

Standing Committee on State Development

# **Inquiry into Port Infrastructure in New South Wales**

## Final Report

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## Terms of Reference

That the Standing Committee on State Development inquire into and report on port infrastructure in New South Wales and in particular:

1. the NSW Government Ports Growth Plan, including any planned closure of shipping freight facilities in Sydney Harbour,
2. the economic, social and environmental impact on the State, including on the proposed Port Botany upgrade,
3. the employment implications for Sydney, the Hunter and the Illawarra regions,
4. current and future infrastructure needs and social impacts including with respect to the adequacy of existing road and rail infrastructure, and
5. the future of public land at Millers Point, Glebe Island and White Bay on which shipping freight operations are currently located.

These terms of reference were referred to the Committee by the Minister for Transport Services.

## Committee Membership

<b>Hon Tony Catanzariti MLC<sup>1</sup></b>	Australian Labor Party	<i>Chair</i>
<b>Hon Patricia Forsythe MLC</b>	Liberal Party	<i>Deputy Chair</i>
<b>Hon Greg Donnelly MLC<sup>2</sup></b>	Australian Labor Party	
<b>Hon Christine Robertson MLC</b>	Australian Labor Party	
<b>Hon Melinda Pavey MLC</b>	The Nationals	
<b>Mr Ian Cohen MLC</b>	The Greens	

- 1 The Hon Tony Catanzariti MLC replaced The Hon Eric Roozendaal MLC as Chair on 23 February 2005. The Hon Eric Roozendaal MLC replaced The Hon Tony Burke MLC as Chair on 29 June 2004.
- 2 The Hon Greg Donnelly MLC replaced The Hon Eric Roozendaal MLC as a Committee member on 4 May 2005.

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## Chair's Foreword

This is the final report of the Standing Committee on State Development into Port Infrastructure in NSW. The Committee released an interim report in May 2004.

This final report examines in detail the provisions of the NSW Ports Growth Plan, which was announced by the NSW Premier, the Hon Bob Carr MP, on 5 October 2003. The plan sets out the strategic direction for the future management of NSW's four major commercial ports: Port Jackson (Sydney Harbour), Port Botany, Port Kembla and the Port of Newcastle.

The principal elements of the Plan are the proposed further development of Port Botany as the primary container port in NSW, the transfer of general cargo stevedoring from Darling Harbour to Port Kembla as existing leases expire, and the future expansion of the Port of Newcastle as a major container terminal once Port Botany reaches capacity. In general terms, the Committee believes that the Plan addresses the medium to long-term requirements of the shipping industry, transport operators and business in NSW by providing them with surety about the future of the NSW ports.

At the same time, however, the Committee acknowledges concerns about the environmental and social impact of the Ports Growth Plan, particularly in and around Port Botany. The Committee notes that the proposed expansion of Port Botany is currently being investigated by the Commission of Inquiry into the Proposed Construction and Operation of a New Container Terminal and Associated Infrastructure at Port Botany. While not wanting to pre-empt the Commission's findings, the Committee does comment in this report on aspects of any future development of Port Botany.

The Committee also examines in this report the capacity of the infrastructure, especially the rail and road infrastructure, supporting the four major NSW Ports. During the inquiry, various concerns were raised with the Committee about infrastructure constraints affecting all four of NSW's major ports.

In response, the Committee makes a number of recommendations in this report in relation to future infrastructure requirements, although the need for infrastructure investment will depend to some extent upon whether the proposed expansion of Port Botany proceeds. This report also deals with the future development of Port Jackson, and in particular East Darling Harbour and Millers Point. The Committee is very keen to see Millers Point reserved as open space for future iconic development.

I would like to thank all the parties involved in this inquiry for the significant number of high quality submissions that the Committee received, and the valuable evidence and information that was provided to the Committee during its hearings and public open floor meetings.

Thanks also to my fellow Committee Members and the Secretariat for their work on this inquiry. In particular, I acknowledge the hard work and commitment of the past Chair, Mr Tony Burke, now a shadow Federal Minister. I also wish to acknowledge the Deputy Chair, Ms Patricia Forsythe for her contribution. In addition, on behalf of the Committee I thank past staff members Mr Bayne McKissock and Ms Cathy Nunn for their work over the years with the State Development Committee. Thanks also to Stephen Frappell, Julie Langsworth and Laura Milkins for their work in the completion of this report.

**Hon Tony Catanzariti MLC**  
**Chair**

## Recommendations

- Recommendation 1** **12**  
 That the NSW Government ensure there is a coordinated approach in the development and implementation of plans for NSW ports and related infrastructure, including the NSW Ports Growth Plan. In particular, the NSW Government should ensure that the Sydney Ports Corporation, the Port Kembla Port Corporation and the Newcastle Port Corporation work collaboratively and in the best interests of the citizens of New South Wales.
- Recommendation 2** **13**  
 That NSW Government agencies work together to ensure a coordinated approach in the development and implementation of plans for NSW ports and related infrastructure, including the NSW Ports Growth Plan.
- Recommendation 3** **21**  
 That the NSW Government develop and implement a comprehensive strategy for effective consultation with all levels of government, industry and the community in relation to further planning and management of NSW Ports.
- Recommendation 4** **31**  
 Recognising an overall increase in the volume of freight traffic, both road and rail, in relation to the NSW Government's Port Freight Plan for Sydney the NSW Government should:
- ensure that the Freight Infrastructure Advisory Board (FIAB) consults all relevant parties in the development of strategies to address the freight task in NSW
  - ensure proposed freight related projects fit into a broader freight infrastructure framework
  - release, as soon as possible, the means by which the NSW Government intends to achieve the increased rail freight transport, including plans for an intermodal network.
- Recommendation 5** **36**  
 Recognising the expected ongoing growth in car importation to NSW, the Committee calls on the NSW Government to make a decision on the long term future of the Glebe Island Terminal, including the costs and/or benefits of any move to Port Kembla.
- Recommendation 6** **45**  
 That the NSW Government ensure that plans for the redevelopment of East Darling Harbour include a balance of open space, and low rise residential and commercial development. The redevelopment proposals should be developed in consultation with all relevant stakeholders including community and residents groups.
- Recommendation 7** **45**  
 That the NSW Government remain committed to the preservation of Millers Point as open space.
- Recommendation 8** **52**  
 That the NSW Government before any future expansion of Port Botany ensures there is:

- the development of adequate environmental management plans for Penrhyn Estuary, Foreshore Beach and surrounding areas
- an assessment of the potential social impact, particularly in relation to air and noise pollution
- an analysis of the impact of any development on the hydrology of the Bay
- a plan for the protection of seagrass beds in the Bay.

**Recommendation 9** **52**

That the NSW Government ensure, in relation to the Orica plan designed to clean up Botany Bay:

- stringent limits are set and monitored on air emissions and water discharge from the plant
- regular environmental reviews and independent audits are undertaken, and that these reviews and audits are made public.

**Recommendation 10** **52**

That the NSW Government, before any future expansion of Port Botany, ensure there is a thorough process of assessment to take account of the environmental and social impacts in relation to the construction and operation of the new facilities.

**Recommendation 11** **59**

That the NSW Government investigate, irrespective of any expansion of Port Botany, the adequacy of road and rail infrastructure servicing Port Botany, and the intermodal network.

**Recommendation 12** **71**

That following the anticipated transfer of general cargo stevedoring to Port Kembla in 2006, the NSW Government re-examine the freight task out of Port Kembla to ensure that the anticipated increase in freight traffic is supported by the necessary improvements in road and rail infrastructure.

**Recommendation 13** **71**

That the NSW Government consider the feasibility of expanding rail infrastructure into Port Kembla, including consideration of the Maldon to Dombarton line, in conjunction with the AusLink program.

**Recommendation 14** **80**

Given that Port Botany has a limited capacity, the NSW Government should re-examine the freight task out of Port Newcastle to ensure that any increase in freight traffic is supported by the necessary improvements in road and rail infrastructure, such as a dedicated freight line from Sydney to Newcastle, in conjunction with the AusLink program.

**Recommendation 15** **82**

That the NSW Government seeks funding through the Federal Government's land transport plan, AusLink to increase bulk haulage rail capacity throughout the Hunter.

**Recommendation 16** **85**

That the NSW Government ensure that the NSW Ports Growth Plan incorporates strategies for the future development of regional NSW ports, including the maintenance, establishment or

upgrading of infrastructure to those ports. These strategies should be developed in consultation with stakeholders, including relevant government agencies, industry and local communities.

- the development of adequate environmental management plans for Penrhyn Estuary, Foreshore Beach and surrounding areas
- an assessment of the potential social impact, particularly in relation to air and noise pollution
- an analysis of the impact of any development on the hydrology of the Bay
- a plan for the protection of seagrass beds in the Bay.’

## Glossary

AAT	Australian Amalgamated Terminals
BTE	Bureau of Transport Economics
DIPNR	Department of Infrastructure, Planning and Natural Resources
EIS	Environmental Impact Statement
FCAI	Federal Chamber of Automotive Industries
FIAB	Freight Infrastructure Advisory Board
HEZ	Hunter Economic Zone
IACC	Illawarra Area Consultative Committee
LCV	Light commercial vehicle
MUA	Maritime Union of Australia
NTA	National Track Audit
RTSA	Railway Technical Society of Australia
SAL	Shipping Australia Limited
SPC	Sydney Ports Corporation
SSROC	Southern Sydney Regional Organisation of Councils
TEU	Twenty-foot equivalent unit containers

## Chapter 1 Background

On 21 October 2003, the Standing Committee on State Development received from the Hon Michael Costa MLC, the former Minister for Transport Services, terms of reference for an inquiry into port infrastructure in NSW. Revised terms of reference, which the Committee subsequently adopted, were received from the Minister on 28 October 2003. The Chair of the Committee notified the House of the terms of reference on 29 October 2003. In May 2004 the Committee released an Interim Report, principally addressing Sydney Ports Corporation's proposed expansion at Port Botany.

During this inquiry, the State Development Committee has experienced a number of changes to its membership and Chair. On 29 June 2004, the Hon Eric Roozendaal, MLC replaced Mr Tony Burke as Committee member and Chair. On 23 February 2005, the Hon Tony Catanzariti, MLC replaced Mr Roozendaal as Chair of the Committee. On 4 May 2005 the Hon Greg Donnelly, MLC became a member of the Committee, replacing Mr Roozendaal.

### Inquiry process

- 1.1 On receipt of the terms of reference, the Committee resolved to call for submissions from relevant public and private sector organisations, and to advertise its inquiry through the media. On 31 October and 1 November 2004, the inquiry was advertised in major metropolitan and regional print media in NSW and on the NSW Parliament website at [www.parliament.nsw.gov.au](http://www.parliament.nsw.gov.au).
- 1.2 In response, the Committee received 100 submissions from a range of individuals, companies, business representatives, environmental groups, industry groups and community organisations. The NSW Cabinet Office made a submission on behalf of the NSW Government. A full list of submissions is at Appendix 1.
- 1.3 The Committee subsequently conducted public hearings in Wollongong on 19 February 2004; in Newcastle on 20 April 2004; and in Sydney on 21 and 22 April, and 14, 17 and 18 May 2004. In total, the Committee heard evidence from 61 witnesses. A full list of witnesses is at Appendix 2.
- 1.4 The Committee also conducted public open floor discussions in Newcastle on 20 April 2004, in Sydney on 22 April 2004 and in Wollongong on 3 December 2004.
- 1.5 In addition to these public meetings, the Committee made site visits to Port Jackson, Port Botany, the Port of Newcastle and Port Kembla to meet with representatives of the port corporations and to inspect the existing facilities and the proposed sites for development. The Committee also visited Brisbane and Fremantle to inspect port facilities and meet with relevant representatives.

## The Interim Report

1.6 On 28 May 2004 the Committee tabled its Interim Report on Port Botany. The Interim Report came about as a result of concerns in evidence to the inquiry that there may be alternatives to the Sydney Ports Corporation proposal for a new container terminal at Port Botany. The brief, but timely, Interim Report outlined the issues to be considered and the reasoning behind the Committee's single recommendation. In particular, the Committee outlined environmental concerns, issues to do with parity and competition and the consideration of alternative proposals. The Committee recommended:

Recommendation:

That the Minister for Infrastructure, Planning and Natural Resources ensures that any expansion of the Port Botany terminal facilities is only undertaken after the identification and rigorous evaluation of all viable alternatives, including the current proposal.<sup>3</sup>

1.7 In response to the Committee's Interim Report, the Minister for Infrastructure, Planning and Natural Resources, the Hon Craig Knowles MP, amended the terms of reference for the Commission of Inquiry to include:

An analysis of any potentially feasible alternatives at Port Botany to the carrying out of the development, including the alternative proposed by P&O Ports Limited.<sup>4</sup>

1.8 The Commission of Inquiry immediately postponed its schedule of hearing to take account of the amended terms of reference. As discussed later in this report, the Commission is currently undertaking its inquiry into the expansion of Port Botany and is expected to report shortly.

## Structure of the report

1.9 This report is divided into eight chapters:

- Chapter 2 provides a summary of the facilities at the four major NSW ports and an overview of the NSW Ports Growth Plan.
- Chapter 3 examines the freight task in NSW, including an examination of the rapid increase in trade through the NSW ports, and the changing demands for road and rail transport.
- Chapters 4 to 7 examine in turn the impact of the NSW Ports Growth Plan on Port Jackson, Port Botany, Port Kembla and the Port of Newcastle. In the case of each port, the Committee addresses the issues raised in its terms of reference.
- Chapter 8 examines two issues not relating specifically to the major commercial ports: the possible transport of freight by barge between NSW ports, and the future of NSW regional ports.

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3 Standing Committee on State Development, Inquiry into Port Infrastructure in New South Wales, Interim Report, Report 29, May 2004, p11

4 Correspondence from the Hon Michael Egan MLC to Mr John Evans, 26 November 2004

**Recent developments**

- 1.10** The Committee notes that the issue of ports and related infrastructure has been the subject of considerable debate over the past couple of months. Most recently, the Deputy Prime Minister, John Anderson ignited debate on the issue of State and Federal responsibilities for ports planning and regulation. As the Committee has not sought evidence from inquiry participants on this issue, we do not comment further in this report. However, given that ports infrastructure is of national significance, the Committee encourages the Commonwealth to work collaboratively with the State Government on the future of ports infrastructure in New South Wales. Any changes to the current planning arrangements and regulation of ports should only occur after wide consultation with all interested parties, including state and local government agencies, industry and the community, and after consideration of the recommendations of this report.
- 1.11** This report relies on the submissions and oral evidence provided to the Committee in the first half of 2004. The Committee has attempted to check wherever possible that the details provided in evidence are still current. In addition, we have provided information on relevant recent government announcements in relation to ports infrastructure.

## Chapter 2     **The NSW Ports Growth Plan**

This chapter initially provides a summary of the berthing facilities at the four major NSW ports. Subsequently, it examines the functions of the Sydney, Newcastle and Port Kembla Port Corporations, and the role of the NSW Government in coordinating port investment and development in NSW. Finally, the chapter provides an overview of the provisions of the NSW Ports Growth Plan.

### **The NSW ports**

**2.1**     NSW has four major commercial ports: Port Jackson (Sydney Harbour), Port Botany<sup>5</sup>, Port Kembla and the Port of Newcastle.

#### **Port Jackson**

**2.2**     Port Jackson is currently used for a number of commercial shipping activities:

- at Darling Harbour East there are four berths and covered cargo sheds which are used for roll on/roll off (Ro-Ro) cargo, together with general and containerised cargo
- at Glebe Island there are four berths used to handle motor vehicles with on wharf pre-delivery inspection facilities and also bulk dry cargo such as cement, bulk refined sugar and soda ash
- at White Bay, berths are available for general cargo and lay up berths
- also at White Bay, Australian Amalgamated Terminals (AAT) has a short term lease to handle motor vehicles and Sydney Ports Corporation is currently seeking expressions of interest for longer term leases
- at Blackwattle Bay there is a terminal used for bulk concrete aggregate
- at Gore Bay, Shell owns a facility for the import and storage of oil products
- at Circular Quay and Darling Harbour there are two dedicated passenger cruise terminals. Sydney is the major cruise ship hub for Australia's east coast.<sup>6</sup>

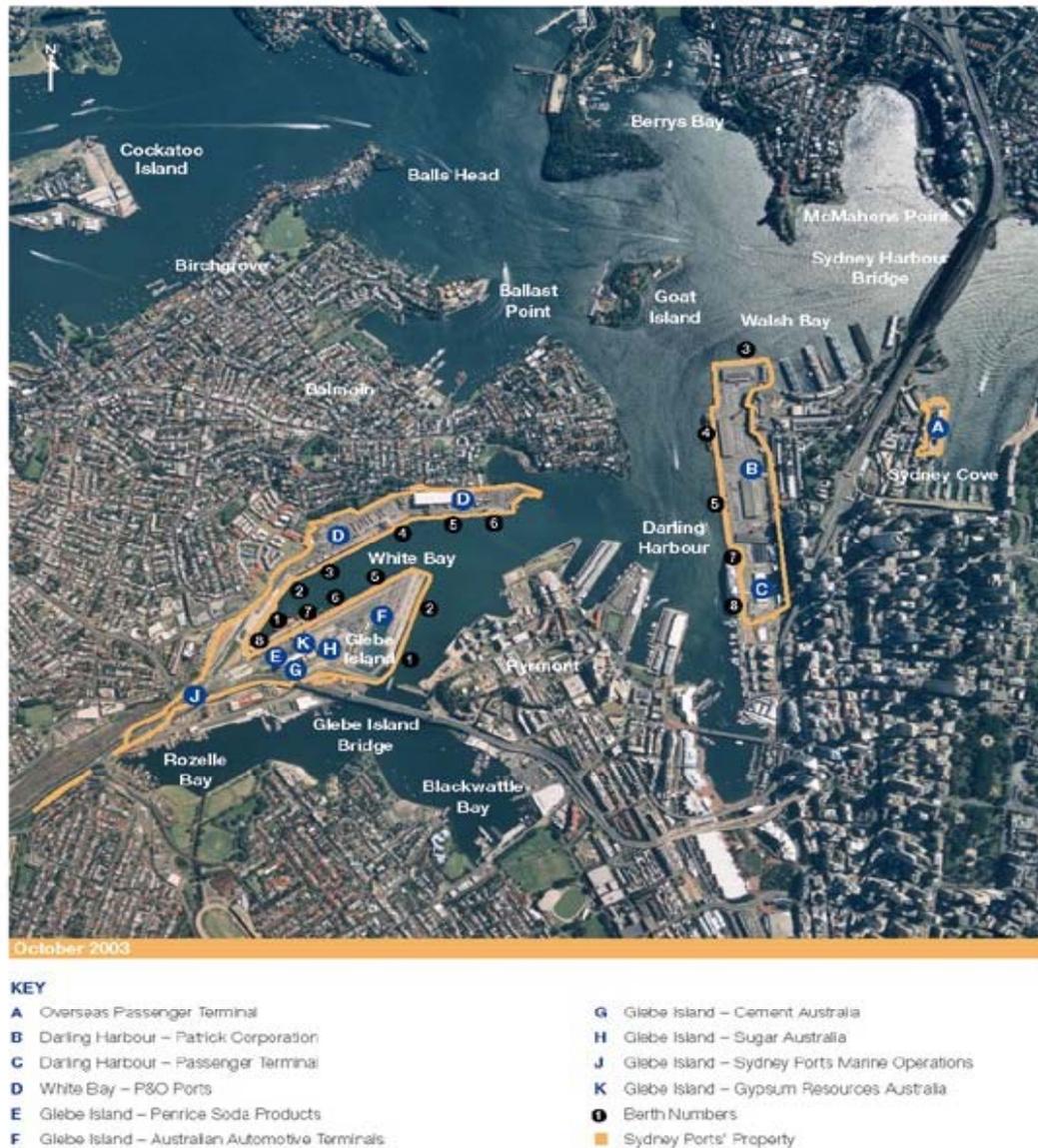
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5     Sydney Ports Corporation is responsible for Port Jackson and Port Botany

6     Email Correspondence, Sydney Ports Corporation, dated 30 March 2005

2.3 An image of the Port Jackson shipping berth facilities is provided in Figure 2.1 below.

**Figure 2.1** Image of the Port Jackson shipping berth facilities



Source: Ministry of Transport, NSW Ports Growth Plan – Summary Sheet,  
[http://www.transport.nsw.gov.au/ports/Port\\_view\\_3.jpg](http://www.transport.nsw.gov.au/ports/Port_view_3.jpg) (accessed 24 February 2005)

2.4 Each year, the road network to the various Port Jackson terminals carries more than 1.5 million tonnes of dry bulk cargo, 180,000 cars and a further 850,000 tonnes of general cargo.

