

MOOREBANK INTERMODAL COMPANY STATEMENT OF CORPORATE INTENT 2019 - 2023



Purpose

Enabling a modern intermodal freight precinct to facilitate an efficient national freight supply chain





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Chair's message

During the period, the Moorebank Logistics Park (MLP) will become operational. The period will also mark the facility's capacity to deliver a return on its investment, with MIC being able to charge rail access fees and land rental payments. Important milestones include:

- Opening the import export terminal in September 2019, allowing up to 1.05 million Twenty-foot Equivalent Units (TEUs) to be transported by rail direct from Port Botany and trigger rail access fees to become payable to MIC;
- Opening the first new rail-oriented warehouses on-site that will favour further rail-based freight transport, and trigger land rental to become payable to MIC; and
- Establishing an open access regime that facilitates third party use of the facility.

During the period of the Corporate Plan it is anticipated that the remaining significant capital expenditure by MIC will be concluded.

Beyond the Corporate Plan period Moorebank Logistics Park will continue to act as a catalyst for increased reliance in transporting freight by rail.

We look forward to enhancing the efficiency of rail for freight transport through metropolitan Sydney and making a real contribution to improving performance of the freight network in NSW and nationally.

I commend the Statement of Corporate Intent to you.



Kerry Schott AO

Chair



Introduction

This Statement of Corporate Intent 2019-2023 (the Plan), which summarises MIC's Corporate Plan, has been prepared by Moorebank Intermodal Company (ABN: 64 161 635 105) (MIC or the Company) for its Shareholder Ministers in the Finance and Infrastructure portfolios. Preparation is in accordance with Section 95 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). Consideration was also given to the requirements under *Public Governance, Performance and Accountability Rule 2014*, and the *Commonwealth Government Business Enterprise (GBE) Governance and Oversight Guidelines Resource Management Guide No. 126* January 2018 (GBE Guidelines).

The Plan sets out MIC's key objectives and priorities, and the Company's strategy for achieving these, for the period 1 July 2019 to 30 June 2023 (the period).



About us

Moorebank Intermodal Company (MIC) is a GBE incorporated under the Corporations Act 2001 (Cth). MIC is wholly owned by the Australian Government as represented by the Minister for Population, Cities and Urban Infrastructure and the Minister for Finance.

MIC was established in December 2012 to oversee the development and future operation of an intermodal terminal at Moorebank, in south-west Sydney.

MIC's constitutional objectives are:

- to facilitate the development of an intermodal freight terminal at Moorebank, including an import export terminal facility, an interstate freight terminal capable of catering for 1.8 kilometres trains and ancillary facilities by optimising private sector investment and innovation in the development, construction and operation of the intermodal terminal;
- to facilitate the operation of a flexible and commercially viable common user facility which shall be available on reasonably comparable terms to all rail operators and other terminal users;
- to ensure the intermodal terminal operates with the aim of improving national productivity through an efficient supply chain, increased freight capacity and better rail utilisation;
- To operate on commercially sound principles having regard to the Australian Government's long-term intention to sell its interest in the Company;
- upon notification by the Commonwealth Shareholder, provide assistance as required to facilitate a sale of the Commonwealth's interest in the Company; and
- to do all things that are necessary, convenient or incidental to carrying out or for the attainment of these objectives.

In achieving these objectives, MIC is to deliver a value for money solution to the Australian Government and act in an environmentally and socially responsible manner with due regard to the views of local communities. This means that the terminal development will consider the benefits that can be provided to the local community as well as minimise the adverse impacts on nearby residents and businesses.





Vision, aims and values

Vision

MIC is making possible a world-class intermodal terminal that achieves a significant mode shift to rail transport of containerised freight.

In partnership with the private sector, MIC is making the most of opportunities presented by the precinct, to create a successful, sustainable terminal that is efficient, effective and valued by multiple users.

The terminal is a game changer in container freight logistics, widely acknowledged for its modal delivery.

As a good neighbour, MIC listens to, respects, and positively contributes to the community, and requires its partners to do the same.

