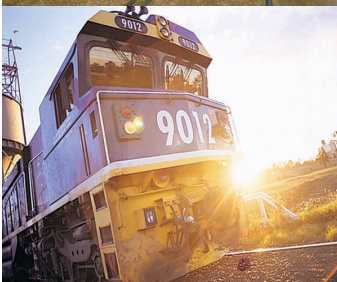
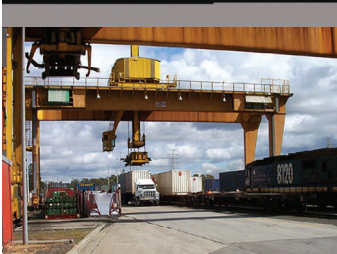


Southern Highlands

Intermodal & Logistics Hub



The Southern Highlands of NSW is one of the fastest growing regional areas in Australia. Strategically located on the Hume highway between Canberra, Sydney and the Illawarra, the Southern Highlands is accessible, energetic and an ideal setting to conduct 'big city business' without the 'big city hassles'. With the opening of the M7, it is quicker to travel from Sydney's South West industrial heart to the Southern Highlands, than it is to Sydney's northern beaches, eastern suburbs, or the Sutherland area.

With a focus on forward planning for continued growth, a wide range of projects are intended for the coming year – projects that will lead to a strengthening of the central business area and the general employment zones. Attracting new industry to the Southern Highlands will be one of the targets of the new local environment plan.

The Wingecarribee Shire Council is currently in the process of developing a significant intermodal & logistics hub within the Southern Highlands. The area dedicated to this industry will be approximately 630 hectares or 1500 acres.



MOSS VALE - 630 hectare Enterprise Zone

The concept of an intermodal (inland port) is not new, there are literally hundreds in the USA, South America, Europe and Asia, even New Zealand has three. The largest under construction is in Dubai and covers over 25 square Kilometres. The concept is however new to Australia but growing rapidly, and provides significant opportunity for the Southern Highlands.

As the movement of freight by a variety of modes becomes a dominant model, and pressure mounts to ensure that the integration of these modes is efficient and effective, the role of intermodal terminals in the national distribution system becomes more prominent. Additionally, in response to increasing community concern at the impact of increasing truck numbers on road congestion, residential amenity, and the environment, state governments have responded by establishing targets for the greater use of rail in freight transport. An increase in the rail share of the freight task will require a greater role for intermodal terminals.

The high growth scenario of the Illawarra Freight Study for the Moss Vale line confirms the views of RailCorp and the ARTC that incremental future growth can be accommodated on the existing network without recourse to major new capital investment. The current rail freight load inland from Port Kembla is virtually zero.

This provides impetus for the Southern Highlands intermodal to be recognised as nationally significant.

Why the Southern Highlands?

The primary characteristics which make an intermodal work are its location relative to a traffic base and its location relative to road and rail links. As to location, the Southern Highlands is uniquely positioned with the Hume Highway on the west side of the intermodal zone, the main North South rail line on the east side as well as a freight dedicated direct line to Port Kembla, plus a rail spur line bisecting the zone. The new M7 now provides direct access to the industrial heart of Sydney. This is a distinct competitive advantage for the Southern Highlands over most other regional locations. ALL the major infrastructure is already in place and mostly under utilised.

Port Kembla is directly accessible via rail (grade 1 – heavy freight) and by road on the Hume Highway via Wilton. A key element to the Southern Highlands' future success is related to support from the port stakeholders themselves. A formal Memorandum of Understanding (MOU) for strategic cooperation to promote the Southern Highlands intermodal project was signed by the Chairman of Port Kembla Port Corporation (PKPC) and the Mayor of Wingecarribee Shire Council (WSC) on July 20 2006.

To date in 2006, The Southern Highlands has received unprecedented enquiries from a diverse range of industries such as logistics, shipping, manufacturing, power generation, medical research, telecommunications and others. What this does indicate is that a wide spectrum of industries see the strategic advantages of the Southern Highlands intermodal in relation to Port Kembla, Port Botany and Sydney.

The area of greatest potential is in the logistics industry and the establishment of the 'intermodal and logistics hub' at Moss Vale.