2.5 However, in its written submission on behalf of the NSW Government, the Cabinet Office argued that Port Jackson is not suitable to sustain and grow the general cargo trade in NSW. In particular, the Darling Harbour terminal is not accessible by rail or by B-double trucks, and has insufficient land for modern, efficient container facilities. In addition, the White Bay

terminal is immediately adjacent to residential areas, imposing constraints on operations, particularly due to noise.<sup>7</sup>

### **Port Botany**

**2.6** Port Botany is currently used for a number of commercial shipping activities:

- at Brotherson Dock, there are nine container berths, leased to P&O Ports<sup>8</sup> and Patrick Corporation Ltd.<sup>9</sup> The Commonwealth has also developed a container X-ray facility at Brotherson Dock, one of only four such facilities in Australia
- adjoining Brotherson Dock is the bulk liquid berth, a common-user facility which services the petro-chemical industry
- at Kurnell, Caltex operates a crude oil and petro-chemical import facility which, together with the Shell refinery at Clyde, supplies approximately 90% of the NSW market for petrol, diesel and aviation fuels.

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7 Submission 82, NSW Cabinet Office, p4

8 P&O Ports has operated on the NSW waterfront for over 150 years, and operates in over 30 ports around Australia providing container and general stevedoring services. In NSW, P&O Ports services Port Botany, Port Jackson, Port Kembla and the Port of Newcastle

9 Patrick Corporation has been trading in Sydney Harbour since 1919. The Company has interests in two terminals in Port Jackson – Glebe Island and Darling Harbour – and Patrick's container terminal at Port Botany

2.7 An image of the Port Botany shipping berths is provided in Figure 2.2 below.

**Figure 2.2** Image of the Port Botany shipping berth facilities



Source: Ministry of Transport, NSW Ports Growth Plan – Summary Sheet, [http://www.transport.nsw.gov.au/ports/Port\\_view\\_4.jpg](http://www.transport.nsw.gov.au/ports/Port_view_4.jpg) (accessed 24 February 2005)

2.8 Port Botany is serviced by a dedicated freight rail line, which currently has the capacity to handle 500,000 twenty-foot equivalent unit containers (TEU) per annum. In addition, the road network currently handles more than 750,000 TEU per annum.<sup>10</sup> On 13 December 2004 the Minister for Infrastructure, Planning and Natural Resources announced the first stage of the NSW Government's Port Freight Plan for Sydney. This Plan will be discussed later in the report.

## Port Kembla

2.9 Port Kembla is Australia's largest steel export port and second largest grain export port. The grain handling facilities were relocated from Port Jackson in the late 1980s.

2.10 Berth facilities at Port Kembla are divided between inner and outer harbour facilities:

- the inner harbour multi-purpose berth handles general, bulk and break bulk<sup>11</sup> commodities. The grain and coal berths, and the privately operated BHP berths are used for the import of raw materials and the export of steel products
- in the outer harbour, the number 6 gateway berth is a common user berth which handles bulk and break bulk products and the bulk liquids and oil berths are used for fuel and other liquid products.

2.11 An image of the Port Kembla shipping berths is provided below.

Figure 2.3 Image of the Port Kembla shipping berth facilities



Source: Port Kembla Port Corporation, Port Infrastructure, <http://www.kemblaport.com.au/facilities.htm>, (accessed 24 February 2005)

11 Break bulk cargo includes rolls of newsprint, bales of rubber, and steel, for example

**2.12** The coal berths at Port Kembla are serviced by Port Kembla Coal Terminal Limited, which takes coal from the mines located in the southern and western coalfields. Presently the terminal has an export capacity of 16 million tonnes per annum.<sup>12</sup>

### **The Port of Newcastle**

**2.13** The Port of Newcastle is the world's largest coal export port. During 2001-2002 approximately 90% of all cargo handled at the port was export coal. Coal exports currently exceed 71 million tonnes per annum.

**2.14** The Port of Newcastle has the following berth facilities:

- coal is loaded at Dyke No 4 and 5 berths and also at the Kooragang 4-6 berths, which are owned and operated by Port Waratah Coal Services
- at Eastern Basin, there are two berths used for general cargo, including containers, break bulk and aluminium, steel and timber products
- at Western Basin No 3, there is a dedicated grain-handling berth
- at Throsby Basin, berths are used for the tie-up of cruise and visiting naval vessels. It also has Forgas's floating dock ship repair facility. The Australian Defence Industries berth is used for vessel construction and repairs
- at Dyke No 2 berth, bulk ore products are loaded, with the No 6 BHP berth used for the loading and discharge of pitch, tar and creosote
- Kooragang No 2 berth is used for dry bulk products such as fertilisers, cement, cottonseed, sand and woodchip and also liquid bulks such as vegetable oils.<sup>13</sup>

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12 Submission 82, NSW Cabinet Office, pp5-6

13 Submission 82, NSW Cabinet Office, pp4-5

2.15 An image of the Port of Newcastle shipping berth facilities is provided in Figure 2.4 below.

Figure 2.4 Image of the Port of Newcastle shipping berth facilities



Source: Newcastle Port Corporation, <http://www.newportcorp.com>, (accessed 24 February 2005)

## Summary

2.16 The Committee notes the submission of the State Chamber of Commerce (NSW)<sup>14</sup> that the four major NSW ports have significant advantages over the ports in Brisbane and Melbourne. Firstly, they are closely located to over a third of Australia's population, mostly living in metropolitan Sydney. Secondly, the NSW ports have deeper ship channels than Melbourne (12m) and Brisbane (13m), allowing larger, more cost effective vessels to operate fully laden. The Port Kembla entrance channel is 15.25m deep, the Port Botany channel 17.9m deep, the western Port Jackson channel at least 13.7m deep, and the Port of Newcastle channel at least 15.1m deep.<sup>15</sup> Thirdly, the NSW ports have lower pilotage distances than Melbourne (45 nautical miles) and Brisbane (49 nautical miles), permitting reduced times in port for visiting ships.<sup>16</sup>

14 The State Chamber of Commerce (NSW) is the peak employer organisation in NSW representing over 70,000 businesses.

15 Port Kembla Port Corporation, <http://www.kemblaport.com.au/facilities.htm> (accessed 26 May 2005), Sydney Pilot Service, <http://www.sydneypilotservice.com> (accessed 26 May 2005), Newcastle Port Corporation, <http://www.newportcorp.com>, (accessed 26 May 2005).

16 Submission 51, State Chamber of Commerce (NSW), p8

## Management of the NSW ports

### The role of the NSW port corporations

**2.17** The four major NSW ports are managed by three separate port corporations: the Sydney Ports Corporation (SPC) (responsible for both Port Jackson and Port Botany), the Port Kembla Port Corporation and the Newcastle Port Corporation.<sup>17</sup>

**2.18** The port corporations are responsible for the day-to-day management of the ports to promote and facilitate trade, while ensuring safe navigation and environmental management in and around the ports. The port corporations lease their common user infrastructure to shipping lines, towage operators, private berth owners and stevedores for the import and/or export of cargo.<sup>18</sup>

**2.19** Several witnesses commented on the lack of coordination between the three separate ports corporations. In evidence to the Committee, Joan Staples from Campaign Co-ordinator, Save Botany Beach said:

I think there is really an enormous problem at the moment that we have three separate port authorities who compete with one another.<sup>19</sup>

**2.20** A small number of witnesses proposed a single ports corporation for NSW. A number of others suggested that while Newcastle is a distinct port, the affinity between port activities in Sydney and Port Kembla suggest that a corporation covering Port Kembla and Sydney would enhance the overall efficiency of those ports.

**2.21** Other witnesses commented that the separation of the ports corporations was good for competition. Mr Hugh McMaster, a representative of the New South Wales Road Transport Association said:

I suspect three separate ports corporations adds a degree of contestability and drive in the commercial culture that I think is an important part of the work of ports corporations. But I think it probably requires more active intervention by governments to ensure that the corporations work with each other in the broader public interest, and I sense that with a new Minister there is more sign of that going on. And the fact that I am sitting here talking to you is probably an indication of that.<sup>20</sup>

**2.22** The Committee acknowledges the support of a number of inquiry participants for a single ports corporation for NSW. While other witnesses were less sure of the value of a single corporation, the majority of participants felt that there could be better coordination between the three separate corporations. The Committee believes that the NSW Government should play an active role in ensuring that the Sydney Ports Corporation, the

17 Responsibility for the land comprising the beds and shores up to the mean high water mark of the commercial ports is vested in the Waterways Authority.

18 Submission 82, NSW Cabinet Office, p3

19 Ms Joan Staples, Evidence, 14 May 2004, p21

20 Mr Hugh McMaster, Evidence, 18 May 2004, p18

Port Kembla Port Corporation and the Newcastle Port Corporation work collaboratively and in the best interests of the citizens of New South Wales.

- 2.23** While the majority of Committee members do not believe there is a need to change the current arrangements, the Opposition Committee members believe there should be a review into the feasibility and appropriateness of establishing a single ports corporation for New South Wales.
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### **Recommendation 1**

That the NSW Government ensure there is a coordinated approach in the development and implementation of plans for NSW ports and related infrastructure, including the NSW Ports Growth Plan. In particular, the NSW Government should ensure that the Sydney Ports Corporation, the Port Kembla Port Corporation and the Newcastle Port Corporation work collaboratively and in the best interests of the citizens of New South Wales.

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### **The role of the NSW Government**

- 2.24** While the port corporations have responsibility for the day-to-day management of the NSW ports, the NSW Government has a key strategic role in overseeing decision making by the individual port corporations to ensure that the best economic, social and environmental outcomes are achieved for the state of NSW. For example, the NSW Government is required to consider how port development fits within the State's overall transport supply chains.
- 2.25** In the past, the Government has taken a number of strategic decisions in relation to the management of the NSW ports, including:
- the decision in the 1970s to establish a new port precinct at Port Botany to ensure that NSW had a major container processing facility. At the time, there was a lack of suitable land within Sydney Harbour for the long-term development of a major container processing facility
  - the decision in the mid-1980s to relocate the State's major bulk grain export facility from Glebe Island to Port Kembla. This allowed the use of spare rail capacity servicing Port Kembla, and freed up rail capacity in the Sydney region.<sup>21</sup>
- 2.26** In its written submission, the NSW Cabinet Office argued that the NSW Government is currently facing a similar decision-making juncture in relation to the NSW ports. The Cabinet Office highlighted two key issues currently facing the Government:
- it is expected that the capacity of existing container facilities at Port Botany will be filled sometime between 2010 and 2015. The lead-time associated with bringing additional capacity online requires that a strategy to handle future growth in container imports be developed now
  - leases at a number of port facilities in Port Jackson will expire in the near future, requiring the Government to consider statewide demand for port facilities.<sup>22</sup>

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21 Submission 82, NSW Cabinet Office, p2

22 Submission 82, NSW Cabinet Office, pp2-3

- 2.27** In an attempt to address these issues, the NSW Government developed the NSW Ports Growth Plan. The Committee understands that responsibility for the development of the plan rested with the NSW Treasury and Ministry of Transport, in consultation with the Department of Infrastructure, Planning and Natural Resources (DIPNR).<sup>23</sup>
- 2.28** The NSW Ports Growth Plan fits within the Government's broader Metropolitan Strategy, which is the Government's strategic planning framework for greater metropolitan Sydney, including the Central Coast, the Hunter and the Illawarra.<sup>24</sup>

### Summary

- 2.29** The Committee believes that the current arrangements in NSW, with the four major NSW Ports managed by three separate ports corporation, is a sound and workable structure. The Committee understands that each corporation is a separate entity and responsible for its own day-to-day management and promotion of interests. The Committee supports the argument that separate corporations can and do drive competition in port activities in this State.
- 2.30** The Committee notes that the role of coordination of port activities in NSW is the responsibility of the NSW government. The NSW Ports Growth Plan is designed to address the overall management and development of port activities in NSW. We note however, that while the Minister for Ports has principle responsibility for port infrastructure in NSW, a number of other Ministries have a major role to play in ensuring the maintenance and development of effective port related activities such as metropolitan planning, infrastructure and transport. The Committee notes the central role played by the NSW Treasury, the Ministry of Transport, and the Department of Infrastructure, Planning and Natural Resources in the development of the NSW Ports Growth Plan. We note also that there is a number of other major government initiative closely linked to port infrastructure, including the Metropolitan Strategy and the Port Freight Plan. These plans are discussed later in the report.
- 2.31** The Committee believes that effective coordination of planning for future port development and related infrastructure will be crucial to the overall success of NSW port activities. We note the significance of port infrastructure to the future economic wellbeing of this State. The Committee strongly believes that all NSW government agencies, together with the three ports corporations, should competitively market the ports in this State. The Committee recommends that all government agencies work together in developing and implementing plans for NSW ports and related infrastructure.

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### Recommendation 2

That NSW Government agencies work together to ensure a coordinated approach in the development and implementation of plans for NSW ports and related infrastructure, including the NSW Ports Growth Plan.

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23 Mr Haddad, DIPNR, Evidence, 14 May 2004, p1

24 Mr Haddad, DIPNR, Evidence, 14 May 2004, p1

## Overview of the NSW Ports Growth Plan

- 2.32** The NSW Ports Growth Plan was announced by the NSW Premier, the Hon Bob Carr MP, on 5 October 2003. The plan is a set of principles designed to provide strategic direction to allow the private sector to commence planning for the next tranche of major container trade growth through NSW ports, while allowing public sector providers of road and rail infrastructure to settle on their long-term development plans.
- 2.33** The fundamental elements of the NSW Ports Growth Plan are as follows:
- maintain Sydney Harbour as a working port servicing an evolving mix of maritime activities which can be efficiently accommodated
  - commission a detailed master plan as part of a process of defining the future use of Darling Harbour East, White Bay and Glebe Island
  - as leases expire, support the transfer of general cargo stevedoring activity from Darling Harbour and White Bay to Port Kembla, and the transfer of car import activity from Glebe Island to Port Kembla
  - use Newcastle as the long term site for future container port expansion once Port Botany reaches capacity
  - proceed with an independent commission of inquiry to investigate SPC's proposal to develop a third container terminal at Port Botany.<sup>25</sup>
- 2.34** Importantly, the Committee notes that planning consent for developments under the NSW Ports Growth Plan, including the possible expansion of the container terminal at Port Botany, rests with the Minister for Infrastructure, Planning and Natural Resources, The Hon Craig Knowles MP.
- 2.35** The Committee examines the impact of the NSW Ports Growth Plan on the four major commercial NSW ports below.

### Port Jackson

- 2.36** As indicated, the NSW Ports Growth Plan provides for the relocation of general cargo stevedoring from Darling Harbour and White Bay to Port Kembla as leases expire, together with the transfer of car importation from Glebe Island to Port Kembla as leases expire. Both moves are subject to satisfactory negotiations being completed between the lessees and the Port Kembla Port Corporation:
- the Darling Harbour general cargo facility is currently jointly leased by Patrick and P&O Ports (P&O moved from its former facilities at White Bay in November 2003). The leases on the facility are due to expire in 2006
  - the Glebe Island Automotive Terminal is currently operated by Australian Amalgamated Terminals (AAT), a joint venture between Patrick and P&O Ports. The

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25 Submission 82, NSW Cabinet Office, p1

lease on the facility is due to expire in 2012, with a further option of five years exercisable by AAT depending upon throughputs and investment.<sup>26</sup>

- 2.37** Patrick and P&O advised the Government and the Committee of their preference not to renew their Darling Harbour leases and to re-locate to new facilities at Port Kembla, subject to satisfactory commercial negotiations with the Port Kembla Port Corporation being completed. New facilities suitable for general cargo stevedoring will be completed at Port Kembla prior to 2006.
- 2.38** The Committee notes, however, that in its written submission, the Cabinet Office stressed that under the NSW Ports Growth Plan, Port Jackson will remain a working harbour, continuing to be used for the importation of materials to support the construction industry (eg cement, gypsum and soda ash), for cruise shipping, for long-term oil importation, and for maritime construction, maintenance and repair. Car importation will continue through Glebe Island at least until 2012.<sup>27</sup> This issue is discussed further below in the section on The Glebe Island Automotive Terminal.

### **Port Botany**

- 2.39** On 26 November 2003, the SPC lodged with DIPNR a Development Application and accompanying Environmental Impact Statement (EIS) for the development of a third container terminal at Port Botany. The proposal involved a new container wharf to be build adjacent to the present Patrick terminal at Brotherson Dock No 1, 1a 2, 2a and 3 on 63 hectares of land to be reclaimed from the bay. The new facility is designed to accommodate three panamax<sup>28</sup> size vessels at any one time.