Aims

In achieving its purpose MIC aims to:

Enhance the container freight market

- Deliver a value-for-money outcome and a commercial return on investment for our shareholders
- Work with Qube to create a successful multi-user freight precinct that is a catalyst for change
- Work with Qube and other stakeholders to deliver a value proposition to the market that will see a sustainable mode shift
- Work with and monitor Qube to ensure access to the operating terminal is genuinely open and non-discriminatory

Deliver the freight precinct

- Work with and support Qube to commence operations at Moorebank Logistics Park as soon as possible
- Actively oversee the delivery of the terminal to ensure it meets the agreed standards
- Ensure the Commonwealth receives a commercial return on its investment over time
- Work with Qube to achieve an industry-leading safety record

Support the success of Moorebank Logistic Park

- Collaborate with all levels of government to ensure the supporting infrastructure is delivered, particularly road and rail upgrades
- Collaborate with all levels of government to deliver training in required skills to local communities
- Oversee and monitor the contractual open access regime established for the import export terminal to monitor customers' or access seekers' satisfaction

Engage with our stakeholders

- Ensure community benefits are realised and concerns are heard, respected and dealt with responsibly
- Collaborate with all levels of government and owners of supporting infrastructure to maximise the business opportunity and minimise adverse impact
- Work with stakeholders to ensure the project achieves the Commonwealth's objectives for establishing MIC, including economic growth, particularly for west and south-west Sydney

Grow our people

- Enjoy our work and success as we broaden our knowledge and achieve our development objectives
- Work with our advisers and respect their expertise and contribution

Manage our business

- Achieve our financial targets and have fit-for-purpose systems to support the MIC business





Values

	Collaboration We work as a team and promote team success, act in a spirit of cooperation and foster good relations with all our colleagues
	Leadership We believe in our vision and inspire others, influence others to achieve the best results and take responsibility for solving problems
	Integrity and Trust We are ethical, open and honest in all we do. We are dependable and reliable
	Mutual respect We treat everyone fairly and with respect and appreciate the same in return. We support and consider others and value diversity and unique contributions
	Achievement We demonstrate commitment to high standards and expect and support excellence in others. We are solution orientated and results driven and are dedicated and tenacious



Strategy

Moorebank Logistics Park is a nationally significant infrastructure development being developed on a precinct comprising of land owned by the Commonwealth of Australia (158-hectares) and adjacent land owned by Qube Holdings (83-hectares). The site is centrally located relative to major freight markets, given that almost two-thirds of container freight through Port Botany is transported to or from markets in western Sydney.

As the Commonwealth owned GBE responsible for the development, MIC represents the interests of the Commonwealth in the long-term precinct partnership with Qube. MIC and Qube jointly hold the long-term leasehold interests that enable the development and operations of the entire site, with each of our distinct roles outlined in detail in a complex public- private partnership (PPP) style arrangement (see Delivery Strategy).

The development will comprise:

- IMEX terminal with a capacity to handle up to 1.05 million TEU (twenty-foot equivalent units) a year of international containerised freight;
- an interstate terminal with a capacity to handle of 500,000 TEU of interstate and regional freight per year;
- up to 850,000 square metres of high specification warehousing where containers can be unpacked before delivery of their contents to its final destinations;
- auxiliary services including retail and service offerings;
- a rail connection to the Southern Sydney Freight Line, which will provide direct access to the facility; and
- substantial biodiversity offset areas protected from development, including vegetation on the east bank of the Georges River.

Moorebank Logistics Park will provide a number of supply chain benefits through lower transportation, reduced handling, lower warehousing requirements and lower working capital and inventory costs:

- Efficient Port Botany to Moorebank rail operations will reduce logistics costs by replacing primary trucking;
- Co-location of on-site warehousing and the import export and interstate terminals will lower primary transport costs and drive other operational synergies;
- Co-location of complementary businesses will drive secondary transport savings;
- Empty container de-hire at Moorebank (and rail back to the port) will drive further efficiencies; and
- The facility will offer cross-docking and delivery of product direct to customers.

