **would be significantly compromised**, and may therefore impact on the ongoing and long-term viability of the Intermodal Terminal facility.
- Subsequent to the release of the Supplementary Response to Submissions, MIC agreed to work with the State Government transport agencies, the Roads and Maritime Services (RMS) and Transport for New South Wales (TfNSW) **in developing a mesoscopic and microsimulation** transport model for the combined MIC/SIMTA Intermodal Terminal project. The intended scope of this model should be communicated publicly immediately, but at least on approval of the EIS.

ELPA Note: This has not occurred. And it seems Condition 12 of PAC Development Consent to MICL on 3rd June 2016 has not been met. The

published Minutes exhibit no reference to mesoscopic and microsimulation transport modelling .

- **Given the concerns about the veracity of the traffic modelling results (as discussed in Section 3.1)**, coupled with the actual results showing LoS E and F for many intersections beyond 2025 - which is only 10 years from the present - Aurecon has concerns that the traffic modelling results (impacts) and proposed mitigation measures **do not have a sound basis** on which to be considered.
- Given that the traffic impacts are a crucial impact to be considered in an environmental assessment process, this leaving over of responses **shifts the risk and responsibility of approval onto Government**. MIC is effectively asking government to “take it on faith” that the traffic issues will be satisfactorily resolved.

The body of the Aurecon report is far more informative. Aurecon, as the Independent reviewer engaged by the Dept of Planning & Environment, goes on to challenge the modelling methods and assumptions used by MICL.

The commentary within the report is most revealing of the MIFT’s traffic problems. Their Conclusion is, as expected, qualified approval. The Department of Planning and Environment, in the Secretary’s Environmental Report on SIMTA Intermodal Terminal Stage 1, (Dec 2015) **very much understated the Aurecon commentary, almost to the point of misrepresenting it.**

This Aurecon report alone highlights the absence of thoroughness by the proponent and their persistence that anything beyond the Moorebank Ave works are not their concern. Yet the facts cannot be denied that the MIFT will never reach its planned levels of operations, and therefore fail to provide returns to taxpayer and shareholder - Of note, it was reported by investment commentary that Qube share value has factored in the full value of the “approved” MIFT.

D P&E seem to be happy to proceed with an early 250,000 TEU development - serviced by a \$400 million Federally funded railway link - and monitor operations at that stage. With the knowledge we have it is beyond doubt that the project will fail in its objectives.

The only course to avoid failure to attain the 1.5 million TEU throughput is the construction of new road works that must involve bridge works. Or as mentioned in previous submissions, the only sure way is to build a road to the east from Ingleburn or Macquarie Fields through the Liverpool Military Area, but this land is apparently “inalienable” for such use.

***** End of Document *****