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26 Submission 82, NSW Cabinet Office, pp7-9

27 Submission 82, NSW Cabinet Office, p9

28 Panamax size vessels are vessels designed to be just small enough to transit the Panama Canal

2.40 An image of the proposed third container terminal at Port Botany is provided in Figure 2.5 below.

Figure 2.5 The third container terminal at Port Botany proposed by the SPC



Source: Ministry of Transport, NSW Ports Growth Plan – Summary Sheet, [http://www.transport.nsw.gov.au/ports/Port\\_view\\_5.jpg](http://www.transport.nsw.gov.au/ports/Port_view_5.jpg), (accessed 24 February 2005)

- 2.41 In its written submission, Patrick estimated that the proposed new terminal at Port Botany would increase total capacity at the terminal to approximately 3.0 million TEU per annum, up from the current 1.6 million TEU per annum. At current container growth rates, this capacity would not be reached until 2020.<sup>29</sup>
- 2.42 On 2 December 2003, the Minister for Infrastructure, Planning and Natural Resources, the Hon Craig Knowles MP, announced the terms of reference for an Independent Commission of Inquiry to examine SPC's Development Application and EIS. The Commission of Inquiry into the Proposed Construction and Operation of a New Container Terminal and Associated Infrastructure at Port Botany is currently ongoing.
- 2.43 In its interim report, the Committee examined three issues in relation to the proposed Port Botany upgrade:
- the impact of any further development on the environment, particularly the Penrhyn Estuary and the adjacent seagrass beds
  - parity of access to the new terminal (should it be built) for P&O Ports and Patrick

29 Submission 84, Patrick, p12

- P&O Port's alternative proposal for expansion of the Brotherson Dock, designed to provide the same overall increase in docking space as the SPC proposal.<sup>30</sup>

**2.44** The Committee does not intend to reiterate the evidence that it cited in its Interim Report in relation to these issues. As a result of its concerns however, the Committee recommended in its Interim Report:

That the Minister for Infrastructure, Planning and Natural Resources ensures that any expansion of the Port Botany terminal facilities is only undertaken after the identification and rigorous evaluation of all viable alternatives, including the current proposal.

**2.45** In response to the Committee's Interim Report, the Minister for Infrastructure, Planning and Natural Resources, the Hon Craig Knowles MP, amended the terms of reference for the Commission of Inquiry to include:

An analysis of any potentially feasible alternatives at Port Botany to the carrying out of the development, including the alternative proposed by P&O Ports Limited.<sup>31</sup>

**2.46** The Commission immediately postponed the beginning of its hearings in order for amended terms of reference to be advertised. Following the completion of its work, the Commission of Inquiry is required to report its finding to The Hon Craig Knowles MP. Having received the report of the Commission of Inquiry, the Minister is responsible for making a decision on the proposed expansion of the Port Botany container terminal.<sup>32</sup> The issue of the expansion of Port Botany is discussed again in Chapter 5.

### **Port Kembla**

**2.47** As indicated, the NSW Ports Growth Plan supports the transfer to Port Kembla of the current general cargo stevedoring operations of Patrick and P&O Ports at Darling Harbour, subject to the completion of an agreement between Patrick and P&O Ports and the Port Kembla Port Corporation on lease terms acceptable to all parties.<sup>33</sup>

**2.48** In order to facilitate this transfer, the Port Kembla Port Corporation has obtained development consent and government funding of \$14 million for a 130m extension of the multi-purpose terminal at Port Kembla, bringing the total length of the terminal to 430m. Construction of the project began in early 2004, and is expected to be completed by April 2006.<sup>34</sup>

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30 Standing Committee on State Development, Inquiry into Port Infrastructure in New South Wales, Interim Report, Report 29, May 2004

31 Correspondence from the Hon Michael Egan MLC to Mr John Evans, 26 November 2004

32 Mr Haddad, DIPNR, Evidence 14 May 2004, p4

33 Submission 82, NSW Cabinet Office, p11

34 Mr Rorris, South Coast Labor Council, Evidence, 19 February 2004, p7

- 2.49 The Committee understands that the new facility will be operated by AAT.<sup>35</sup> AAT will lease the facility and provide cranes, cargo handling equipment, IT, storage and other services and facilities.<sup>36</sup>
- 2.50 A computer-generated image of the anticipated new multi-purpose terminal at Port Kembla is provided in Figure 2.6 below.

**Figure 2.6** The new multi-purpose terminal at Port Kembla



Source: Ministry of Transport, NSW Ports Growth Plan – Summary Sheet, [http://www.transport.nsw.gov.au/ports/Port\\_view\\_2.jpg](http://www.transport.nsw.gov.au/ports/Port_view_2.jpg), (accessed 24 February 2005)

### The Port of Newcastle

- 2.51 As indicated, the NSW Ports Growth Plan anticipates the future expansion of the Port of Newcastle as a major container terminal once Port Botany reaches capacity.
- 2.52 In its written submission on behalf of the NSW Government, the Cabinet Office argued that an additional large-scale container facility, handling in excess of one million TEU per annum, will be required at Newcastle from 2020. The proposed site for the new container facility is the 45-hectare former BHP Steelworks site, adjacent to the Hunter River. BHP completed demolition of the former steelworks structures at the site by the middle of 2004.<sup>37</sup>

35 Mr Keane, Evidence, 19 February 2004, p26

36 Port Kembla Port Corporation, <http://www.kemblaport.com.au/businessopportunities.htm> (accessed 24 February 2005)

37 Submission 82, NSW Cabinet Office, p10

- 2.53** In March 2004, Newcastle Port Corporation called for preliminary proposals from private consortia for the design, construction, financing and operation of a multi-purpose terminal on the former BHP site. The first stage of the project is to deliver a container terminal, ultimately capable of handling at least 500,000 TEU per annum. Future stages may include a general cargo handling facility on approximately 10 hectares on the site, and possible expansion of both container and general cargo operations on to adjacent sites.
- 2.54** On 9 December 2004, the CEO of the Newcastle Port Corporation, Mr Gary Webb, announced that two consortia had been short-listed to provide detailed proposals for the development of the new multi-purpose terminal.<sup>38</sup>
- 2.55** An image of the proposed site of the new multi-purpose terminal at the Port of Newcastle is provided in Figure 2.7 below.

**Figure 2.7** The proposed site of the multi-purpose terminal at the Port of Newcastle



Source: Ministry of Transport, NSW Ports Growth Plan – Summary Sheet, [http://www.transport.nsw.gov.au/ports/Port\\_view\\_7.jpg](http://www.transport.nsw.gov.au/ports/Port_view_7.jpg), (accessed 24 February 2005)

38 Newcastle Multi Purpose Terminal Website, 'Short-list Announced for Newcastle Multi-Purpose Terminal - 9 December 2004', <http://www.newcastlempmt.com.au/news.php>, (accessed 25 February 2005)

## Concerns about consultation on the NSW Ports Growth Plan

**2.56** The Committee notes that during the inquiry, a number of parties expressed concern about the lack of consultation in the lead-up to the announcement of the NSW Ports Growth Plan by the Premier on 5 October 2003. In particular, the Committee notes the evidence of Mr Gary Blaschke, spokesperson of the Botany Bay and Catchment Alliance:<sup>39</sup>

... we have continually called for a full and complete copy of the plan, with further details on Cabinet's funding, committee membership, who the community representatives were and how long the committee sat for. Over the past few months we have endeavoured to obtain the full document. The Clayton's document from the Ministry of Transport has statements to the effect, "The plan provides a framework within which the Government, industry and the community will work to ensure further growth and develop port capacity in New South Wales". I would like to ask the question: Where was the community's input into this plan? Is two pages the result of the Government, industry and community working together?<sup>40</sup>

**2.57** The Committee also notes the evidence of Mr Robert Coombs, Secretary of the MUA:

... we have been very critical of the consultation that took place. I had the opportunity to attend the ALP State Conference last year – I am an ALP member – and Bob Carr's announcement really took me by surprise, as I think it took most of the Sydney community by surprise. In recognising the very good relationship between the union and the Government, our first point was that there was very little consultation, if any, with us and as a result we were pretty critical in raising our opposition in relation to how the thing had unfolded and how it was actually handled. To make matters a little worse there was a previous plan called the 2020 plan.<sup>41</sup>

**2.58** It should be said that a number of other parties, including P&O Ports told the Committee that they had been consulted in the development and lead up to the announcement of the Plan. According to Mr Timothy Blood, Managing Director, P&O Ports Australia and New Zealand:

Yes, we had been in discussion with Government, frankly over a period of years, but more specifically we were involved and consulted through the review carried out by The Hon. David Campbell. That went back to, from memory, October 2002. We had discussions in 2003, a number of discussions with Government prior to the Premier's announcement. It was a culmination of several years of work through various inquiries, but it came to a head and then it became quite focused as a result of David Campbell's review.<sup>42</sup>

**2.59** The Committee acknowledges the concerns expressed by some parties about the consultation process in relation to the development of the NSW Ports Growth Plan. We note that while some parties felt they had been consulted, a number of other groups do not believe the consultation process was adequate.

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39 The Botany Bay and Catchment Alliance is an advocacy group representing 30 community non-government organisations throughout the Botany Bay catchment from Campbelltown to La Perouse.

40 Mr Blaschke, Botany Bay and Catchment Alliance, Evidence, 21 April 2004, p1

41 Mr Coombs, MUA, Evidence, 22 April 2004, p18

42 Mr Blood, P&O Ports, Evidence, 17 May 2004, p6

- 2.60** The Committee strongly believes that the involvement of all stakeholders is an essential part of the development and implementation of significant framework documents such as the NSW Ports Growth Plan. Taking account of the diverse range of viewpoints, including the views of all levels of government, industry and the community, is essential to ensuring an effective implementation process. The future development of NSW ports and related infrastructure will have a major impact on the lives of NSW citizens. We therefore urge the NSW Government to ensure there is an appropriate consultation process in place, with representation from all relevant stakeholders.

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**Recommendation 3**

That the NSW Government develop and implement a comprehensive strategy for effective consultation with all levels of government, industry and the community in relation to further planning and management of NSW Ports.

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## Chapter 3 The freight task in NSW

This chapter examines the freight task in NSW, with particular reference to the increase in freight trade through the four major NSW ports, and the resultant increase in pressure on the road and rail infrastructure servicing those ports. Particular note is made of the Government's commitment to increase the proportion of container freight being carried by rail to 40% by 2011.

### Trade through the major NSW ports

**3.1** In its submission on behalf of the NSW Government, the Cabinet Office indicated that in 2002-2003, the four major NSW ports handled some 4,300 vessel calls and 123 million tonnes of cargo, worth around \$A50 billion. The table below summarises port activity in NSW in 2002-2003.

**Table 3.1** Port activity in 2002-2003

	Sydney	Newcastle	Port Kembla
Ship Calls	2,331	1,403	598
Total cargo (million tonnes)	23.6	76.9	22.7
<i>Exports</i>	5.2	73.8	13.1
<i>Imports</i>	18.4	3.1	9.6
Dominant cargos	containers, bulk liquids, vehicles	coal, grain, aluminium, steel	coal, iron ore, grain, steel
Land area (ha)	360	160	200
Pilotage distance (NM)	12	4	4
Channel depth (m)	15	15	16.5

Source: Submission 51, State Chamber of Commerce (NSW), p8

**3.2** As indicated in Table 3.1, the dominant trade through the Sydney Ports is container trade (primarily through Port Botany), together with the import of cars, break bulk and general cargo (primarily through Port Jackson). By contrast, as indicated earlier, the majority of trade through Port Kembla and the Port of Newcastle is coal, grain, iron ore and steel exports.

### Containerised trade

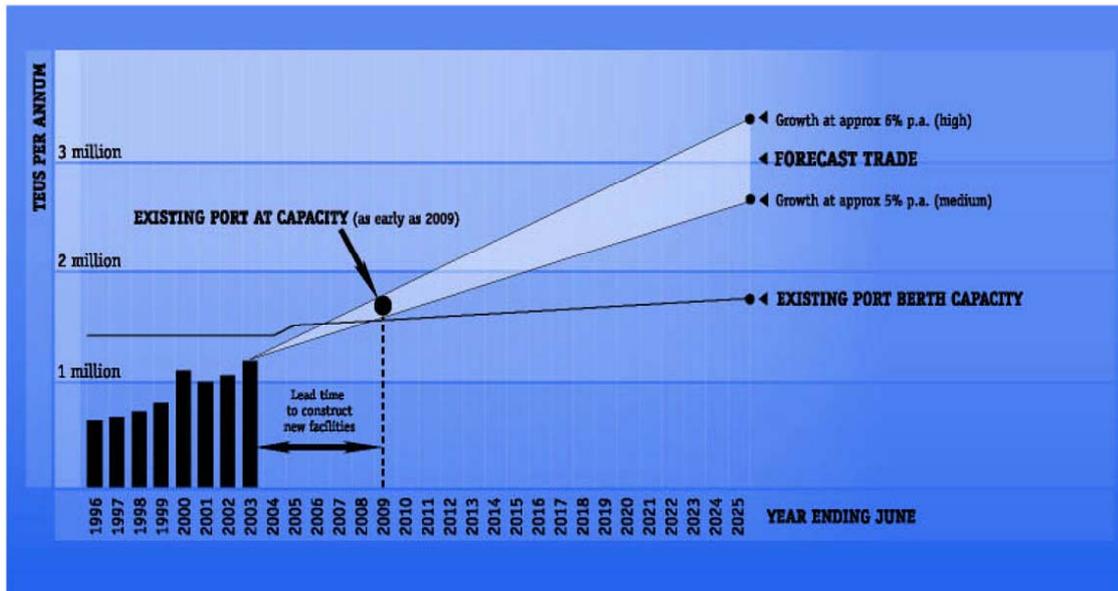
**3.3** The Committee notes that containerised trade, particularly through Port Botany, is growing very strongly.<sup>43</sup> In its submission on behalf of the NSW Government, the Cabinet Office indicated that since 1970, containerised trade has grown at an average rate of 7% per annum, reaching throughput of one million twenty-foot equivalent unit containers (TEU) in 2000. By 2002-2003, containerised trade through Port Botany alone had grown to 1.16 million TEU. It is expected to continue to grow at a rate of 8% or close to 100,000 containers per year. At that rate of growth, Port Botany is expected to reach its current capacity of 1.6 million containers by approximately 2010. Container trade is projected to reach two million TEU by 2014 and three million TEU by 2020.<sup>44</sup>

43 A small number of parties to this inquiry and the Commission of Inquiry have argued that the recent growth of containerised trade may not continue at the same rate over the next 10 – 20 years.

44 Submission 11, Wollongong City Council, p9. See also submission 20, Hunter Business Chamber, p2

- 3.4 The following figure from the website of the SPC provides an indication of the anticipated growth in container trade through Port Botany up until 2025.

Figure 3.1 Growth in container trade through Port Botany



Source: SPC, [http://www.sydneyports.com.au/Botany/images/graph\\_large.jpg](http://www.sydneyports.com.au/Botany/images/graph_large.jpg), (accessed 24 February 2005)

- 3.5 The NSW Cabinet Office argued in its submission that the increase in containerised trade coming through NSW ports (especially Port Botany) is primarily due to the demand for consumer goods, predominantly from Sydney's population of 4.15 million. The trade is characterised by the use of increasingly large ships which make few ports of call, and which require high investment in stevedoring capability to ensure fast cargo exchange at port.<sup>45</sup>

### Coal trade

- 3.6 In its submission, the NSW Minerals Council<sup>46</sup> noted that coal export through Port Kembla and the Port of Newcastle continues to be the State's largest export earner at around \$4 billion a year.<sup>47</sup> As noted previously, Newcastle is the world's largest coal export port, processing 71 million tonnes of coal in 2003.<sup>48</sup>

45 Submission 82, NSW Cabinet Office, p7

46 The NSW Minerals Council is the industry association representing mineral exploration companies and the producers of coal, minerals and extractive (sand and gravel) materials in NSW. The NSW Minerals Council was formed following the merger of the NSW Coal Association and the NSW Chamber of Mines in April 1995. The NSW Minerals Council's submission was made in conjunction with the Port Kembla Coal Terminal Ltd and Port Waratah Coal Services Limited.

47 Submission 57, NSW Minerals Council, p 3

48 Mr Webb, Newcastle Port Corporation, Evidence, 20 April 2004, p7

## Grains trade

3.7 The Port of Newcastle and Port Kembla are also major grain handling terminals. In its written submission, GrainCorp Operations Limited (GrainCorp)<sup>49</sup> indicated that it operates three export terminals – two in Newcastle and one in Port Kembla – which together handle an average of 3.4 million tonnes of grain per annum. This represents almost the entirety of NSW's grain exports.<sup>50</sup>

## The rail transport task in NSW

3.8 The Committee notes that while the majority of bulk freight in NSW – coal and grain in particular - is presently carried by rail, the majority of containerised trade in NSW is presently carried by road. At present, only 21 per cent of the freight containers going through Port Botany are transported by rail.<sup>51</sup>

3.9 As announced on 13 December 2004, the Government's Ports Freight Plan for Sydney has committed to increasing the proportion of freight being transported by rail to 40% by 2011.<sup>52</sup> The first stage of the Plan is to:

- investigate a Freight Infrastructure Charge. This analysis would look at how a charge on containers being brought in and out of the port by road could be applied to encourage a shift to rail transport, and to fund freight infrastructure
- establish the Freight Infrastructure Advisory Board (FIAB) to provide expert advice to the Government on:
  - the design of an intermodal terminal network to improve freight distribution
  - the infrastructure required to service the intermodal network
  - potential changes to work practices such as 'truck tracking' to minimise queuing at the port gate; 'container in/container out' to maximise the efficiency of truck haulage; and other strategies to minimise unnecessary movements of containers across the city.<sup>53</sup>

3.10 The Committee notes the while the FIAB is investigating an intermodal network, any proposals that may be initiated will be the subject of an independent Commission of Inquiry.

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49 GrainCorp is a leading Australian Stock Exchange listed agribusiness, providing storage, handling, logistics, farm input and marketing services to Australian grain growers. In NSW, GrainCorp owns and operates three bulk commodity export terminals at Newcastle, Kooragang Island and Port Kembla which handle an average of 3.4 million tonnes of grain per annum.

50 Submission 64, GrainCorp, p1

51 Almost without exception, the NSW Government requires that coal be transported from the mines to the ports via the rail network. This is required for both safety and environmental amenity reasons. See submission 57, NSW Minerals Council, p3

52 DIPNR, NSW Government Port Freight Plan, <http://www.metrostrategy.nsw.gov.au> (accessed on 22 February 2005)

53 DIPNR, NSW Government's Plan for Ports Freight to Deliver, [www.metrostrategy.nsw.gov.au](http://www.metrostrategy.nsw.gov.au) dated 13 December 2004 (accessed on 30 March 2005)

- 3.11** The Government announced the membership of the FIAB on 9 February 2005, under the Chairmanship of the Hon Laurie Brereton, the former Federal Minister for Transport, and a former State Minister for roads and ports.<sup>54</sup> Others on the Board include representatives from Transurban, Sydney Ports Corporation, NSW Farmers Association, Rail Corp, Shipping Australia and the Transport Workers Union. The Director General of the Department of Infrastructure, Planning and Natural Resources will also sit on the Board.<sup>55</sup>
- 3.12** In its submission to the inquiry, the Railway Technical Society of Australia (RTSA),<sup>56</sup> argued that rail has significant advantages in distributing large quantities of container freight through highly urbanised areas (such as greater metropolitan Sydney), as well as being better suited to the transport of container freight between Australia's capital cities.
- 3.13** In support of this position, the RTSA cited a study prepared by Booz-Allen & Hamilton on externality costs associated with transport of freight by road and rail. This study was prepared for the Australian Rail Track Corporation's National Track Audit, based on work done by the Bureau of Transport Economics (BTE). The externality costs presented in the Booz-Allen & Hamilton study, together with revised estimates prepared for the National Track Audit in 2003<sup>57</sup>, are reproduced in Table 3.2 below.