Moorebank Logistics Park will provide unique adjacent rail warehousing sites for tenants including:

- Major retailers with national or regional distribution centres and their suppliers;
- Major third-party logistics providers and freight forwarders providing import export and domestic supply chain solutions;
- Major retailers focussed on transitioning to a cross-dock and direct business-to-business (B2B) and business-to-consumer (B2C) models in response to increasing competition and digital disruption; and
- Major exporters.

Operating environment

Moorebank Logistics Park is being developed in a freight market characterised by:

- Growing demand for containerised freight services;
- Strong policy and practical drivers for more containerised freight to be transported by rail instead of road;
- Reassessment of traditional supply chain activities in response to digital technology disruption; and
- Constraints on the volume of containerised freight that can or will switch from road to rail transport.

The growing demand for containerised freight services – driven by growing trade volumes – is a key driver for the terminal.

Import Export Market overview

The Moorebank Logistics Park will be the largest intermodal terminal in the southern hemisphere. Within the Sydney region, Moorebank Logistics Park will operate within a network of other intermodal rail terminals that currently exist or are in the pipeline. When fully operational, Moorebank Logistics Park will significantly increase rail intermodal capacity within the Sydney region by around 70 per cent with the import export terminal alone increasing capacity close to 50 per cent.

Summary of intermodal terminal capacity / Source: ARTC and MIC (courtesy of ARTC 2015 Sydney Metro Strategy)

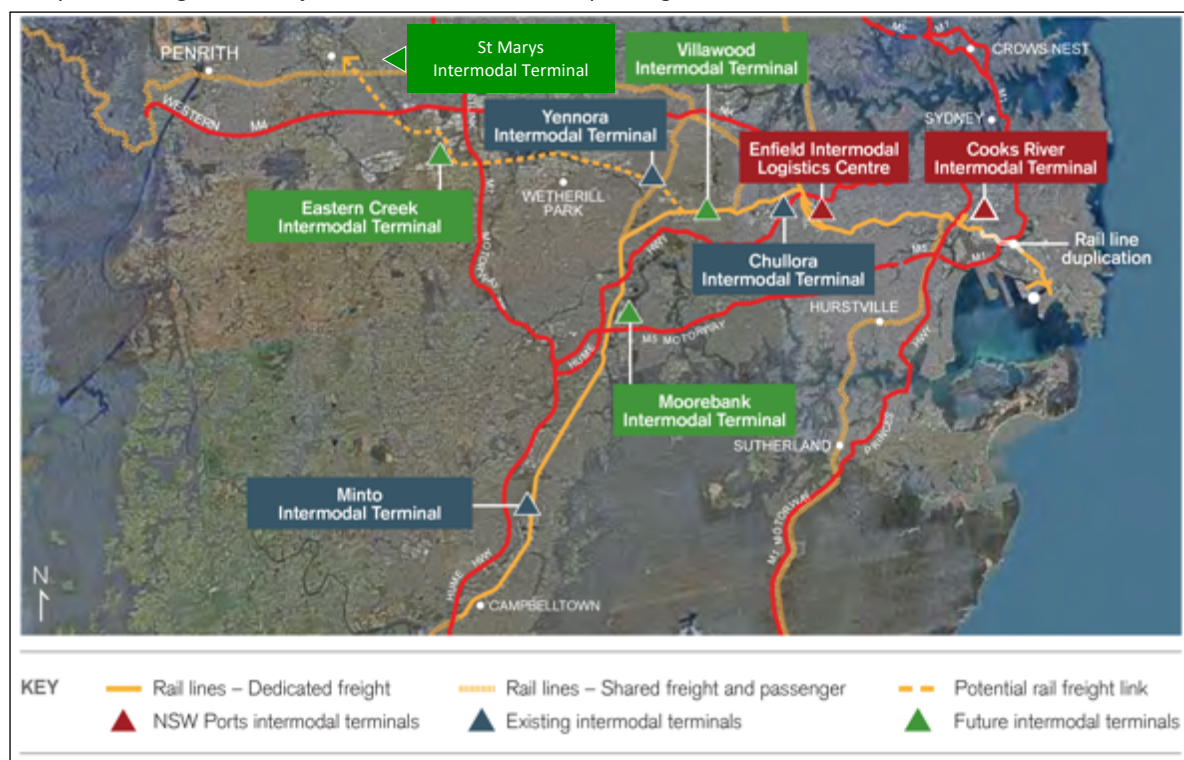
Location	Capacity TEUs	Size (ha)
Chullora	600,000	12
Minto	200,000	30
Cooks River	16,500	17.2
Botany	180,000	15.3
Yennora	200,000	70
Leightonfield	180,000	22
Enfield*	500,000	60
St Marys*	300,000	43
Total (exc. Moorebank Logistics Park)	2,176,500	269.5
Moorebank Logistics Park import export terminal	1,050,000	
Moorebank Logistics Park Interstate	500,000	
Total Moorebank Logistics Park	1,550,000	241
Total	3,726,500	501.5
% Increase (incl. Moorebank Logistics Park import export terminal only)	48.2%	
% increase (incl. both terminals of. Moorebank Logistics Park)	71.2%	89.4%