Strategic Advantages of the Southern Highlands

- Proximity to Sydney, Canberra, Illawarra and South Coast NSW - over 25% of Australia's total population within 2 hour drive
- Straddles main north south national rail line
- Direct rail line (GRADE 1) link to Port Kembla port – 1.5 km trains
- Port Kembla rail trade will not impact on current main southern line – freight from Port Kembla to the intermodal only requires intermittent use of one kilometre of the main line
- Moss Vale the only east/west rail link from the Illawarra on a freight dedicated line – no priority to passenger rail
- There are no road and rail restrictions as with connections to Sydney intermodals
- Rail spur line (GRADE 1) bisecting industrial corridor already exists
- Direct access to Hume Highway - Sydney/Canberra/Melbourne road freight corridor.
- M7 benefits – quick direct access to Sydney's industrial heartland
- Zone can also service Port Botany via rail and road (M5)
- Three Sydney ports closing and trade moving to Port Kembla
- Can provide a 'whole of industry' solution to the NSW vehicle import industry.
- Port Kembla unsuitable for long term vehicle and container storage – cargo needs to be moved within three days.
- Strategic cooperation with PKPC.
- Relatively low cost large industrial sites available – lower capital costs.
- There are also numerous Regional, State and National advantages.

Regional Advantages

- Provides alternative distribution channels for Illawarra industry other than having to go through Sydney.
- Provides a 100% Illawarra solution to the vehicle import industry and fosters regional employment.
- Preserves Metropolitan Wollongong industrial land for higher density employment industries.
- Fulfills the need of the Port Kembla Port Corporation for an inland intermodal hub.
- Enhances the ability of the Port Kembla Port Corporation to develop, expand and diversify.
- Promotes regional response to future Illawarra employment and industry growth.
- Leveraging off the geographical strategic position of the Southern Highlands



PORT KEMBLA - Inner Harbour Development

SOUTHERN HIGHLANDSINTERMODAL– DEMAND FORECASTS

The underlying demand for the Southern highlands intermodal will be driven by developments in four trade areas:

- The level of container trade passing through Port Botany and Port Kembla international container ports.
- The increase in non-bulk freight demand along the main interstate Sydney Melbourne and Moss Vale/Port Kembla freight paths.
- The level of the vehicle imports directed to the Southern Highlands.
- The degree of success in attracting export industries.

The Sydney import export subsystem is characterized by relatively small trains – often 600m or less – and short haul distances (sometimes as little as 20-30 km). While many of the terminals in Sydney are located within or very close to ports, the preference particularly for export oriented terminals, is for a location some distance inland. Transport efficiency generally involves the operation of significantly larger trains – the norm is 1200m; the aspiration is for 1800m – running over much longer distances.

This is another competitive advantage for the Southern Highlands which has the capacity to handle 1800m trains. According to Pacific National, the Port Kembla to Moss Vale line can handle 1500m trains.

*S*ydney has the most extensive network of urban intermodal terminals, however, pressures on land availability for the urban terminal network are extreme. At the same time road capacity problems in Sydney are severe, and the roads in the vicinity of Port Botany very congested. This has been a significant consideration in the closure of the three Sydney ports (White Bay, Darling Harbour, and Glebe Island) and the relocation of that trade to Port Kembla. The Australian Rail Track Corporation has undertaken to invest almost \$432 million on the mainline rail track between Sydney and Melbourne over the next five years. Major hubs will remain in Sydney itself but it is recognised that strategically located regional terminals will also play an increasingly important role.

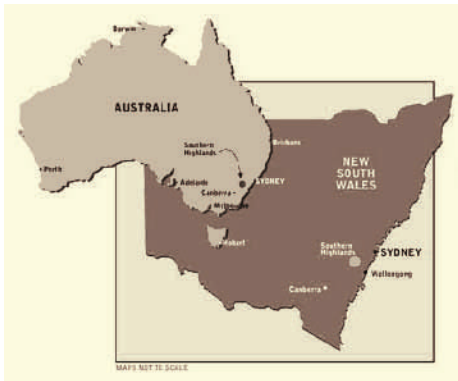
These developments will also inadvertently improve the rail access between the Southern Highlands and Port Botany – an additional competitive advantage over just accessing Port Kembla.



BERRIMA—Blue Circle Southern Cement

*M*odern innovative residential developments, a thriving commercial area and an expanding industrial base are three major ingredients for ensuring continued growth of this unique area of Southern New South Wales.

Location Map



Its position on the main Australian transport and communications corridor makes it an attractive business location. The area is already home to a large business base including companies such as Blue Circle Southern Cement, a member of the Boral Group of companies.

Other industries appreciating the Southern Highlands locale include Tyacan Aust. P/L, Dux, Inghams, Bradken, Joy Technologies further strengthening the 'Highlands' reputation as a major manufacturing, transport and distribution centre.

Southern Highlands Map



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