**Table 3.2** BTE and National Track Audit (NTA) externality costs

Externality		Road		Rail	
		BTE	(NTA)	BTE	(NTA)
<i>Noise pollution</i>	<i>Rural</i>	0.003	(0.003)	-	-
	<i>Metro</i>	0.006	(0.006)	0.004	(0.04)
<i>Air pollution</i>	<i>Rural</i>	-	-	-	-
	<i>Metro</i>	0.11	(0.11)	0.03	(0.03)
<i>Greenhouse gasses</i>	<i>Rural</i>	0.17	(0.16)	0.064	(0.01)
	<i>Metro</i>	0.20	(0.16)	0.064	(0.01)
<i>Congestion costs</i>	<i>Rural</i>	-	-	-	-
	<i>Metro</i>	0.09	(0.09)	-	-
<i>Accident costs</i>		0.5	(0.32)	0.03	(0.03)
<i>Increased road maintenance</i>		1.0	(0.64)	-	-
<b>TOTAL</b>	<b>Rural</b>	<b>1.673</b>	<b>(1.123)</b>	<b>0.094</b>	<b>(0.04)</b>
	<b>Metro</b>	<b>1.906</b>	<b>(1.326)</b>	<b>0.128</b>	<b>(0.074)</b>

Source: Submission 4, RTSA, p10

- 3.14** Based on the data in Table 3.2 above, the RTSA argued that the external cost of moving a 40-foot container weighing 30 tonnes by road from Newcastle to Sydney is \$84.50 (assuming a total distance of 160km of which 60km is urban roads and 100km freeway). By comparison, the RTSA submitted that transporting the same container primarily by rail from Newcastle to

54 DIPNR, NSW Government Port Freight Plan, <http://www.metrostrategy.nsw.gov.au> (accessed on 22 February 2005)

55 DIPNR, 'Board appointed to plan freight infrastructure', Media Release, 9 February 2005

56 The RTSA is a technical society of Engineers in Australia. It has over 800 members and hosted a major conference on railway engineering in November 2002 in Wollongong.

57 P.Laird, M.Micell and G.Adorni-Braccesi, *External costs and evaluation of major track upgrading projects*, 2003, Austrail Plus.

Sydney is \$16.50 (assuming a 150km rail trip followed by a 20km urban road delivery). This represents a difference of \$68.

- 3.15** In a similar way, the RTSA calculated that the cost of moving a 40-foot container weighing 30 tonnes by road from Port Kembla to Sydney is \$43 (assuming a total difference of 80 km of which 40km is urban roads and 40 km is freeway). By comparison, the RTSA submitted that the cost of the transporting the same container by rail is \$14 (assuming an urban road delivery in Sydney of 20km). This represents a difference of \$29.<sup>58</sup>
- 3.16** The Committee recognises that the dollar figures arrived at by the RTSA are estimates only, and unlikely to be correct in today's dollars. Nevertheless, the Committee accepts that the estimates prepared by RTSA support the commitment of the NSW Government to increase the proportion of freight being transported by rail in NSW. The Committee also notes that significant investment will be required to meet the NSW Government's commitment to increase the proportion of freight being transported by rail to 40% by 2011.
- 3.17** The Committee understands that some businesses are also committed to increasing the movement of freight by rail. In evidence Patrick Corporation explained that, with its investment in Pacific National, 'we are looking to maximise the utilisation or rail wherever we can.' Mr Smithwick told the Committee:

From my particular area of automotive, in the past 12 months we have transferred the movement of all locally manufactured Toyota and Mitsubishi products that were previously handled by road train from Adelaide and Melbourne to Perth. That now goes via rail on specialised autotainers. So, in answer to your question, we are moving to rail.<sup>59</sup>

- 3.18** In addition to this Patrick has, over the past few years, been seeking approval to develop their Ingleburn site as an intermodal facility. According to Mr Smithwick, if the development application was approved, it would enable Patrick Corporation to:

... develop Ingleburn where we currently store cars. We would redevelop Ingleburn to enable us to accept rail off Glebe Island carrying cars, and additional rail out of Port Botany carrying containers.<sup>60</sup>

- 3.19** According to Mr Smithwick, this would take up to 150 truck movements off the road going from Glebe Island to Ingleburn and back. The Committee visited the Ingleburn site in December 2004. The Committee understands that the development application is currently before the Land and Environment Court.
- 3.20** In its submission, the RTSA also cited severe deficiencies in the existing rail network servicing Newcastle, Sydney and Port Kembla. In particular, the RTSA highlighted the Government's 1998 report *Action for Transport 2010* which identified a number of rail infrastructure priorities:
- completion of the Newcastle to Sydney high speed rail link; Stage 1 Hornsby to Warnervale by 2007

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58 Submission 4, RTSA, p13

59 Mr Smithwick, Patrick, Evidence, 21 April 2004, p24. Patrick has a significant investment in Pacific National.

60 Mr Smithwick, Patrick, Evidence, 21 April 2004, p24

- completion of the Port Kembla to Sydney high speed rail link; Waterfall to Thirroul by 2010
- completion of the Maldon to Port Kembla railway (subject to some Federal/private funding).

**3.21** However, in relation to each of the projects, the RTSA submitted:

- between Newcastle and Sydney, detailed preliminary work was done on upgrading the line from Hornsby to Warnervale, however nothing further has been done. The RTSA suggested that this will lead to increased pressure to widen the Sydney-Newcastle freeway from four to six lanes. The RTSA also suggested the desirability of making provision for future separation of freight and passenger services between Hornsby and Gosford
- between Port Kembla and Sydney, no progress has been made on upgrading the Waterfall to Thirroul section of the line. Much of this section of the track, including the Stanwell Park Viaduct, was rebuilt around 1920
- the Maldon to Port Kembla link that would complete the Illawarra to Macarthur rail link. During the 1980s, significant work was done on the line, however completing it was estimated in 1993 to cost approximately \$150 million.<sup>61</sup>

**3.22** The RTSA also highlighted the desirability of completing the “Wentworth” rail deviation from near Menangle to north of Mittagong, saving an average of 19 minutes in travel time on the southern railway line, and reducing pressure for upgrading of the Hume Highway between Sydney and Mittagong from four to six lanes.<sup>62</sup>

**3.23** The RTSA cited to the Committee the NSW Infrastructure Report Card, launched on 4 August 2003 by the Sydney Division of Engineers Australia, which gave rail infrastructure in NSW a “D” rating.

**3.24** Accordingly, the RTSA called on the NSW Government to invest in some of the stalled rail infrastructure projects affecting the viability of rail freight transport in NSW. To fund such investment, the RTSA advocated what it regarded as a more consistent approach for road and rail pricing, including an increase in fare box revenue, but also improved road pricing, especially for heavy trucks. In support, the RTSA cited the findings of the BTE in its 1999 working paper ‘Competitive neutrality between road and rail’:

Under the current road user charging system, trucks overall are undercharged for their use of the road system. Moreover, larger more heavily laden vehicles and those travelling larger distances are charged the least (per tonne kilometre) while smaller, less heavily laden vehicles and those travelling shorter distances cross-subsidise them.<sup>63</sup>

61 Submission 4, RTSA, pp4-7

62 Submission 4, RTSA, p7

63 BTE, Working Paper No 40, 'Competitive neutrality between road and rail', 1999, cited in Submission 4, RTSA, p9

- 3.25** To achieve a consistent approach to road and rail funding, the RTSA advocated an additional fuel tax, along with some form of mass distance charge or increased annual charges for heavy trucks. Without it, the RTSA argued, the freight task will continue to be biased towards road.<sup>64</sup>

### **The road transport task in NSW**

- 3.26** The Committee notes that while the Government has committed to increasing the proportion of containerised freight being transported by rail, in its submission Transurban<sup>65</sup> argued that companies increasingly favour the transport of container freight by road. As a result, the road freight task is expected to double in just 15 years.
- 3.27** Transurban argued that the reason for this trend is that customers and suppliers want to drive further productivity improvements through shortening the delivery time from the ports to the factory and shopfronts via road transport, eliminating the need for distribution and storage centres along the way.
- 3.28** In support of this position, Transurban noted the rapid increase in the number of light commercial vehicles (LCVs) in the NSW freight fleet. LCVs are able to meet the demands of the growing 'just in time' logistics service industry, the small package delivery industry and the e-commerce market.<sup>66</sup>

### **The efficiency of the road transport industry**

- 3.29** Given the anticipated increase in pressure on the road infrastructure servicing the ports in NSW, the Committee raised during the hearing on 17 May 2004 the question as to what measures could be taken to improve the efficiency of the road freight industry.
- 3.30** In response, Mr Tim Blood, Managing Director of P&O Ports, indicated that P&O Ports and Patrick have established a common vehicle booking system for the road trucking industry. This is expected to increase the efficiency of road transport to and from the ports. At the same time, however, Mr Blood highlighted that greater efficiencies could be achieved by getting truck operators to do two-way runs – taking a container both into and out of a port – known as back loading. As stated by Mr Blood:

As far as the road is concerned, the solution there lies with dramatically increasing the efficiencies of how that is done, and if you increase the box-to-truck carrying ratio from currently about 1.3 when there is a box on the truck, which is only half the time, if you increase that to 1.8 it has a corresponding dramatic reduction in the number of trucks on the road.<sup>67</sup>

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64 Submission 4, RTSA, ppi-ii, 7-9

65 Transurban was established in Australia in 1996 to develop, finance, own and operate Melbourne's City Link. The company has a 40% equity stake in Sydney's Westlink M7 and holds the electronic tolling and customer service contracts for the road.

66 Submission 73, Transurban, pp6-8

67 Mr Blood, P&O Ports, Evidence, 17 May 2004, p10

**3.31** Mr Blood also argued for a rationalisation of the large number of trucking companies (approximately 220), which operate in Sydney and Melbourne.<sup>68</sup>

**3.32** The Committee subsequently raised these issues with Mr Hugh McMaster, representing the NSW Road Transport Association. In response to the issue of two-way runs or back loading Mr McMaster commented:

The problem you have is that you have to get the right mix of a client wanting a container going in with a client wanting a container coming out. There are something like 300 road transport operators that service the port in Sydney. They have a variety of clients whose needs vary around the clock. Something like 55 to 60 per cent of all containers are exported full, the balance is empty. ... We think that, while, theoretically, it would be desirable to engage in more of that, I think practically it would be very hard to achieve much more growth in two-way runs.<sup>69</sup>

**3.33** Mr McMaster also disagreed with the claim that the high number of small truck operators and companies in Sydney is a problem, observing that it makes the industry more competitive and more likely to respond to the needs of clients.<sup>70</sup>

**3.34** The Committee notes that the NSW Government's Port Freight Plan, cited earlier, includes the establishment of a Freight Infrastructure Advisory Board (FIAB) to provide expert advice to the Government on:

... potential changes to work practices such as 'truck tracking' to minimise queuing at the port gate; 'container in/container out' to maximise the efficiency of truck haulage; and other strategies to minimise unnecessary movements of containers across the city.<sup>71</sup>

## AusLink

**3.35** The Committee also notes the commencement of AusLink, administered by the Federal Department of Transport and Regional Services, in July 2004. AusLink is the Federal Government's approach to the planning, funding and investment decision making of national land transport. AusLink is aimed at providing long term investment for transport corridors, including links to ports, and other rail and road intermodal connections. The Commonwealth and relevant State Government agencies will develop the AusLink strategies, and many investors, including Commonwealth and State and Territory governments and the private sector, will share funding for projects. Under the AusLink National Land and Transport Plan, the Commonwealth has allocated \$11.8 billion for road and rail transport, including \$9.2 billion to AusLink, over the five years of the plan.<sup>72</sup>

68 Mr Blood, P&O Ports, Evidence, 17 May 2004, p18

69 Mr McMaster, NSW Road Transport Association, Evidence, 18 May 2004, p3

70 Mr McMaster, NSW Road Transport Association, Evidence, 18 May 2004, p3

71 DIPNR, NSW Government Port Freight Plan, <http://www.metrostrategy.nsw.gov.au> (accessed on 22 February 2005)

72 Stewart Smith, Current Issues in Transport Policy, Briefing Paper No 14/04, NSW Parliamentary Library Research Service, NSW Parliament, p10

- 3.36** The Commonwealth has identified a number of priorities for 2004/05 to 2008/09 for NSW including the Sydney-Brisbane Corridor, the F3 and the North Coast Rail Link to improve access problems faced by freight trains between Newcastle and Sydney. Other priorities include the Australian Rail Track Corporation's investment in constructing a dedicated freight line from Macarthur to Chullora in Sydney.<sup>73</sup>
- 3.37** The Committee also understands the Department of Transport and Regional Services is currently seeking to engage a consultant to undertake a study of national intermodal terminals. According to the Department, this study 'will inform the development of the corridor strategies for the AusLink National Network of road and rail infrastructure.'<sup>74</sup>
- 3.38** Some witnesses to the inquiry commented on AusLink and its proposed projects. The NSW Road Transport Association suggested that every effort should be made to 'exploit opportunities' provided by the AusLink projects.
- The Department of Infrastructure, Planning, Natural Resources and Environment should assume responsibility for co-ordinating these developments in collaboration with stakeholders, including NSWRTA.<sup>75</sup>
- 3.39** Shipping Australia noted its support for the concept of AusLink, but noted that 'how it works in practice will be the most important test.'<sup>76</sup>

## Summary

- 3.40** As the evidence to this inquiry has shown, addressing the freight task in this State will be a considerable challenge for the NSW Government over the next decade. The expected increase in freight trade through the four major NSW ports will result in an increase in pressure on the road and rail infrastructure servicing those ports. The Committee notes the particular challenge facing the Government in its commitment to increase the proportion of container freight being carried by rail to 40% by 2011.
- 3.41** The Committee welcomes the NSW Government's Port Freight Plan and the establishment of a Freight Infrastructure Advisory Board (FIAB) under the Chairmanship of the Hon Laurie Brereton. The Committee was pleased to note that the Government would be seeking advice from the FIAB on proposed freight related projects to ensure that they both fit into a broader freight infrastructure framework, and that they address any community issues that may arise from increasing the amount of freight travelling by rail. The Committee urges the FIAB to consider the views of all relevant parties in the development of strategies to address the freight task in NSW. In addition, the Committee urges to NSW Government to release as soon as possible, details on the means by which the Government intends to achieve the increased rail freight transport.

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73 Stewart Smith, Current Issues in Transport Policy, p12

74 see [www.dotars.gov.au/AusLink](http://www.dotars.gov.au/AusLink) (accessed 30 March 2005)

75 Submission 88, NSW Road Transport Association, p21

76 Mr Russell, Shipping Australia, Evidence, 21 April 2004, p14

- 3.42** The Committee also notes the recent announcement by the Government of a review led by the former head of the Ministry of Transport, Mr Mark Duffy. According to media reports, Mr Duffy will consider solutions for light rail, train and bus transport throughout the city. The *Sydney Morning Herald* reported that the M4 East project had been put on hold while the review is undertaken. The article reports that the 'decision to suspend the M4 East has been prompted mainly by criticism over the absence of a transport package in the metropolitan strategy.'<sup>77</sup> The Committee raises this issue again in Chapter 5 in relation to the transport requirements for Port Botany.
- 3.43** In relation to AusLink, the Committee believes that this initiative provides a timely opportunity to assist with improvements in road and rail infrastructure. The Committee encourages the NSW Government and industry to work together with the Commonwealth Government on the projects identified as priorities for 2004-05 to 2008-09. The Committee agrees with inquiry participants such as Shipping Australia, that the success of AusLink will depend on how it works in practice.
- 3.44** The Committee examines in more detail the rail and road infrastructure servicing each of the major commercial NSW Ports in Chapters 4 to 7. The issue of intermodal terminals for Port Botany is dealt with in Chapter 5.

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#### **Recommendation 4**

Recognising an overall increase in the volume of freight traffic, both road and rail, in relation to the NSW Government's Port Freight Plan for Sydney the NSW Government should:

- ensure that the Freight Infrastructure Advisory Board (FIAB) consults all relevant parties in the development of strategies to address the freight task in NSW
- ensure proposed freight related projects fit into a broader freight infrastructure framework
- release, as soon as possible, the means by which the NSW Government intends to achieve the increased rail freight transport, including plans for an intermodal network.

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<sup>77</sup> Darren Goodsir, 'M4 East shelved for city makeover,' *The Sydney Morning Herald*, 27 April 2005, p1

## Chapter 4 Port Jackson

This chapter examines the impact of the NSW Ports Growth Plan on Port Jackson. In particular, it examines the future of the Glebe Island facilities, and the proposed transfer of general stevedoring from Darling Harbour to Port Kembla. It also examines the future of Port Jackson as a ‘working harbour’ and the future of publicly owned port land.

### The closure of White Bay and the move to Darling Harbour

4.1 During the inquiry, a number of concerns were raised about the closure of the White Bay terminal in November 2003 and the move of P&O Ports to joint facilities with Patrick at Darling Harbour. Those concerns included that:

- White Bay had access to rail services, whereas Darling Harbour is only accessible by road. Moreover, road access to Darling Harbour is not ideal since it transits the fringe of the CBD, whereas White Bay is easily accessible from the Western Distributor
- White Bay had better crane facilities and more space
- Darling Harbour berth 8 is required to service the Spirit of Tasmania, which runs three times a week, and other cruise liners, placing additional restraints on movement and wide load handling in the Darling Harbour precinct.