Capacity of all intermodals (excluding MLP) includes interstate and import export capacity that currently exist and are scheduled. MLP capacity refers to maximum capacity.

* Future terminals



The current group of existing Sydney intermodal terminals are constrained by a number of factors including: poor road and rail access; short rail roads within the terminal; environmental conditions, such as adjoining residential areas; and a shortage of adjacent easily accessible warehousing. Future expansion on sites such as St Marys are yet to receive development approval. The St Marys site, in particular, has a challenging rail interface with the Sydney metropolitan rail system, being located adjacent to one of the busiest passenger rail corridors in the network.



Sydney's intermodal terminals / Source: NSW Ports 30 Year Master Plan

Given this context the remaining other single largest determinant of intermodal terminal utilisation is the size of the total freight task emanating from Port Botany as measured by the total containers delivered to the Port.

Interstate market overview

Opportunity exists for Moorebank to attract existing rail interstate freight, encourage mode shift from road to rail, and take advantage of the forecast growth in freight volumes. Transport for NSW (TfNSW) estimates that inter-capital freight in NSW will increase by 32 per cent between 2016 and 2035 from 34 million tonnes to 45 million tonnes.

The vast majority of interstate freight travelling North South is carried on road, with road having an 82 per cent modal share. Rail has a stronger position in East West interstate freight, but road still accounts for 40 per cent of freight movements. Australian Rail Track Corporation (ARTC) is implementing a strategy to improve rail's competitiveness versus road and deliver mode shift to rail. This strategy includes network improvements, productivity improvements in maintenance, and implementing an advanced train management system (ATMS). ATMS will deliver operational improvements through increased capacity and operational flexibility, and improved safety and system reliability. ARTC is also working in conjunction with above rail operators to improve efficiency, for example by providing rolling stock condition data that can be used to improve the efficiency of rolling stock maintenance.



Currently, Sydney’s interstate rail intermodal freight throughput is more than 300,000 TEU per annum, handled by two above-rail operators:

- **Pacific National** is a rail line haul provider that provides services to freight forwarding customers. As well as offering interstate intermodal services, it also provides rail haulage for bulk products, grain, steel, and coal - and intrastate intermodal services. Pacific National utilises its own Sydney terminal at Chullora to provide interstate intermodal rail services; and
- **SCT Logistics** (SCT) operates a different business model to Pacific National. It is a freight forwarder, providing both rail and road haulage services. As well as moving containers, it also uses rail vans which allow less than container load freight to be moved, that is, several customers’ freight will be loaded within a single rail van. SCT utilises a rail terminal in Parkes for NSW freight and does not have a rail terminal in Sydney.

This will require a collaborative approach to work with both current interstate operators and potential future operators. MIC and Qube will initiate this process by working with all stakeholders to prepare the interstate open access protocol in the lead-up to opening the interstate terminal.

Companies operating in the national rail market are expected to have a strong interest in becoming tenants in the warehousing development adjacent to the interstate terminal. However, their interest will depend on the interstate terminal having a sufficiently high profile. MIC will support Qube in raising the profile of the Moorebank interstate terminal through communications and marketing strategies.