4.2 These concerns were raised by a broad range of parties, including:

- Shipping Australia Limited (SAL), which is a peak shipowner body representing 36 member shipping companies and shipping agents in Australia.<sup>78</sup> SAL submitted that the demise of container handling facilities at White Bay had resulted in a loss of around 25-30% rail capacity to the Sydney basin, with the result that on occasions, vessels are delayed berthing at Darling Harbour for up to 48 hours<sup>79</sup>
- individual shipping lines such as ANL Container Line Pty Ltd<sup>80</sup> and AsiaWorld Shipping Services Pty Ltd.<sup>81</sup>
- the Sydney Harbour Maritime Forum, which is the peak representative group for the maritime industry in Sydney Harbour<sup>82</sup>

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78 Submission 27, SAL, p3

79 Submission 27, SAL, p3. See also Mr Russell, SAL, Evidence, 21 April 2004, pp14,19

80 ANL is a container shipping company providing extensive services from Sydney to Asia, New Zealand and the Pacific Islands. Its vessels call at Port Jackson and Port Botany. The company is a wholly owned subsidiary of the French CMA CGM group. See submission 29, ANL, p2

81 AsiaWorld Shipping Services Pty represents as agents Spliethoff Transport BV, a shipping line that has used Port Jackson for over 20 years, using both the Darling Harbour and White Bay facilities to service import and export breakbulk and heavy lift cargoes. See submission 79, AsiaWorld Shipping Services, p5

82 The membership of the Sydney Harbour Maritime Forum includes Shipping Australia, the NSW State Chamber of Commerce, representatives of port service industries, boating associations, and representatives of a range of government departments. See submission 87, Sydney Harbour Maritime Forum, p4

- the Sydney branch of the Maritime Union of Australia (MUA), which cited figures that box rates achieved at White Bay prior to its closure exceeded 21 boxes per hour on certain vessels, whereas box rates at Darling Harbour have dropped as low as six per hour. Accordingly, the MUA submitted that if Darling Harbour is to be closed in 2006, then both stevedoring operations at the terminal (P&O Ports and Patrick) should be transferred back to White Bay.<sup>83</sup>

**4.3** In response to these concerns, however, P&O Ports, which previously operated at White Bay, supported the decision to move its facilities to Darling Harbour on a temporary basis. P&O Ports argued that the provision of general and container stevedoring at White Bay had become a marginal activity at best, due to the residential encroachment adjacent to the site necessitating modified work practices and restrictions on transport services, and reductions in berthing rates as a result of the international trend towards larger vessels which make fewer calls at port. P&O Ports submitted that at the time it ceased operations at White Bay in late November 2003, the terminal was operating at 20% berth occupancy. The industry norm is around 40-60%.<sup>84</sup>

## The possible closure of facilities at Glebe Island and Blackwattle Bay

### The Glebe Island Automotive Terminal

- 4.4** During the inquiry, a number of industry concerns were raised with the Committee about the possible closure of the Glebe Island Automotive Terminal at the expiry of leases in either 2012 or 2017.
- 4.5** In its submission, Australian Amalgamated Terminals (AAT), the operator of the Glebe Island Automotive Terminal since December 2002, argued that the terminal is Australia's premier motor vehicle import facility, with the availability of the full range of pre-delivery and inspection services, and easy access to major roads for delivery to the Sydney metropolitan market.<sup>85</sup> Accordingly, the company indicated that it is likely to exercise its additional five-year lease option at the end of 2012, provided it meets lease conditions and throughput targets, and advocated a further extension of its lease at least until 2023 to allow it to make investment decisions required for the further growth of the motor vehicle import trade into NSW.<sup>86</sup>
- 4.6** AAT's joint venture owners, P&O Ports and Patrick, reiterated these arguments in their submissions.<sup>87</sup> In addition, the Committee notes the evidence of Mr Tim Blood, Managing Director of P&O Ports, during the hearing on 17 May 2004:

83 Submission 47, MUA, pp 1-2. See also Mr Blood, P&O Ports, Evidence, 17 May 2004, p4

84 Submission 71, P&O Ports, p3

85 The Committee notes that cars unloaded at Glebe Island have in the past been sent through to Minto and Ingleburn for pre-delivery inspections and processing, but that more recently, an increasing number of cars are being processed at Glebe Island before being delivered directly to dealers. Evidence, 14 May 2004, p1; Evidence, 17 May 2004, p14

86 Submission 75, AAT, p2

87 Submission 71, P&O Ports, pp3-4; Submission 84, Patrick, p3.

Glebe Island is the most efficient car terminal in Australia. It was developed as such by P&O Ports. In 2002, we entered into a joint venture with Patrick Stevedores called Australian Amalgamated Terminals, or AAT, to lease and manage that facility. ... The lease is for a period of 10 years with a further option of five years exercisable by AAT in certain circumstances relating to minimum throughputs and investment. Investment will indeed be needed to increase the capacity of the terminal to cater for the forecast increase in throughput. However, clarification of the Government's intention regarding Glebe Island beyond 2012 will be required before this investment can be justified. P&O Ports joins with other members of the automobile, transport and logistics industry in calling for the retention of Glebe Island as an automobile terminal, at least until 2017, and preferably 2023.<sup>88</sup>

- 4.7** The Committee also received a submission from the Federal Chamber of Automotive Industries (FCAI)<sup>89</sup> in support of the continued use of the Glebe Island Automotive Terminal beyond 2017. FCAI indicated that in 2002-2003, the automotive industry imported 195,000 vehicles through Port Jackson, approximately 70% of which went on sale in the Sydney metropolitan area. The chamber submitted that while the terminal is not perfect in that it ideally requires improvement in terms of rail access, infrastructure and rolling stock, nevertheless the facility is in the right location to service the Sydney market, and can hold 6,000 units, which is currently sufficient for the market.
- 4.8** The FCAI noted that during the 2000 Sydney Olympics, the automotive industry trialled using Port Kembla for the import of vehicles from Japan. The FCAI argued that the exercise highlighted the major drawbacks of moving away from Port Jackson and the Sydney market, as there were significant cost penalties associated with transport from Port Kembla.<sup>90</sup>
- 4.9** Similarly, the Committee also notes the strong support expressed by the Sydney Ports Users Consultative Group<sup>91</sup> for the continued use of the Glebe Island Automotive Terminal.<sup>92</sup>
- 4.10** However, in its submission, Wallenius Wilhelmsen<sup>93</sup> raised concerns that the Glebe Island Automotive Terminal will not be able to cope with the anticipated increase in motor vehicle imports. The company submitted that it would be unrealistic for Sydney motor commerce, which is growing at 5% per annum, to continue to be catered for by a terminal with a capacity for just over 5,000 cars and just over 400m of berth length. Accordingly, Wallenius

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88 Mr Blood, P&O Ports, Evidence, 17 May 2004, p1

89 The FCAI is the peak industry organisation representing the automotive industry in Australia. Its membership comprises the four passenger motor vehicle manufacturers in Australia, and all the major international brands importing and marketing passenger, light commercial and four-wheel drive vehicles in Australia.

90 Submission 41, FCAI, pp1-2

91 The Sydney Ports Users Consultative Group is a representative body of the senior members of the Sydney port community that assembles regularly to address strategic issues related to the port.

92 Submission 83, Sydney Port Users Consultative Group, p 2. See also Mr O'Dea, Sydney Port Users Consultative Group, Evidence, 17 May 2004, p14

93 Wallenius Wilhelmsen is a shipping partnership formed in 1999, recognised as a global leader in roll-on, roll-off services.

Wilhelmsen advocated using White Bay No 5 and 6 berths as a back-up facility in order to meet the future requirements of the industry.<sup>94</sup>

**4.11** Mr Gerry Gleeson, former Chairman of the Sydney Harbour Foreshore Authority<sup>95</sup>, indicated during evidence that the Authority would like to see a study of Glebe Island to see whether it should be preserved for car imports.<sup>96</sup>

**4.12** The Committee raised the future of the Glebe Island Automotive Terminal with Mr Greg Martin, CEO of Sydney Ports Corporation (SPC), during the hearing on 24 May 2004. In response, Mr Martin observed:

One of the most difficult areas for Sydney Ports to manage since the announcement of the Ports Growth Plan has been how to deal with shipping operators using roll-on, roll-off – we will call them Ro-Ro vessels. For these shipping companies, and particularly those primarily importing motor vehicles as well as some agricultural equipment and other Ro-Ro cargo, they are competing directly in the motor vehicle import market with pure car-carrying vessels who are using or soon will be using the Glebe Island car terminal. However, because of the other cargo they carry, Ro-Ro vessel operators need some undercover storage and hence they would either seek to use part of the White Bay facilities, which are now vacant, or use the Glebe Island AAT car terminal on which substantial capital expenditure would be required on buildings and possibly a new berth, or they would have to use another port; Port Kembla, Newcastle, Brisbane or Melbourne.

I am aware the Federal Chamber of Automotive Industries (FCAI) and Wallenius Wilhelmsen have recently submitted to this inquiry that the car import industry for New South Wales is focused on Sydney because of the population concentration here and an operator could not be competitive in this market if using a port other than Sydney. The difficulty for Sydney Ports Corporation is that to handle the Ro-Ro vessels carrying cars and other cargo at the AAT terminal at Glebe Island would require additional capital expenditure, may well congest the berths in the terminal storage area and the remaining lease term may be too short to amortise the necessary capital expenditure, as Patrick discussed with this Committee last month.<sup>97</sup>

**4.13** The Committee understands that the NSW Ports Growth Plan includes the commissioning of ‘a detailed master plan defining the future use of Darling Harbour East, White Bay and Glebe Island’.<sup>98</sup> As part of the preparation of that Master Plan, the Committee believes that, given the lead time of major capital investment, the NSW Government should investigate the long-term viability of the Glebe Island Automotive Terminal, and the costs and benefits of extending leases at the terminal beyond 2017. On the basis of the evidence to this inquiry, the Committee is convinced that there is potential for major employment and economic benefits in moving to Port Kembla. While we acknowledge there is a strong industry preference for

94 Submission 81, Wallenius Wilhelmsen, pp3,5. See also Mr Dexter, Wallenius Wilhelmsen, Evidence, 22 April 2004, p2

95 The Sydney Harbour Foreshore Authority was formed following the amalgamation of the Darling Harbour Authority, The Rocks Authority and the City West Development Corporation. Its main function is the preservation, conservation and general place management of those areas. See Evidence, 18 May 2004, p17

96 Mr Gleeson, Sydney Harbour Foreshore Authority, Evidence, 18 May 2004, p18

97 Mr Martin, SPC, Evidence, 14 May 2004, p37

98 Submission 82, NSW Cabinet Office, p1

maintaining operations at Glebe, the Committee is of the view that, given the potential benefits of a move to Port Kembla, further investigation of the long-term viability of Glebe Island Automotive Terminal should include an analysis of the costs and impact on employment of a move to another port such as Port Kembla. Issues relating to Port Kembla are discussed in Chapter 6.

- 4.14** The majority of the Committee endorse this recommendation, however the Opposition Committee members believe, regardless of any expansion of Port Kembla, there should be a guaranteed future of Port facilities at the Glebe Island Terminal.
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### **Recommendation 5**

Recognising the expected ongoing growth in car importation to NSW, the Committee calls on the NSW Government to make a decision on the long term future of the Glebe Island Terminal, including the costs and/or benefits of any move to Port Kembla.

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### **The bulk dry cargo facilities at Glebe Island**

- 4.15** In its submission to the inquiry, Sugar Australia<sup>99</sup> indicated that it leases 14 grain silos at Glebe Island terminal for the storage of refined sugar. However, Sugar Australia raised concerns that its facilities could be closed, resulting in loss of jobs, increased truck movements, increased costs to maintain the roads, and increased costs to maintain the silos at Glebe Island as heritage items.<sup>100</sup>
- 4.16** Cement Australia Holdings Ltd currently operated out of Glebe Island, receiving and distributing around 500,000 tonnes of cement per year. In its submission to the inquiry, Cement Australia explained they had made considerable investment in infrastructure at Glebe Island and have begun a number of other projects to increase the efficiency ship discharge and the road loading facility. The organisation suggested that there were a number of benefits in maintaining Glebe Island as a distribution centre including minimising heavy vehicle traffic, safeguarding jobs and ensuring a continuation of a efficient supply of cement for the construction industry.<sup>101</sup>
- 4.17** The future of Glebe Island is discussed further below.

### **The bulk concrete aggregate facilities at Blackwattle Bay**

- 4.18** In its submission to the inquiry Pioneer Construction Materials Pty Ltd (Pioneer) raised concerns about its waterfront concrete batching plant and aggregates storage terminal at

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99 Sugar Australia is an unincorporated joint venture between CSR Limited, Mackay Sugar Co-Operative Association Limited and ED & F Man Australia Pty Limited.

100 Submission 50, Sugar Australia, pp1-3

101 Submission 77, Cement Australia Holdings Ltd, pp4-5

Blackwattle Bay. The terminal has operated since 1972, and processes over 3,000,000 tonnes of concrete each year.<sup>102</sup>

- 4.19** Similarly, in its written submission, Cement Australia Holding Limited cited Government assurances that the importation of cement products would not be affected by the NSW Ports Growth Plan, but noted that the company needs to be able to rely on these assurances, especially if it is to expand its facilities beyond 2020.<sup>103</sup>
- 4.20** The Committee endorses the current operations at Blackwattle Bay and notes that the NSW Ports Growth Plan does not affect these operations.

### **Noise levels in and around Glebe Island**

- 4.21** During the inquiry, concerns were raised about the level of noise made by roll-on/roll-off (Ro-Ro) ships, such as those operated by Wallenius Wilhelmsen, in Port Jackson. Primarily, those concerns related to the facilities at White Bay, now closed, however concerns were also raised about the level of noise at Glebe Island.<sup>104</sup>
- 4.22** In response to this issue, Mr Peter Dexter, Regional Director of Wallenius Wilhelmsen, submitted:

Our view is that the noise levels that would emanate from our ships would not be a lot different to the ships operating through Glebe that are there and, certainly, given that most of the ships that come into Port Jackson today are PCTCs, Ro-Ro vessels similar to ours, I would think that the noise emanating from ours would be little different to anyone else's.<sup>105</sup>

- 4.23** The Committee raised the issue of noise in Sydney Harbour with Mr Colin Woodward, Executive Director of Operations with the Department of Environment and Conservation, during the hearing on 14 May 2004. Mr Woodward indicated to the Committee:

The Department licenses various port facilities, and as conditions of those licences we require both works to be done where necessary to achieve certain noise levels, and we require monitoring to be carried out. We also then respond to complaints or public reports, and deal with those as well. In each case where there are noise issues, we use those various tools to deal with them.<sup>106</sup>

- 4.24** The Committee subsequently questioned Mr Woodward whether urban development has been allowed to encroach too near to port facilities in Sydney Harbour, leading to problems such as noise. In response, Mr Woodward indicated that the planning authorities – the State Government and Local Government – are responsible for planning decisions, although the Department of Environment and Conservation does have an input into the process.<sup>107</sup>

102 Submission 7, Pioneer, p1

103 Submission 77, Cement Australia Holding Ltd, p5

104 Submission 8, White Bay Noise Advisory Committee, pp1-3

105 Mr Dexter, Wallenius Wilhelmsen, Evidence, 22 April 2004, p3

106 Mr Woodward, Department of Environment and Conservation, Evidence, 14 May 2004, p32

107 Mr Woodward, Department of Environment and Conservation, Evidence, 14 May 2004, p32

## **The removal of general cargo stevedoring from Darling Harbour**

- 4.25** As indicated in Chapter 2, the NSW Ports Growth Plan advocates the relocation of general cargo stevedoring from Darling Harbour as leases expire, subject to satisfactory negotiations being completed between the lessees and the Port Kembla Port Corporation.
- 4.26** In its submission on behalf of the NSW Government, the NSW Cabinet Office advocated this move on the basis that the Darling Harbour facility is poorly suited to handling mixed cargoes of containers and break-bulk cargo due to a combination of irregular shipping timetables and specific equipment and storage shortcomings.<sup>108</sup>
- 4.27** Similarly, the Committee notes that the removal of general cargo stevedoring from Port Jackson received the enthusiastic support of the two major stevedoring companies in NSW - Patrick and P&O Ports.
- 4.28** In its submission, Patrick argued that the gradual closure of wharves in Port Jackson is part of a trend that began over 30 years ago with the container revolution in international shipping. As more cargo is containerised, there is less need for the older wharves in Port Jackson and greater need for container capacity at Port Botany.<sup>109</sup> In addition, Patrick argued that:
- the Darling Harbour facility is poorly situated as a cargo facility, with pressure from new developments, no connection to B-double truck routes and no rail access to take congestion away from the roads
  - the commercial viability of general stevedoring in Port Jackson is also being affected by the high value of harbour-side land in Sydney Harbour, which translates to high lease costs.<sup>110</sup>
- 4.29** Similarly, P&O Ports indicated in its submission its belief that urban encroachment on its berths in Port Jackson had meant that they were no longer efficient sites for stevedoring.<sup>111</sup>
- 4.30** While the general stevedoring companies expressed support for the removal of general cargo stevedoring from Darling Harbour and Port Jackson generally, a number of parties to the inquiry raised concerns about the move. These are examined below.

### **The impact on breakbulk and general cargo operators**

- 4.31** The strongest objection to the removal of general cargo stevedoring from Darling Harbour was made by companies that import and export breakbulk and general cargo through Port Jackson.
- 4.32** For example, in its written submission, AsiaWorld Shipping Services raised concerns that the closure of the White Bay and Darling Harbour facilities for breakbulk and general cargo traders, without any comparable additional capacity being made available at Port Botany,

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108 Submission 82, NSW Cabinet Office, pp7-8

109 Submission 84, Patrick, p3

110 Submission 84, Patrick, pp3-4

111 Submission 71, P&O Ports, p2

means that they would be obliged to seek port access elsewhere in NSW or perhaps even interstate.<sup>112</sup>

- 4.33** This position was reiterated by Wallenius Wilhelmsen, which argued that some of its main customers (including traders in automotive, agricultural and industrial machinery, together with various importers of breakbulk products to the Sydney basin) would be exposed to significant additional costs and inefficiencies through the closure of the Port Jackson facilities at Darling Harbour and White Bay.<sup>113</sup> Mr Dexter also made this point during the hearing on 22 April 2004:

We have found, though, that a significant proportion of our customers have advised us of their clear preference to ship their cargo through the Port of Sydney, and our challenge is to ensure that appropriate port and transport infrastructure are provided to facilitate cost efficient services to our customers.<sup>114</sup>

- 4.34** Accordingly, Mr Dexter opposed mandating the transfer of general cargo stevedoring from Port Jackson to Port Kembla, when it is not clear that there are both immediate and long-term advantages for importers.<sup>115</sup>
- 4.35** Similarly, the City of Sydney noted that the facilities in Port Jackson offer access to markets that larger ports such as Port Botany may not offer, and that closure of these facilities may drive users away from the Sydney region.<sup>116</sup>
- 4.36** In its submission, Patrick acknowledged that ‘there will always be a need to service specialised general cargo ships which carry cargo that cannot be containerised’. However, Patrick argued that in the longer term, Port Kembla is a more viable location for general cargo, and indicated that it will be working with Port Kembla Port Corporation to develop cost effective cargo facilities to service the trade.<sup>117</sup>

### **The impact on maritime support service providers**

- 4.37** Concerns were also raised with the Committee during the inquiry about the impact of the closure of general cargo stevedoring in Port Jackson on maritime support service providers.
- 4.38** In its submission, Adsteam Marine, a provider of harbour towage and other related services in Sydney Harbour, argued that the proposed reduction in shipping calls in Port Jackson will lead to a drop of approximately 20% in its business and revenue. Adsteam further noted that it built a new tug base in Port Jackson in 2001 with a long-term lease on the land, but submitted that it would not have made such an investment had it known about the government’s intentions for Port Jackson earlier.<sup>118</sup>

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112 Submission 79, AsiaWorld Shipping Services Pty Ltd, p2

113 Submission 81, Wallenius Wilhelmsen, p3

114 Mr Dexter, Wallenius Wilhelmsen, Evidence, 22 April 2004, p2

115 Mr Dexter, Wallenius Wilhelmsen, Evidence, 22 April 2004, p5

116 Submission 99, City of Sydney, p1

117 Submission 84, Patrick, p11

118 Submission 90, Adsteam Marine, p1

### **The impact on employment**

**4.39** The MUA also raised concerns that the closure of the Darling Harbour terminal would effectively eliminate the jobs of approximately 175 stevedores employed by P&O Ports and Patrick, together with in excess of 100 casual employees at Patrick. In addition, there would be job losses in other support industries such as tug and pilotage companies.<sup>119</sup> Mr Robert Coombs, Secretary of the MUA, elaborated on his concerns during the hearing on 22 April 2004:

Let us say, for example, that [general cargo and container cargo] were simply to move to Port Kembla. We would not be able to find positions for them in Port Botany. They would have to take one of two decisions. They would have to leave or, if we negotiated with the company an appropriate removal package, they would have to move to Port Kembla. Both choices would be difficult ones for current employers to take because there are lots of problems attached to them.<sup>120</sup>

**4.40** Similarly, the Southern NSW Branch of the MUA raised its concern in its written submission that the number of jobs generated as a result of the transfer of work to Port Kembla would not match the number of jobs placed in jeopardy in Sydney. The Southern NSW Branch noted that stevedores' jobs may be readily transferable from Port Jackson to Port Botany, but that people in specialist positions such as port navigators, linesmen and tug operator may not be as readily transferable.<sup>121</sup>

### **A 'working harbour'?**

**4.41** In its submission to the inquiry the NSW Government observed that the removal of general cargo stevedoring from Darling Harbour and Port Jackson generally in no way indicates that the NSW Government has moved away from its 'working harbour' philosophy. Instead, the Cabinet Office submitted that it reflects another stage in Sydney Harbour's evolving role in servicing NSW's trade requirements.<sup>122</sup>

**4.42** However, the Committee notes that various parties during the inquiry raised concerns that the NSW Ports Growth Plan would see the end of Sydney Harbour as a 'working harbour'.