Supporting the success of the terminal

Rail access

Australian Rail Track Corporation (ARTC)

MIC will continue to work with ARTC to ensure appropriate capacity continues to be available to access Moorebank Logistic Park:

During 2019-20	Continue to develop planning and other approvals to allow the ARTC infrastructure committed in 2020-23 to be constructed.
During 2020-23	<p>Botany Rail Duplication Project will duplicate the remaining 2.9-kilometre section of single line track of the Port Botany Rail Line between Mascot and Botany and construct a passing loop at Cabramatta (on the SSFL) that will accommodate trains up to 1,300 metres in length. This is essential to support the throughput ramp-up profile for Moorebank Logistics Park. The project is presently subject to State Planning Approval and is anticipated to be completed within the period of this corporate plan.</p> <p>ARTC is building Inland Rail which is a new rail line expected to be operational in 2024-25 and will comprise of 1,700 kilometres of track from Melbourne to Brisbane. This new rail line will greatly improve the connectivity of the rail network within the National Land Transport Network.</p>

Port Botany / NSW Ports

Port Botany is the largest container port (by volume) in Australia, handling 99 per cent of NSW’s container demand. The amount of container freight handled by Port Botany is predicted to significantly increase by 77 percent from 14.4 million tonnes in 2016 to 25.5 million tonnes in 2036. In 2016, 17.5 per cent of containers going through Port Botany were carried by rail. The plan is to increase this rail modal share to 28 per cent by 2021. (Source: NSW Freight and Ports Plan 2018-2023).





Port Botany has three operators at Port Botany:

- **Patricks** – Operates the Sydney Autostrad Terminal which was opened in early 2015 and is the largest container Terminal in Sydney by capacity. It has four berths and a 1.6 million TEU annual capacity.
By 2023, Patricks, with the support of NSW Ports, will double port side rail capacity from 750,000 to 1.5 million TEUs. Servicing trains will then be faster at Patrick Terminal. The project will deliver facilities with four 600-metre rail sidings;
- **DP World** – operates three berths and has a 39-hectare terminal area; and
- **Hutchison Ports** - operates four berths and has two 600-metre rail sidings.

DP World and Hutchinson also have support from NSW Ports to develop their rail interface, as and when required.

Road access

MIC will work with TfNSW and Liverpool City Council (LCC) to ensure appropriate road access is available to Moorebank Logistics Park. The road access provided through MIC funding has been identified through comprehensive traffic modelling undertaken as part of the planning approval conditions for Moorebank Logistics Park.

During 2019-20	<ul style="list-style-type: none"> • MIC will assist Qube in scoping and agreeing with Roads and Maritime Services the works to the M5 connection to Moorebank Avenue and ensure construction commences • MIC will work with Qube to expedite the planning approval for the relocation of Moorebank Avenue
During 2020-23	<ul style="list-style-type: none"> • MIC will facilitate completion of construction of the Moorebank Avenue/M5 interchange • MIC will facilitate completion of construction of the relocated Moorebank Avenue

Capability

MIC Capability Requirements

To ensure Moorebank Logistics Park is delivered and operated as required by our stakeholders, the MIC team must have sufficient capabilities to:

- Oversee a very complex infrastructure project – requiring infrastructure development skills and experience; and
- Effectively partner with Qube – requiring MIC to hold at least equivalent skills and experience within its ranks to interact effectively with Qube.

To meet these requirements MIC, with the support of our shareholders, has established an extremely skilled and experienced Board and senior management team.

Board of Directors



Kerry Schott AO

Chair and non-executive director
Appointed: 13 December 2012

Kerry Schott is Chair of the Moorebank Intermodal Company Ltd, a director of NBN and Chair of the Energy Security Board.

Kerry was Managing Director and CEO of Sydney Water from 2006 to 2011 and a Deputy Secretary of NSW Treasury for three years before that. She spent 15 years as an investment banker, including as Managing Director of Deutsche Bank and Executive Vice President of Bankers Trust Australia. During this time, she specialised in privatisation, restructuring, and infrastructure provision. Prior to becoming an investment banker, she was a public servant and an academic.