**4.43** The Committee notes in particular the submission of the Millers Point, Dawes Point, The Rocks Resident Action Group.<sup>123</sup> Mr Michael Harrison representing the Action Group cited to the Committee the decline in wharfage space in Sydney Harbour since 1976, with all

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119 Submission 47, MUA, p1

120 Mr Coombs, MUA, Evidence, 22 April 2004, p19

121 Submission 91, MUA Southern NSW Branch, pp3-4. See also Mr Keane, MUA Southern NSW Branch, Evidence, 19 February 2004, pp23-24

122 Submission 82, NSW Cabinet Office, p9

123 The Millers Point, Dawes Point, The Rocks Residents Action Group is the representative group for residents and the commercial community in Millers Point, Dawes Point and The Rocks. Submission 70, The Millers Point, Dawes Point, The Rocks Resident Action Group, p1

operations now confined to Glebe Island and Darling Harbour.<sup>124</sup> Mr Harold Kerr representing the Group also stated:

In 2003 Sydney Harbour handled 1,361 vessels. It handles roll-on roll-off, as we heard a little earlier in the day, break bulk cargo, and also containers from smaller vessels with mixed cargoes. Geographically the harbour is ideal for distribution of these cargoes and infrastructure exists. Commerce will ultimately outgrow the two Sydney ports. Newcastle and Port Kembla will be developed; these will require absolutely massive expenditure on infrastructure, particularly on transport infrastructure. Retaining as much as possible of Sydney Harbour as a working harbour postpones and reduces this outlay. Equally important, it significantly reduces the volume of cargo that will need carrying back to Sydney.<sup>125</sup>

**4.44** Similarly, the Sydney Harbour Maritime Forum argued that Port Jackson should continue to be available to service the Sydney market. The forum argued that the market of four million people in the Sydney metropolitan area is distributed around the Sydney basin, and that the additional freight costs from Newcastle (160km) and Port Kembla (100km) cannot be justified.<sup>126</sup>

**4.45** In turn, the Botany Bay and Catchment Alliance submitted that Port Jackson is the one working harbour in NSW that has the existing capacity (excluding rail access) not only to increase its throughput, but to do so with very little impact on the environment. It also has the advantage of easy distribution to Sydney's metropolitan regions.<sup>127</sup>

**4.46** In response to these positions, the Committee notes the evidence of Mr Gleeson and Mr Oxenbould, Acting Chief Executive of the Waterways Authority, that Sydney Harbour will continue as a 'working harbour', and will not simply become a harbour maximised for residential purposes. In particular, it was argued that Sydney Harbour will continue to support general shipping maintenance at White Bay, the importation of cars and materials for the construction industry at Glebe Island, and will remain a major tourist shipping port and the home on the east coast of the Royal Australian Navy. In addition, Sydney Harbour will remain a transport hub serviced by Sydney Ferries.<sup>128</sup> The Committee also notes the comments of Mr Martin:

... the public concern regarding the end of the working harbour is unfounded as there will still be some 1,000 ship visits per year, which includes car ships, to Sydney after the Patrick Stevedoring lease at Darling Harbour closes in 2006.<sup>129</sup>

**4.47** The Committee firmly believes that Sydney Harbour should remain a 'working harbour'. We acknowledge that there are concerns in some sections of the community about a move away from Sydney Harbour operating as a working harbour, particularly in relation to the considerable urban development occurring along Sydney shorelines. Despite these concerns,

124 Mr Harrison, The Millers Point, Dawes Point, The Rocks Resident Action Group, Evidence, 22 April 2004, p12

125 Mr Kerr, The Millers Point, Dawes Point, The Rocks Residents Action Group, Evidence, 22 April 2004, p14

126 Submission 87, Sydney Harbour Maritime Forum, p8

127 Submission 42, Botany Bay and Catchment Alliance.

128 Mr Oxenbould and Mr Gleeson, Evidence, 18 May 2004, pp12,17

129 Mr Martin, SPC, Evidence, 14 May 2004, p36

the Committee does not believe that, as it stands, the NSW Ports Growth Plan in any way lessens the role of Sydney Harbour as a 'working harbour'. We note however, that the nature of 'work' has changed over the past two decades and is likely to continue to change. In particular, the Committee believes that Sydney Harbour is likely to see a greater focus on leisure and tourism, in addition to the guarantees given to continue with particular import and export port activities, as outlined above.

## The future of publicly owned port land

**4.48** The future of publicly owned land at Millers Point, Glebe Island and White Bay received considerable comment during the inquiry.

**4.49** In its submission, the Millers Point, Dawes Point, The Rocks Residents Action Group advocated several key principles for the future management of public lands within Port Jackson:

- public ownership of Millers Point must be retained to ensure future flexibility of use
- public access to the foreshore must be enhanced and a walkway between Woolloomooloo and Blackwattle Bay constructed
- the opportunity to create generous areas of public space must be utilised
- any new buildings must be of limited height and bulk in keeping with view lines to and from the heritage precinct.<sup>130</sup>

**4.50** Representatives of the Millers Point, Dawes Point, The Rocks Residents Action Group also presented their position in detail during the hearing on 22 April 2004. In particular, the group called for a full and independent public inquiry into the future of Sydney Harbour, recommended that the scale of development be limited to low-rise, and argued that as much of the foreshore as possible should be retained for public access to maximise the diversity of the harbour and to maintain its character as a working harbour.<sup>131</sup>

**4.51** Several other parties to the inquiry also argued in their submissions that the existing berths at Darling Harbour, Glebe Island and White Bay are significant commercial, employment and strategic assets that should be kept in public ownership to meet existing and future port demand. These parties included the Sydney Harbour Maritime Forum, the Sydney Harbour Foreshores Committee, the Sea Freight Council of NSW<sup>132</sup>, the Planning Institute of Australia, the Leichhardt Council and the MUA.<sup>133</sup>

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130 Submission 70, The Millers Point, Dawes Point, The Rocks Residents Action Group, p1

131 Evidence, Mr Harrison, 22 April 2004, pp12-13

132 The NSW Sea Freight Council is an industry forum, bringing together a wide membership of supply chain and logistics industry representatives engaged throughout the sea freight transport chain.

133 Submission 87, Sydney Harbour Maritime Forum, p4; Submission 10, Sydney Harbour Foreshores Committee, p1; Submission 55, Sea Freight Council of NSW, p4; Submission 76, Planning Institute of Australia, p4; Submission 30, Leichhardt Council, pp1-3; Mr Keane, MUA Southern NSW Branch, Evidence, 19 February 2004, p26

**4.52** These issues were also raised during public hearings. For example, Mr Coombs submitted during the hearing on 22 April 2004:

Our simple view is that our harbour, in comparison with other major port cities, is considerably behind those of other cities when it comes to public access. We believe it is a beautiful asset; it is probably the major asset of Sydney. Mariners will tell you that, despite where they have been, it is the prettiest harbour that they have ever been to. So we believe if the land is not going to be used for stevedoring, let us know, and that is all right. If it is not going to be used for maritime related issues, we need to know that too. But to sell it off for the building of more units, restaurants and so on is short-sighted. Our view is that it should be left open to access by the public, tourists and our community in general basically.<sup>134</sup>

**4.53** Similarly, Ms Alison McCabe, Director of Environmental and Community Management with Leichhardt Council argued:

My key point ... is about the appropriate land uses of maritime precincts and working harbour and future needs. ... the uses of the sites should retain the potential for future maritime activities in accordance with working harbour principles. Those uses should also provide genuine public foreshore access. There is a need to move away from the concept that a 10 metre strip of land constitutes meaningful public access; and that short-term decisions and decisions on these lands should not alienate the use or the purposes for maritime uses or associated uses.<sup>135</sup>

**4.54** By contrast, however, P&O Ports argued in its submission that the vacant terminal at White Bay and soon to be vacant terminal at Darling Harbour should be put to uses other than stevedoring. The company suggested that 'to allow reversion of stevedoring would jeopardise the viability of the new terminal in Port Kembla and defeat the purpose of the relocation'.<sup>136</sup>

**4.55** The Committee also received a submission from Mr Daryl Gates in which he advocated that the land at Millers Point should be made available for a heliport. Mr Gates argued that a heliport would be:

- close to the tourist areas of Darling Harbour, Cockle Bay, the Rocks and the city
- away from residential areas, and near established helicopter access lanes
- provide transport access and a facility which could be used in an emergency.<sup>137</sup>

**4.56** In his evidence, former Chairman for the Sydney Harbour Foreshore Authority, Mr Gleeson suggested that land at Miller's Point should be preserved as open space and consideration given to establishing a sculpture park on that site.<sup>138</sup> In relation to how the current wharf space at Darling Harbour could be used, Mr Gleeson said:

134 Mr Coombs, MUA, Evidence, 22 April 2004, p21

135 Ms McCabe, Leichhardt Council, Evidence, 17 May 2004, p18

136 Submission 71, P&O Ports, p5

137 Submission 21, Mr Daryl Gates, pp1-2

138 Mr Gleeson, Sydney Harbour Foreshore Authority, Evidence, 18 May 2004, p17

Yes, we think that what is now described as East Darling Harbour, wharves 3 and 4 and part of 5, which will be vacated, should be transferred to the Sydney Harbour Foreshore Authority. We believe that 7 and 8 should be retained under the Ports Authority. That also includes part of 5. Surprisingly, there is no wharf 6, so we jump around a bit here. We believe that since we are looking ahead 30, 40 or 50 years 7 and 8 should be preserved, and part of 5, so that there would be the opportunity for cruise ship expansion, not just limited to one ship, which is the situation. As to the *Spirit of Tasmania*, we would prefer to see that relocated to White Bay. It causes traffic problems down where it is and we think that is a preferable case when the current lease—I think it is a five-year lease—runs out. We see White Bay being preserved for maritime uses. We cannot define precisely what they are because that is a matter for the Ports Authority and we are not as well informed as it is.

... I skipped one point, on Darling Harbour wharves, on land that becomes vacant. We would not see that being used for residential; we would see it primarily being open space. But we would see some commercial development on Hickson Road—low-rise commercial.<sup>139</sup>

**4.57** In relation to Glebe Island, Mr Gleeson has this to say:

We would like to see a study of Glebe Island to see whether that should be preserved for car imports. We are not experts on that; that is a matter for the Ports Authority and the Government to work through. But if Glebe Island does become surplus we would not support residential development on that site.<sup>140</sup>

**4.58** The Committee notes that on 3 February 2005, the NSW Premier, the Hon Bob Carr MP, announced the Government's intentions for the future of East Darling Harbour following the expiry of the stevedoring leases in 2006. The plan includes:

- the transformation of at least half of the site (11 hectares) into open space, to include 1.75km of foreshore access
- the development of the remainder of the site, with at least 75% to accommodate commercial activity and 25% residential activity
- the revitalisation of Hickson Road.<sup>141</sup>

**4.59** The Committee also notes the proposal to preserve Millers Point for a future iconic development.<sup>142</sup>

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139 Mr Gleeson, Sydney Harbour Foreshore Authority, Evidence, 18 May 2004, p18

140 Mr Gleeson, Sydney Harbour Foreshore Authority, Evidence, 18 May 2004, p18

141 DIPNR, 'City Park for Sydney on East Darling Harbour', [http://www.planning.nsw.gov.au/plansforaction/east\\_darling\\_harbour.html](http://www.planning.nsw.gov.au/plansforaction/east_darling_harbour.html) (accessed on 22 February 2005)

142 Mr Gleeson, Evidence, 18 May 2004, p17

## Summary

- 4.60** The Committee endorses the general intent of the NSW Ports Growth Plan as it relates to Port Jackson. In particular, the Committee endorses the transfer of general cargo stevedoring from Darling Harbour to Port Kembla as leases expire in 2006, on the basis that the facilities at Darling Harbour are not conducive to efficient stevedoring operations. At the same time, the Committee believes that there would be merit in a further examination of the future of the facilities at Glebe Island. This is addressed in the recommendation above.
- 4.61** The Committee notes that the Government has taken steps on the future of public lands on the Sydney Harbour foreshore since the receipt of evidence to this inquiry. While we welcome the announcement on the future of East Darling Harbour, we believe that, in relation to Millers Point in particular, this is an unrepeatable opportunity for the Government to ensure it remains a site of lasting significance to Sydney. While the Committee is not in the position to provide detailed recommendations on how the site might be developed, we strongly urge the NSW Government to ensure a balance of open space, and low rise residential and commercial development. The Committee believes any future development must take into account the particular historical and cultural features of the area. In addition, we believe it is important that this development occur in consultation with all relevant stakeholders, including community and residents groups. Millers Point should be considered a site of State significance and, as proposed, be preserved as open space.

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### Recommendation 6

That the NSW Government ensure that plans for the redevelopment of East Darling Harbour include a balance of open space, and low rise residential and commercial development. The redevelopment proposals should be developed in consultation with all relevant stakeholders including community and residents groups.

### Recommendation 7

That the NSW Government remain committed to the preservation of Millers Point as open space.

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## Chapter 5 Port Botany

This chapter examines the impact of the NSW Ports Growth Plan on Port Botany. In particular, it examines the proposed further expansion of the Port Botany container terminal, which is strongly supported by the Sydney Ports Corporation (SPC), shipping lines, business organisations and the major stevedores and transport operators, but vigorously opposed on environmental and social grounds by local councils, and community and environmental groups. An independent Commission of Inquiry is currently examining the expansion of Port Botany. As noted early in this report, the Committee's Interim Report on Port Botany<sup>143</sup> resulted in the Minister for Infrastructure, Planning and Natural Resources, the Hon Craig Knowles MP, amending the terms of reference for the Commission of Inquiry to include 'an analysis of any potentially feasible alternatives at Port Botany to the carrying out of the development, including the alternative proposed by P&O Ports Limited.'<sup>144</sup> In response the Commission of Inquiry immediately postponed its schedule of hearing to take account of the amended terms of reference. The Commission of Inquiry is expected to report within the next couple of months.

While not wanting in any way to anticipate or pre-empt the findings of the Commission, in this chapter the Committee examines some of the major issues facing Port Botany.

### The proposed expansion of the Port Botany container terminal

- 5.1** In its submission the NSW Government identified the proposed expansion of Port Botany as the 'most efficient next step towards the goal of enhancing the State's major container capacity'.<sup>145</sup>
- 5.2** As highlighted in Chapter 2, Port Botany currently handles virtually all container traffic through the NSW ports. It has a number of advantages as a port:
- the operational costs for shipping lines are relatively low
  - the combination of terminal, road and rail infrastructure are of sufficient quality to facilitate reliable and adequate turnaround times
  - it is relatively close to the main destination for containerised imports and exports.<sup>146</sup>
- 5.3** Expanding on this last point, the MUA noted in its submission that 85% of NSW container imports are bound for destinations not more than 40km away from the CBD. Accordingly, the MUA submitted that transport costs would increase significantly if Port Kembla or the Port of Newcastle became major container terminals. The MUA submitted:

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143 Standing Committee on State Development, Inquiry into Port Infrastructure in New South Wales, Interim Report, Report 29, May 2004

144 Correspondence from the Hon Michael Egan MLC to Mr John Evans, 26 November 2004

145 Submission 82, NSW Cabinet Office, p12

146 Submission 88, NSW Road Transport Association, p14. See also Mr McMaster, NSW Road Transport Association, Evidence 18 May 2004, p7; Mr Beesley, Newcastle Stevedores, Evidence, 20 April 2004, p4

It stands to sound reason, the further you are away from the major parts of the market – the higher the cost of transport, and hence the higher the cost of produce and consumer items. It is a fact that most shippers do not want to go anywhere but Sydney to service NSW requirements.<sup>147</sup>

**5.4** In its submission, the State Chamber of Commerce (NSW) cited figures from SPC that transport costs to Sydney would increase by an additional \$100-\$160 per twenty-foot equivalent unit containers (TEU) from Port Kembla, and by \$160-\$200 from the Port of Newcastle.<sup>148</sup>

**5.5** Accordingly, the Committee notes that a number of parties to the inquiry including SPC, business representatives, transport operators, stevedores and shipping representatives, expressed strong support for the proposed further expansion of Port Botany. The Committee notes in particular the evidence of Mr Greg Martin, CEO of SPC:

I think the strongest possible reason you can give why Port Botany, in our view, was the logical and the right choice, is because 85 per cent of the containers that come through Port Botany only move within 40 kilometres.<sup>149</sup>

**5.6** The two major stevedores expressed similar positions. P&O Ports noted that Port Botany is the second busiest container port in Australia (behind Melbourne) and will remain the premier container terminal in NSW.<sup>150</sup> This was reiterated by Mr Tim Blood, Managing Director of P&O Ports:

Port Botany is and will remain the premier container location in New South Wales. We fully support the Ports Growth Plan recognition of this through its identification of Port Botany as the primary location for the development of additional container handling facilities for New South Wales. As a container terminal operator, we are ultimately driven by the need to best meet the demands of importers and exporters. Importers and exporters seek regular and frequent services from and to a wide range of destinations at the lowest possible overall cost. This is best achieved by consolidating shipping line calls at a single port and by making full use of already available facilities and infrastructure, building incrementally upon these rather than creating such facilities and infrastructure anew.<sup>151</sup>

**5.7** Similarly, Mr Donald Smithwick, Director of Automotive and General with Patrick, indicated that Patrick supports the transfer of containerised freight to Port Botany.<sup>152</sup>

**5.8** In turn, the State Chamber of Commerce (NSW) indicated its support for the expansion of Port Botany, and recommended that planning approval be expedited, on the basis that Port Botany is likely to be the focus of growth of container shipping into NSW for at least the next 20 years.<sup>153</sup>

147 Submission 47, MUA, p3

148 Submission 51, State Chamber of Commerce (NSW), p7

149 Mr Martin, SPC, Evidence, 14 May 2004, p42

150 Submission 71, P&O Ports, pp4-5. See also Mr Blood, P&O Ports, p1

151 Mr Blood, P&O Ports, Evidence, 17 May 2004, p2

152 Mr Smithwick, Patrick, Evidence, 21 April 2004, p22

153 Submission 51, State Chamber of Commerce (NSW), p3

- 5.9** In its submission, Shipping Australia Limited (SAL) indicated that it also supported SPC's commitment to developing Port Botany, noting that transport costs would increase significantly if either Newcastle or Port Kembla were used as major container terminals. In evidence, Mr Llew Russell, CEO of SAL, advocated developing Port Botany to its maximum capacity, eradicating the need to develop additional capacity outside the Sydney basin for several decades.<sup>154</sup>
- 5.10** The Committee also notes the support of the Sydney Port Users Consultative Group and Transurban for the further expansion of Port Botany.<sup>155</sup>
- 5.11** Finally, the Committee also recognises that considerable opposition was also expressed during the inquiry to the further expansion of Port Botany, based on environmental and social considerations. The Committee examines these issues below.

## **The impact of the proposed expansion of the Port Botany terminal**

### **The environment impact**

- 5.12** The Committee's Interim Report provided an overview of the environmental concerns regarding the proposed Port Botany expansion.<sup>156</sup> In summary, the following environmental concerns were raised in relation to the proposed expansion:
- the loss of feeding habitat for migratory wader birds and over-wintering shorebirds in the Penrhyn Estuary and southern portions of the bay
  - the further loss of seagrass from the bay
  - the degrading of costal systems along the foreshore of the bay
  - the discharge of ballast water from ships, raising quarantine concerns relating to introduced marine pests
  - the contamination of the water by tri-butyl tin oxide - a ship anti-foul agent used on the hulls of ships visiting Port Botany
  - the contamination of the groundwater under the bay.
- 5.13** These concerns were expressed by a broad range of parties making written submissions to the inquiry, including local councils, community and environmental groups, and individuals.
- 5.14** Amongst councils, the Committee notes that it received written submissions from the Sutherland Shire Council<sup>157</sup> and the City of Botany Bay Council.<sup>158</sup> The City of Botany Bay Council argued that the environmental and social impact of the expansion of Port Botany

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154 Submission 27, SAL, p4. See also Mr Russell, SAL, Evidence, 21 April 2004, p15

155 Mr O'Dea, Sydney Port Users Consultative Group, Evidence, 17 May 2004, p14; Submission 73, Transurban, p6

156 see Interim Report, May 2004, pp5-6

157 Supplementary submission 92, Sutherland Shire Council, pp2-4

158 Submission 15, City of Botany Bay Council, pp13-19

would be contrary to the Government's own Botany Bay Strategy, which emphasises sustainable development. The Council stated:

It is Council's position that the expansion of Port Botany is not sustainable given the existing impacts of the Port and the future impacts if the Port is allowed to expand.<sup>159</sup>

- 5.15** The Committee also received a submission from the Southern Sydney Regional Organisation of Councils (SSROC), which represents eleven local government councils located around Botany Bay and along its two tributaries.<sup>160</sup>
- 5.16** A number of environmental groups also wrote to the Committee to express their concerns about the impact of further expansion of the container terminal on Botany Bay including the Botany Bay and Catchment Alliance<sup>161</sup>, Save Botany Beach Inc<sup>162</sup>, the Coast and Wetlands Society Inc<sup>163</sup>, the Rockdale Wetlands Preservation Society<sup>164</sup> and the Coast and Wetlands Society Inc.<sup>165</sup>
- 5.17** Similarly, the Committee also notes the written concerns of various community and political groups including the Kurnell Regional Environment Planning Council,<sup>166</sup> the South West Enviro Centre,<sup>167</sup> the St George Greens,<sup>168</sup> the Botany Bay Planning and Protection Council,<sup>169</sup> the Concerned Citizens Association Rockdale Third Ward<sup>170</sup> and the Four Ports Campaign Committee.<sup>171</sup>

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159 Submission 15, City of Botany Bay Council, p25

160 Submission 56, SSROC, pp5-6

161 Submission 42, Botany Bay and Catchment Alliance, pp9-12

162 Submission 78, Save Botany Beach Inc, pp6-12

163 Submission 12, Coast and Wetlands Society, pp1-2

164 Submission 13, Rockdale Wetlands Preservation Society, p1

165 Submission 12, Coast and Wetlands Society, pp1-2

166 The Kurnell Regional Environment Planning Council is a coalition of eight community organisations within Sutherland Shire. See submission 74, Kurnell Regional Environmental Planning Council, p3

167 The South West Enviro Centre Inc is a not-for-profit voluntary community-based organisation focused on environmental issues affecting the south-west of Sydney. See submission 52, South West Enviro Centre Inc, pp1-2

168 Submission 61, St George Greens, pp1-2

169 Submission 53, Botany Bay Planning and Protection Council, pp2-5

170 The Concerned Citizens Association Rockdale Third Ward is a community group established in 1986 in response to over-development concerns in the Third Ward of Rockdale City Council. Third Ward covers the suburbs of Kyeemagh, Brighton-le-Sands and parts of Monterey, Rockdale, Banksia and Kogarah. The group has approximately 60 members. See submission 45, The Concerned Citizens Association Rockdale Third Ward, pp2-5

171 Submission 97, Four Ports Campaign Committee, p1

**5.18** The Committee also acknowledges the private written submissions of Mr S. Langford,<sup>172</sup> Ms Soraya Kassim,<sup>173</sup> the Hon Bruce Baird MP,<sup>174</sup> Mr Klass Boes<sup>175</sup> and Mr Milton Way, who highlighted in particular the preservation of the Towra Point Nature Reserve.<sup>176</sup>

**5.19** Similar concerns were also expressed during hearings. The Committee notes in particular the evidence of Mr Gary Blaschke, spokesperson of the Botany Bay and Catchment Alliance, during the hearing on 21 April 2004:

The environmental disadvantages would include the loss of existing habitat and species, potential and real destruction of regional habitat, loss of biodiversity, precedents set for future destruction of habitats and biodiversity, scientific experiments, untested and totally unknown outcomes, unknown cumulative impacts, lack of effective enforcement, and ineffective modelling without guaranteed outcomes, as we did with the third runway. We are now suffering from modelling that did not work.<sup>177</sup>

**5.20** The Committee also acknowledges the evidence of Ms Joan Staples, Chairperson of Save Botany Beach Inc<sup>178</sup> during the hearing on 14 May 2004.<sup>179</sup>

**5.21** One of the major issues concerning a number of parties providing evidence to the inquiry included the Orica-owned site at Port Botany. As quoted in the Interim Report, the Department of Environment and Conservation explained:

There is historical contamination from the Botany area – the Botany industrial area – much of which comes from the old ICI, or the now Orica-owned site, and that has dominated a lot of the public interest. But there are several industrial activities around that area that have operated over the last 100 years or more, that have contaminated some of the ground water there.<sup>180</sup>

**5.22** According to Mr Blaschke there is the potential to pollute the entire bay with sediment from dredging that could include toxins and heavy metals being released. Asked to explain his concerns, Mr Blaschke told the Committee:

We are looking at a toxic plume of hexachlorobenzene [HCB]. The studies by Orica on the Penrhyn Estuary are that they have found ethylene dichloride in shellfish, and HCB and heavy metals in fish. We know that the plume has reached Penrhyn Estuary and the EPA has admitted that.<sup>181</sup>

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172 Submission 31, Mr S. Langford, p1

173 Submission 54, Ms Soraya Kassim, p1

174 Submission 95, The Hon Bruce Baird MP

175 Submission 94, Mr Klass Boes, p1-2

176 Submission 72, Mr Milton Way, pp1-3

177 Mr Blaschke, Botany Bay and Catchment Alliance, Evidence, 21 April 2004, p4

178 Save Botany Beach Inc is a community organisation incorporating approximately 200 members primarily from the suburbs in and around Botany Bay.

179 Ms Staples, Save Botany Beach Inc, Evidence, 14 May 2004, pp14-26

180 Mr Woodward, DEC, Evidence, 14 May 2004, p26

181 Mr Blaschke, Botany Bay and Catchment Alliance, Evidence, 21 April 2004, p9

- 5.23** Mr Blaschke also expressed concern that any major dredging of the nearby bay would increase rather than decrease the rate of the plume movement.<sup>182</sup> In recent media article, The Save Botany Beach group expressed concerns about what they believe to be high levels of contamination in the area, including Penrhyn estuary. The group are calling for signs to be erected to alert the public of the contamination in the area.<sup>183</sup>
- 5.24** After several years of debate and consideration, the State Government recently approved Orica's plan to clean up the area. According to reports in the media, the Department of Environment and Conservation approved the project to extract and treat contaminated ground water underneath parts of Botany. Orica will build a treatment plant to extract the pollutants from the water and burn them. The plant is expected to be operating by October 2005 and will treat 15 million litres of water per day.<sup>184</sup> According to media reports, the approval is subject to conditions on Orica including limits on air emissions and water discharge from the plant. In addition, as a condition of the plant's approval, the Department has sought a guarantee in the form of a bond from Orica to keep the plant operational for as long as it takes to decontaminate the area. At the time of the announcements, a number of local and international groups expressed their concern about Orica's plans. Both Greenpeace and the representatives from Save Botany Beach were concerned about the option chosen by Orica, and in particular, whether it would simply turn water pollution into air pollution.
- 5.25** The Committee recognises the strength of the concerns of the individuals and organisations cited above. The Committee notes also that environmental issues are currently being assessed as part of the broader Commission of Inquiry into the Proposed Construction and Operation of a New Container Terminal and Associated Infrastructure at Port Botany. As stated above, while not wanting to pre-empt the findings of the Commission, the Committee believes that in relation to Penrhyn Estuary and Foreshore Beach, and the potential loss of existing habitats and species, and possible land and water contamination, the NSW Government should ensure that any expansion of Port Botany does not result in environmental damage or degradation. To this end, the Committee believes that any future expansion of Port Botany must involve the development of adequate environmental management plans for Penrhyn Estuary, Foreshore Beach and surrounding areas.
- 5.26** In addition, the Committee strongly believes that the NSW Government must ensure that the Orica plan to clean up Botany progresses and is operational by October 2005, and that the stringent limits on air emissions and water discharge from the plant are set and monitored. The Committee believes that the monitoring of air emissions is particularly important, given the concerns by local residents and others that the process of decontamination may result in additional air pollution. Given these critically important issues, the Committee strongly urges the Department of Environment and Conservation to ensure there are regular environmental reviews and independent audits. It is important that these reviews and audits are made public. The Committee also believes that should the expansion of Port Botany be given the go ahead, a thorough process of assessment should take place prior to the expansion, to take account of the environmental impact in relation to the construction and operation of the new facilities. These issues are addressed in recommendations below.

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182 Mr Blaschke, Botany Bay and Catchment Alliance, Evidence, 21 April 2004, p9

183 John Huxley, 'Toxic plumes spread to city's edge', *The Sydney Morning Herald*, 31 March 2005, pp1,2

184 Residents remain sceptical about Botany clean-up, *The Sydney Morning Herald*, 12 February 2005

**Recommendation 8**

That the NSW Government before any future expansion of Port Botany ensures there is:

- the development of adequate environmental management plans for Penrhyn Estuary, Foreshore Beach and surrounding areas
- an assessment of the potential social impact, particularly in relation to air and noise pollution
- an analysis of the impact of any development on the hydrology of the Bay
- a plan for the protection of seagrass beds in the Bay.

**Recommendation 9**

That the NSW Government ensure, in relation to the Orica plan designed to clean up Botany Bay:

- stringent limits are set and monitored on air emissions and water discharge from the plant
- regular environmental reviews and independent audits are undertaken, and that these reviews and audits are made public.

**Recommendation 10**

That the NSW Government, before any future expansion of Port Botany, ensure there is a thorough process of assessment to take account of the environmental and social impacts in relation to the construction and operation of the new facilities.

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**The social impact**

**5.27** As with environmental issues, considerable concern was expressed during the inquiry about the social impact of further expansion of the Port Botany terminal. Those concerns included:

- the increased traffic and truck movements that would occur on the local road network, and the prospect of 24 hours a day, 7 days a week heavy traffic on trunk and feeder roads to the terminals in Port Botany
- the increase in noise pollution associated with any expansion of Port Botany, including noise generated by heavy vehicles, by rail movements and by shipping, especially during night-time hours
- the increase in air pollution
- the loss of open spaces and living area for local residents together with access to Botany Bay (including Botany Beach)
- the impact of light spillage from the terminal into residential areas
- the vulnerability of Port Botany to terrorism.

**5.28** These concerns were raised by a broad range of parties in their submissions to the inquiry, including the Botany Bay and Catchment Alliance,<sup>185</sup> the City of Botany Bay Council,<sup>186</sup> the SSROC,<sup>187</sup> the Concerned Citizens Association Rockdale Third Ward<sup>188</sup> and the Four Ports Campaign Committee, which argued that the present severe traffic congestion in the Botany-Airport-Alexandria industrial heartland of Sydney will become Sydney's most fraught traffic hazard.<sup>189</sup>

**5.29** Similar concerns were also expressed during hearings. The Committee notes in particular the evidence of Mr Blaschke<sup>190</sup>, Ms Staples<sup>191</sup> and Mr Fitzgerald, General Manager of the City of Botany Bay Council, who submitted during the hearing on 14 May 2004:

... we also say that the people in the southern part of our city – in the Botany end of our city – will be significantly impacted by both air noise, pollution, as well as light, and they will subject to significantly greater risk than they are now.<sup>192</sup>

**5.30** Once again, the Committee recognises the genuine concerns cited above and believes that, in the event of future expansion of Port Botany, the NSW Government should address the potential social impact of any such expansion, particularly in relation to air and noise pollution. The adequacy of road infrastructure is discussed below.

### Summary

**5.31** Given the environmental and social issues cited above, various parties to the inquiry either opposed outright any further expansion of the Port Botany container terminal, or advocated that a cap be placed on any further development. For example, the City of Botany Bay Council opposed outright any further expansion of the Botany Bay terminal, submitting that any pressure from the closure of facilities in Port Jackson should be directed towards the Hunter and Illawarra regions. However, Save Botany Beach Inc advocated that the development of Port Botany should be capped at 2 million TEUs per annum, with any further development again being directed to Port Kembla and the Port of Newcastle.<sup>193</sup>

**5.32** On a separate matter, the Committee also note the concerns of SSROC in its submission of January 2004:

SSROC is astounded that the Government has announced a Ports Growth Plan as a virtual *fait accompli* whilst simultaneously announcing a Commission of Inquiry into the proposed expansion of Port Botany. The Ports Growth Plan can be interpreted as

185 Submission 42, Botany Bay and Catchment Alliance, pp9-12

186 Submission 15, City of Botany Bay Council, pp20-22, 27-31, 38-41

187 Submission 56, SSROC, p6

188 Submission 45, The Concerned Citizens Association Rockdale Third Ward, p5

189 Submission 97, Four Ports Campaign Committee, p1

190 Mr Blaschke, Botany Bay and Catchment Alliance, Evidence, 21 April 2004, p4

191 Ms Staples, Save Botany Beach Inc, Evidence, 14 May 2004, pp14-26

192 Mr Fitzgerald, City of Botany Bay Council, Evidence, 14 May 2004, p49

193 Submission 78, Save Botany Beach Inc, p2; Submission 15, City of Botany Bay Council, p12

favouring such expansion. If such is the case, we wonder what is the point of a Commission of Inquiry into the matter.<sup>194</sup>

- 5.33** The Committee does not share this concern, and expects the Commission of Inquiry to produce a thorough, objective and impartial assessment of the merits of further expansion of the Port Botany terminal.

### **The adequacy of the road infrastructure servicing Port Botany**

- 5.34** Various parties to the inquiry raised the issue of the road infrastructure servicing Port Botany, variously suggesting that it is not adequate to support current shipping operations at the port, let alone any future possible development.