Kerry has been awarded an Order of Australia and Honorary Doctorates from the University of Sydney, the University of Western Sydney and the University of New England.



Mr Lucio Di Bartolomeo

Deputy Chair and non-executive director
Appointed: 2 May 2016

Lucio Di Bartolomeo has more than 40 years' experience in the transport industry and extensive knowledge in rail, infrastructure and engineering.

He is currently the Chairman of Northwest Rapid Transit, Health Infrastructure NSW and Australian Naval Infrastructure Pty Ltd, and a non-executive director of Australian Super and Frontier Advisors. Until June 2016, he was a non-executive director of Australian Rail Track Corporation.

Lucio was previously Managing Director of ADI Limited, Country Director of Thales (Australia) and Managing Director of FreightCorp.



Mr Ray Wilson

Non-executive director

Appointed: 13 December 2012

Ray Wilson has a strong background in accounting, investment banking and large-scale infrastructure development.

He is a Founding Principal and Director of Plenary Group - an international infrastructure business.

Ray was previously Head of Infrastructure and Head of Debt Markets and Securitisation at Barclays Bank/ABN AMRO. Prior to his investment career, he was a chartered accountant at Price Waterhouse and KPMG.



The Hon Jamie Briggs

Non-executive director

Appointed: 13 December 2016

Jamie Briggs is a Partner at PwC in the deals business focusing on cities, infrastructure and government.

Jamie was previously a member of the Australian Parliament and served in the capacity of Federal Minister for Cities and the Built Environment and the Federal Assistant Minister for Infrastructure and Regional Development.

Prior to entering Parliament, he was a Senior Advisor to the then Prime Minister the Hon. John Howard from 2004 to 2007, advising on workplace relations reform.



Mr Andrew Harrison

Non-executive director

Appointed: 1 August 2018

Andrew Harrison is an experienced company director, former ASX100 CFO, and corporate adviser. He is currently Chairman of Bapcor Limited and WiseTech Global Limited.

Andrew has held executive and non-executive directorships in public and private companies and has been CFO for a number of companies including Seven Group Holdings, Alesco Limited and Hanson Australia Limited in Australia, and Landis+Gyr in Europe and the US. In the earlier stages of his career Andrew was an investment banker at Gresham Partners (Sydney) and Chase Manhattan Bank (New York) and originally trained as a Chartered Accountant at Ernst and Young (Sydney and London). He holds a B.Ec from the University of Sydney, an MBA from The Wharton School, University of Pennsylvania, is a Chartered Accountant and Member of the Australian Institute of Company Directors).



Ms Christine Holman

Non-executive director

Appointed: 1 August 2018

Christine Holman is a professional company director and currently non-executive director of three ASX listed boards: CSR Ltd, Blackmores and WiseTech Global.

In line with her passion for cricket and preserving the heritage and history of the game and our nation, Christine also sits on the Boards of the Bradman Foundation, the T20 World Cup and the State Library of NSW Foundation.

In her previous executive capacity, as both CFO and Commercial Director of Telstra Broadcast Services, Christine has a deep understanding of legacy and emerging technologies supported by a detailed knowledge of strategies related to growing businesses and digital transformations. During her time in private investment management/private equity, Christine assisted management and the Board of investee companies on strategy development, mergers and acquisitions, leading due diligence teams, managing large complex commercial negotiations and developing growth opportunities.



Ms Erin Flaherty

Non-executive director

Appointed: 26 March 2019

Erin Flaherty has more than 30 years' experience in both private and Government sectors. She was involved with Reliance Rail as the Commercial Manager before becoming Executive Director of Infrastructure NSW in 2012. In 2012, Erin was also appointed by the NSW Minister for Transport to the Advisory Board for the North West Rail Link.

In 2016, Erin was appointed by the Commonwealth Minister for Finance as a Guardian of Board of the Future Fund, Australia's sovereign wealth fund.

Erin is also a board member of the Australian Youth Orchestra and chairs the Orchestra's Development Committee. In addition, she is the National Chair of the Professional Scholarship Selection Committee for the Australian American Fulbright Commission and a past Board member.



The Hon James (Jim) Lloyd

Non-executive director

Appointed: 1 June 2019

Jim Lloyd served in the Australian Parliament as the Member for Robertson for 11 years from 1996 to 2007. He also served in a number of senior positions during that time including Chief Government Whip and Federal Minister for Local Government, Territories and Roads from July 2004 to November 2007.

Jim's tenure as Roads Minister included responsibility for managing and implementing major sections of the \$40 billion Auslink road construction program.

He has been a NSW Board member for the Prostate Cancer Foundation of Australia and continues to act for the Foundation as an honorary Ambassador.



Operational oversight

By September 2019, import export terminal operations will commence, with MIC overseeing compliance by Qube and its operator with the open access regime put in place for the import export Terminal from Q1 2020.

From operational commencement of the import export terminal, MIC will monitor Qube's compliance with the agreed open access regime to ensure access to the operating terminal is genuinely open and non-discriminatory. An independent external auditor, to be appointed by Qube, will report on compliance annually, with a summary of conclusions and recommendations to be made available on the Qube terminal operator's import export terminal website.

Industry consultation

MIC, Qube and the Australian Logistics Council held a joint industry consultation session on Wednesday 19 June 2019 ahead of import export terminal operations commencing in Q1 2020.

Industry feedback will be considered by MIC and Qube prior to operational commencement of the import export terminal.

This process will be repeated in 2020 in the lead up to the commencement of operations of the interstate terminal. Negotiation and documentation of the open access regime for the interstate terminal will be completed during the period. The open access documentation for the import export terminal will not be a precedent for the Interstate terminal arrangements. MIC's oversight and approval rights and the industry consultation process will ensure that the process is robust and a sound open access regime appropriate to the Interstate terminal is delivered.



Wider economic benefits

In line with the requirement to ‘act in a socially and environmentally responsible manner with due regard to local communities’, MIC believes the terminal (during both its development and operation) must fit as comfortably as possible within its local environment and provide the maximum opportunity for the benefits associated with the terminal to be accessed and enjoyed by the people living nearby.

MIC will work on a number of programs that will support the terminal’s social licence to operate, and leave a positive, lasting legacy from the Commonwealth’s involvement in the enterprise. These are described below.

Local employment opportunities

When Moorebank Logistics Park is operating at full capacity, it will create approximately 6,800 jobs on site. There will also be flow-on economic benefits in the Liverpool local government area, with a further 5,500 jobs forecast in transport-related industries.

Several commentators (including Western Sydney University, Deloitte and the Western Sydney Business Chamber) have identified that population growth rates in western and south-west Sydney significantly exceed job growth rates there, resulting in a worsening jobs shortage. The scale of the operations will demand an increased need for skills in logistics and related fields.

Community benefits package

MIC’s community program includes a \$1 million local benefits package to localise the benefits associated with the terminal for people living nearby. The local benefits program is intended to promote some of the terminal’s positive impacts on the community. In 2014, MIC implemented a citizens’ jury to develop the following programs for the funding:

- **A social enterprise** that:
 - initially targets unemployed youth and ‘youth at risk’ and once established within the community will expand to women, recent migrants and the Aboriginal and Torres Strait Islander community;
 - includes training to focus on long term employment opportunities at the terminal; and
 - will enrol up to 200 students per year.
- **A three-year healthy living program** that includes:
 - outdoor fitness boot camps run in three parks in close proximity to the terminal;
 - fitness sessions on outdoor gym equipment that has been installed by LCC; and
 - healthy living workshops run by local health professionals, focussing on healthy eating, budget buying, a sugar free diet and incorporating fitness.
- **A training and scholarships program** that:
 - provides funding to people living within a 5-kilometre radius of the terminal;
 - contributes to 50 per cent of the cost of entry level or vocational training, or 25 per cent of the cost of courses such as diplomas or trade certificates;
 - is limited to one scholarship per household; and
 - provides the type of training, without being restrictive, that targets the business needs of the local community and has a link to future jobs at the terminal.



Performance

MIC will measure its performance against achievement of the following key indicators:

Short-term priorities

The following key performance indicators are to be achieved during FY2019–20:

Land preparation works

- MIC to finalise arrangements to complete all land preparation works at Moorebank Logistics Park

Rail access works

- to oversee and monitor competitive tendering of the interstate terminal rail access for delivery by end 2020

Moorebank Avenue relocation

- secure agreed planning approval pathway with NSW Government by end of 2019
- apply for planning approval and lodge application by mid 2020

Import Export Terminal

- official opening of the import export terminal by the end of September 2019

Open access

- MIC oversight of import export open access arrangements and compliance monitoring to be implemented

Medium-term priorities

The following key performance indicators are to be achieved during FY2019–20:

Interstate

- Interstate open access protocol preparations to commence mid 2020
- Ensure Interstate Terminal is successfully operational by FY2019-20

Ongoing priorities

The following key performance indicators are to be achieved:

Delivery

- Quality – ensure Qube delivers the works funded by MIC to the quality standards described in the agreements between MIC and SIMTA
- Safety – ensure SIMTA meets its principal contractor WHS obligations
- Community engagement – ensure the community is listened to and responded to respectfully by Qube and MIC as applicable

MIC staffing

- Safety – achieve a lost time to injuries rate of zero
- Staff satisfaction – achieve 80 per cent of staff satisfied or very satisfied as determined by survey

Financial performance

- Financial statements – maintain EBIT better than budget
- Liquidity – maintain a liquidity ratio better than budget





Risk management

Governance structure

MIC is a GBE, wholly owned by the Australian Government through the shareholding of the Minister for Population, Cities and Urban Infrastructure and the Minister for Finance.

MIC has two wholly owned subsidiary trusts:

- MIC Land Trust, which holds the Commonwealth-owned land and will receive MIC's share of distributions of ground rent; and
- MIC Rail Trust, which is funding the rail access works and will receive the rail access charge.

The subsidiaries were created to facilitate the delivery of MIC's obligations and to allow potential divestment by the Commonwealth of its financial interest in the development.

MIC is governed by a board of eight non-executive directors appointed by the Shareholder Ministers. Each subsidiary is governed by a board of two directors, who are also directors of MIC.

Governance framework

MIC's governance framework recognises MIC's purpose and its legislative and policy requirements. The framework is supported by MIC's Statement of Corporate Intent, vision, values and aims. The board regularly reviews MIC's governance framework to ensure that the responsibilities and reporting lines between the board, the board committees and management are effective and comply with the *Corporations Act 2001*, the *Public Governance, Performance and Accountabilities Act 2013* (PGPA Act), the GBE Guidelines and the Commercial Freedoms Framework (as amended from time to time).

MIC's policies and procedures supporting good governance include (amongst others):

- the board and board committee charters;
- Code of Conduct;
- Risk Management Plan;
- Delegations of Authority; and
- Internal Control Framework.

Safety management

MIC does not compromise on safety. MIC has three roles in safety management:

- direct responsibility for the work health and safety of MIC's employees and workplace;
- oversight of the work health and safety of construction and operations; and
- oversight of rail safety of the construction and operations.

MIC's independent safety adviser assists MIC in understanding its safety obligations and responsibilities, preparation of safety management plans and auditing of SIMTA's safety performance.

Risk management

MIC's Risk Management Plan is a framework for identifying and managing the risks associated with the procurement, implementation and operational phases of Moorebank Logistics Park. The objectives of the Risk Management Plan are to identify risks and develop suitable management actions to be implemented.

The plan is based on AS/NZ/ISO 31000:2009 Risk Management: Principles and Guidelines.





Business Improvement Program

MIC is currently undertaking a business improvement program across its business. Some of the initiatives are in response to the comments raised in the ANAO's second performance audit conducted in 2018, particularly in the areas concerning procurement, corporate expenses, credit cards, and gifts & benefits program.

Policies for these areas are currently being developed, with training and implementation of those policies scheduled during FY2019-20.