- 5.35** For example, the City of Botany Council argued in its submission that the existing road infrastructure in and around Port Botany is inadequate to meet the needs of an expanded port facility:

- at present, the majority of trucks travelling to and from the Port Botany container terminal use Botany Road, raising significant noise, safety and vibration problems
- Foreshore Drive is not viable for trucks due to the delays at the intersections of Foreshore Drive/General Holmes Drive and of General Holmes Drive/Mill Pond Road
- the airport tunnel and O’Riordan Street rail bridge are less than the rail bridge height over Botany Road. As a result, all approved over-height vehicles are forced to use Botany Road.<sup>195</sup>

- 5.36** Mr Fitzgerald and Mr Shepherd from Botany Bay City Council reiterated this evidence during the hearing on 14 May 2004.<sup>196</sup>

- 5.37** The Committee also notes the evidence of Mr Bob Walsh, Chairman of the Kurnell Regional Environmental Planning Council, at the hearing on 21 April 2004:

Everybody who drives around Sydney knows that the transport position in the M5, Botany, airport, Alexandria area is absolutely congested now. This proposal is for multiplying the number of containers that are going to be handled from 1,100,000 to 3 million. That is just madness. It is all going to be thrust into this area.<sup>197</sup>

- 5.38** In its submission, the NSW Road Transport Association also acknowledged that traffic congestion remains a major problem in the Port Botany area, making operations at the container terminal for road transport operators and other operators less reliable. The Association advocated the following solutions:

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194 Submission 56, SSROC, p5

195 Submission 15, City of Botany Bay Council, p43

196 Mr Fitzgerald and Mr Shepherd, City of Botany Council, Evidence, 14 May 2004, pp51-53

197 Mr Walsh, Kurnell Regional Environmental Planning Council, Evidence, 21 April 2004, p7

- a high quality road link between Foreshore Road and the M5 East to improve the economy, safety and reliability of road movements from Port Botany to areas in the inner west and south west
- extending B-double access across the road network, transport yards, container terminals and industrial sites, and increasing mass limits to 45.5 tonnes on a standard six-axle prime mover semi-trailer to accommodate the emergence of 45-foot containers
- developing rest areas and food service facilities adjacent to Foreshore Road to service the needs of truck drivers working out of Port Botany, to allow an opportunity for drivers to rest (especially country based drivers and those affected by significant delays) and to eliminate the need to park along Foreshore Road
- the development of inter-modal terminals within greater Sydney and in the country.<sup>198</sup>

**5.39** Mr Hugh McMaster, representing the NSW Road Transport Association, reiterated many of these issues during the hearing on 18 May 2004:

We need to see whether there are possible engineering solutions for some of the streets that run off Botany Road to take traffic onto Foreshore Road and off Foreshore Road rather than through Botany Road. I think a number of options can be looked at, and certainly there is merit in having almost a micro traffic management plan for the area.<sup>199</sup>

**5.40** Finally, other parties including the Bexley Chamber of Commerce, the Sea Freight Council of NSW and ANL all cited the need for additional investment in the road infrastructure supporting Port Botany.<sup>200</sup>

**5.41** Once again, the Committee notes that road infrastructure in and around Port Botany is currently being assessed as part of the broader Commission of Inquiry. However, given the evidence provided to this inquiry that the current road infrastructure is inadequate in supporting existing shipping operations at the port, the Committee believes that there is value in considering any improvements and modifications that can be made. The Committee is concerned that the traffic congestion around Port Botany is a problem not only affecting port operations, but also affecting local residents of Port Botany. The Committee believes that, irrespective of the expansion of Port Botany, the NSW Government should investigate the adequacy of road infrastructure servicing Port Botany. This issue is dealt with in Recommendation 11.

### **The road infrastructure servicing Western Sydney**

**5.42** In its submission, Transurban noted that Western Sydney is a particularly important manufacturing and distribution centre, and a significant destination/origin for container freight in NSW. Transurban submitted that:

198 Submission 88, NSW Road Transport Association, pp18-21

199 Mr McMaster, NSW Road Transport Association, Evidence, 18 May 2005, p5

200 Submission 49, Bexley Chamber of Commerce, p1; Submission 55, NSW Sea Freight Council, pp2-3; Submission 29, ANL, p2

- the Port Botany area is currently the destination/origin of just over 40% of export TEU and about 15% of import TEU
- Western Sydney is currently the destination/origin of 36% of export TEU and over 62% of import TEU. This is only likely to increase as the population and economy of Western Sydney increases.

- 5.43** Accordingly, Transurban suggested that the future NSW freight task will be characterised not only by increasing total freight volumes, but also an increasing number of freight movements, especially in Western Sydney.<sup>201</sup>
- 5.44** To meet this increasing freight task, Transurban noted that the NSW Government has committed to the completion of an orbital network of motorways throughout Sydney to improve efficiency of road transport. The missing parts of the orbital network are now under development including the Lane Cove Tunnel, Cross City Tunnel and Westlink M7.
- 5.45** However, to maximise the efficiency of this network, Transurban argued that the Government should commit to the introduction of full electronic tolling for the entire Sydney orbital network to help maximise capacity, increase efficiency, reduce congestion and increase travel time certainty.<sup>202</sup>
- 5.46** The Committee notes that since Transurban made its submission, the Government has announced the introduction of full electronic tolling on the entire Sydney orbital network.
- 5.47** In addition, Transurban recommended that the Government consider the future introduction of truck tolls and/or peak period pricing to spread the demand and reduce peak congestion.<sup>203</sup>
- 5.48** Once again, the Committee notes that the NSW Government, as part of its Port Freight Plan for Sydney announced on 13 December 2004, specifically indicated that it would:

Investigate a Freight Infrastructure Charge. This analysis would look at how a charge on containers being brought in and out of the port by road could be applied to encourage a shift to rail transport, and to fund freight infrastructure.<sup>204</sup>

## **The adequacy of the rail infrastructure servicing Port Botany**

- 5.49** During his evidence, Mr Vince Graham, CEO of RailCorp, indicated that over the past four years, approximately \$37 million had been invested in the Enfield/Chullora rail line servicing Port Botany. As a result, as noted in Chapter 2, the current rail infrastructure between Port Botany and Enfield/Chullora has the capacity to carry around 500,000 TEU per annum, of which only approximately 250,000 TEU per annum is being utilised.<sup>205</sup>

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201 Submission 73, Transurban, pp8-9

202 Submission 73, Transurban, pp13-15

203 Submission 73, Transurban, pp15-16

204 DIPNR, NSW Government Port Freight Plan, <http://www.metrostrategy.nsw.gov.au> (accessed on 22 February 2005)

205 Mr Graham, RailCorp, Evidence 18 May 2004, pp39, 43

- 5.50** Mr Graham further noted that the capacity of the Port Botany to Enfield/Chullora line could be increased to approximately 1.2 million TEU per annum. To place this in context, moving approximately one million TEU a year through Port Botany would equate to approximately 35 to 40 train services a day in each direction, using an average train of about 600m in length. Such trains, fully loaded, have a capability of 90 TEU containers. Doubling the length of trains from 600m to 1.2km would reduce the number of services a day to about 20 in each direction.<sup>206</sup>
- 5.51** However, Mr Graham indicated that to increase the capacity of the rail line servicing Port Botany to 1.2 million TEU per annum would require two major engineering upgrades of the line:
- duplication of the current single line track that runs from Botany through to Port Mascot, which is the last section of the dedicated freight line from Botany through to Enfield/Chullora that is not duplicated
  - installation of a cross-over crossing at General Holmes Drive to remove the current at-grade level crossing.
- 5.52** The cost of these two changes to the line would be in the order of \$50 to \$60 million.<sup>207</sup>
- 5.53** The Committee also questioned Mr Graham during the hearing on 18 May 2004 as to whether greater efficiencies could be achieved through double-stacking of containers on trains out of Port Botany. In response, Mr Graham indicated that realistically, it would never be possible to double-stack container trains on the east coast of Australia, due to tunnel and overhead wire restrictions. Rather, Mr Graham submitted that increased rail capacity is more likely to be achieved by further lengthening container trains, noting that the maximum length of container trains on the east coast of Australia has increased from around 700-800m in the late 1980s and early 1990s to around 1.5km today.<sup>208</sup>

## Inter-modal terminals

- 5.54** During the inquiry, a number of parties advocated the construction of appropriate inter-modal facilities in metropolitan Sydney – including notably one at Enfield – if rail is to increase its share of the transport load to meet the Government’s target of 40%.<sup>209</sup> There are already a number of inter-modal terminals in the Sydney basin at Minto, Yennora, Villawood, Camellia, Clyde, Chullora and the Cooks River Terminal at St Peters.<sup>210</sup>
- 5.55** The Committee notes that an Environmental Impact Statement (EIS) process for the development of an inter-modal facility at Enfield was announced in 2001. However, the EIS was dropped in early 2002 and the following Independent Review of Enfield Terminal, commissioned by the Minister for Transport and chaired by the Hon Milton Morris, found in March 2003 that the proposed Enfield terminal should not proceed in its proposed form.

206 Mr Graham, RailCorp, Evidence, 18 May 2004, p44

207 Mr Graham, RailCorp, Evidence, 18 May 2004, p40

208 Mr Graham, RailCorp, Evidence, 18 May 2004, p40

209 Submission 83, Sydney Ports Users Consultative Group, pp4-5

210 Submission 78, Save Botany Beach Inc, p4

Despite this, the Committee understands the NSW Government is again considering Enfield as an option for development as an inland port and distribution site. As noted in Chapter 3, any proposals for intermodal terminals will be the subject of an independent Commission of Inquiry.

**5.56** In their submissions, parties such as SAL and the State Chamber of Commerce (NSW) advocated re-visiting the Enfield inter-modal facility, in light of the proposals in the NSW Ports Growth Plan.<sup>211</sup> Similarly, in evidence on 14 May 2004, Mr Martin submitted:

... Sydney Ports has continued to propose that the 60 hectares it owns at Enfield should be considered as one of the future intermodal sites to be developed. Enfield has some special advantages in that this large parcel of land is vacant, is served by a dedicated freight line from Port Botany and White Bay and has direct access to major arterial roads.<sup>212</sup>

**5.57** Mr Blood also submitted to the Committee:

Certainly rail is a very key part of the expansion plan for Port Botany. We have always been a supporter of the Enfield proposal or a proposal like Enfield, whether it be at Enfield or some other place.<sup>213</sup>

**5.58** The Committee also received a submission from the No Port Enfield Community Group expressing concern about the impact that an inter-modal facility at Enfield – possibly operating 24 hours a day and generating up to 600,000 truck movements per annum – would have on the local and regional roads and the community. The group argued for a more equitable spread of the container freight task amongst the four existing NSW ports to minimise the economic, social and environmental impacts of future growth in container trade on NSW.<sup>214</sup> These concerns were also expressed by the Enfield Business Alliance in its written submission.<sup>215</sup>

**5.59** Aside from Enfield, Mr McMaster also advocated the development of an inter-modal facility at Wetherill Park:

One that should be seriously looked at is Wetherill Park. We think it makes a lot of sense to build a spur line to Wetherill Park. Currently there are about 125 road freight companies based in the Wetherill Park, Smithfield area. It is the largest concentration of road transport industry anywhere in the southern hemisphere. With developments like the Westlink M7, the F3-M2 link, et cetera, it will attract transport to that area like bees to the honey pot. There is also the case for further development of intermodal facilities in the Macarthur area in the long term maybe in places like St Marys and also in the north-west, like Dunheved or somewhere out that way.<sup>216</sup>

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211 Submission 27, SAL, p6; Submission 51, State Chamber of Commerce (NSW), p9

212 Mr Martin, SPC, Evidence 14 May 2004, p38

213 Mr Blood, P&O Ports, Evidence, 17 May 2004, p6

214 Submission 63, No Port Enfield Community Group, p1

215 Submission 89, Enfield Business Alliance, pp1-4, Attachment A

216 Mr McMaster, NSW Road Transport Association, Evidence, 18 May 2004, p3

- 5.60** In response to this issue of inter-modal terminals, the Committee notes that the NSW Government's Freight Infrastructure Advisory Board (FIAB), previously cited earlier in the report, is also required to advise the NSW Government on:
- the design of an inter-modal terminal network to improve freight distribution
  - the infrastructure required to service the inter-modal network.<sup>217</sup>
- 5.61** In summary, the Committee believes that, in relation to road and rail infrastructure, and the interrelated issue of access to intermodal terminals, the NSW Government needs to further investigate the current adequacy of these systems.

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### Recommendation 11

That the NSW Government investigate, irrespective of any expansion of Port Botany, the adequacy of road and rail infrastructure servicing Port Botany, and the intermodal network.

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### Summary

- 5.62** The Committee notes the strong support from Sydney Ports Corporation, business representatives, transport operators, stevedores and shipping companies for the expansion of the Port Botany container terminal. At the same time, the Committee recognises that local councils, community and environment groups, and individuals expressed significant concerns about the social and environmental impact of any further development of the Port Botany container terminal.
- 5.63** The Committee understands that these issues are under review as part of the Commission of Inquiry into the Proposed Construction and Operation of a New Container Terminal and Associated Infrastructure at Port Botany. While not wanting to pre-empt the Commission's findings, the Committee believes that the issue of intermodal terminals for Sydney must be addressed if the NSW Government is going to succeed in increasing the freight containers travelling by rail to 40% by 2011. The Committee believes that the increase in the use of rail is dependent upon both the necessary rail infrastructure and an adequate intermodal network. As noted previously, the Freight Infrastructure Advisory Board is currently investigating this issue, as is the Federal Government's AusLink program. These issues are also dealt with in Chapter 3.
- 5.64** As raised in Chapter 3 the Committee also notes that a review led by the former head of the Ministry of Transport, Mr Mark Duffy will consider solutions for light rail, train and bus transport throughout the city. The *Sydney Morning Herald* reported that the review will consider issues including the possible expansion of Port Botany and the related transport needs associated with any expansion.<sup>218</sup> The Committee welcomes the review and encourages the Government to consider the critical issue of transport access in the event of an expansion of Port Botany.

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217 DIPNR, NSW Government Port Freight Plan, <http://www.metrostrategy.nsw.gov.au> (accessed on 22 February 2005)

218 Darren Goodsir, 'M4 East shelved for city makeover,' *The Sydney Morning Herald*, 27 April 2005, p1

## Chapter 6 Port Kembla

This chapter examines the impact of the NSW Ports Growth Plan on Port Kembla. As indicated in Chapter 2, in order to facilitate the transfer of break bulk and general container cargo operations from Port Jackson to Port Kembla, construction is currently underway at Port Kembla of an extension to the existing multi-purpose terminal.

The chapter studies the viability of the proposed transfer of stevedoring operations from Darling Harbour to Port Kembla, and the likely economic, social and employment impacts of the move. The chapter also considers whether the current infrastructure of Port Kembla is sufficient to meet the proposed expansion in trade, and indeed whether more trade should be directed through the port.

### The transfer of general cargo stevedoring to Port Kembla

**6.1** Whereas significant concerns were expressed during the inquiry about the possible social and environmental impacts of the NSW Ports Growth Plan on Port Botany, parties to the inquiry were extremely positive about the impacts of moving general cargo stevedoring from Port Botany to Port Kembla.

**6.2** In particular, the Committee notes the strong support for the proposal from the so-called Illawarra Alliance – an alliance of Wollongong City Council,<sup>219</sup> the Illawarra Business Chamber,<sup>220</sup> the AiGroup Illawarra,<sup>221</sup> the South Coast Trades and Labor Council and the Southern Councils Group<sup>222</sup> – all of which provided the Committee with similar evidence. As stated by Mr Terry Wetherall, President of the Illawarra Business Chamber:

Our intention as an alliance is to jointly seek and promote economic strategies and infrastructure for the Illawarra and to vigorously lobby for successful outcomes.<sup>223</sup>

**6.3** In addition to the Illawarra Alliance, the Committee notes that the Illawarra Area Consultative Committee (IACC)<sup>224</sup> and the Southern NSW Branch of the Maritime Union of Australia<sup>225</sup>

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219 Submission 11, Wollongong City Council

220 The Illawarra Business Chamber is a not-for-profit organisation covering the five local government areas of Wollongong, Shellharbour, Kiama, Shoalhaven and Wingecarribee. The Chamber represents over 1000 businesses across the five local government areas, and is affiliated with Australian Business Limited. See submission 35, Illawarra Business Chamber.

221 Submission 9, AiGroup Illawarra

222 The Southern Councils Group represents seven councils from Wollongong to the border with Victoria: Bega Valley Shire, Eurobodalla Shire, Kiama Municipality, Shellharbour City, Shoalhaven City, Wingecarribee Shire and Wollongong City Councils. See submission 14, Southern Councils Group, p1; Ms Scarlett, Southern Councils Group, Evidence, 19 February 2004, p9

223 Mr Wetherall, Illawarra Business Chamber, Evidence, 19 February 2004, p3

224 The IACC is one of 56 area consultative committees around Australia, established on the initiative of the Federal Government. The Committee comprises business and community leaders with key knowledge in relation to regional economic development and employment growth.

225 Submission 91, MUA Southern NSW Branch, p1

expressed comparable views in support of the transfer of general cargo stevedoring to Port Kembla.

- 6.4 The Committee also acknowledges the role being played by the Illawarra Regional Development Board<sup>226</sup> in developing strategies to grow, establish and attract industries and businesses to the Illawarra and Port Kembla. The Board has convened a Related Ports and Industry Growth Group to push for the expansion of Port Kembla.<sup>227</sup>

### **The capacity to handle the additional trade**

- 6.5 During the inquiry, the basic argument made in support of the transfer of general cargo stevedoring from Port Jackson to Port Kembla was that the port has the capacity to handle the additional trade, and that such a move would significantly broaden Port Kembla's traditional trade base of coal, iron ore and grain. It was argued that:

- Port Kembla already has road and rail infrastructure in place with the capacity to handling the increase in trade.<sup>228</sup>
- Port Kembla has available land for expansion, with at least 40 hectares of flat, paved, serviced land available for development (including warehouses and ancillary infrastructure), accessed by un-congested road, road and sea corridors.<sup>229</sup>
- Port Kembla is a deep-water port with a short 3km entrance channel which is 15.25m deep, and alongside berth depth of 16.0m. In addition, Port Kembla has no urban encroachment problems such as curfews or restriction on B-Doubles.<sup>230</sup>
- Port Kembla has direct, off-port access for B-doubles to the road freeway network and the main rail line links to Sydney.<sup>231</sup>

- 6.6 In support of the capacity of Port Kembla to handle the additional trade, a number of parties noted that the projected eventual transfer to Port Kembla of 50,000 TEU and a million tonnes of general cargo per year represents just a quarter of the 6 million tonnes of coal trade lost to Port Kembla since 1995. In that year, the region's roads and rail were handling 15 million tonnes of coal. That figure is now 9 million tonnes.<sup>232</sup>

226 The Illawarra Regional Development Board is a panel of business and community leaders from the Illawarra Region aimed at promoting business and investment opportunities across the region. See submission 28, Illawarra Regional Development Board, p1.

227 Mr Pedersen, Illawarra Regional Development Board, Evidence, 19 February 2004, pp54-55

228 Submission 9, AiGroup Illawarra, p6; Submission 11 Wollongong City Council, p12; Submission 23, Shellharbour City Council, p2

229 Submission 9, AiGroup Illawarra, p10; Submission 11, Wollongong City Council, pp5,14; Submission 35, Illawarra Business Chamber, p5; Submission 91, MUA Southern NSW Branch, p3; Mr Pedersen, Illawarra Regional Development Board, Evidence, 19 February 2004, p54; Mr Glasson, Port Kembla Port Corporation, Evidence, 18 May 2004, p30

230 Submission 35, Illawarra Business Chamber, p5

231 Mr Glasson, Port Kembla Port Corporation, Evidence, 18 May 2004, p30

232 Submission 9, AiGroup Illawarra, p6; Submission 11, Wollongong City Council, p14; Submission 19, IACC, p2; Submission 35, Illawarra Business Chamber, p5; Mr Rorris, South Coast Labor Council, Evidence, 19 February 2004, p7; Mr Pedersen, Illawarra Regional Development Board, Evidence, 19 February 2004, p54

- 6.7** In addition, a number of parties also noted that during the 2000 Sydney Olympics, Port Kembla demonstrated its ability to handle motor car imports, with 9,000 cars imported during the games period in a successful operation designed to relieve congestion in Sydney.<sup>233</sup>
- 6.8** Based on this evidence, it was submitted that the NSW Ports Growth Plan would allow Port Kembla to ‘share the load’ as Sydney increases in population, in the process easing congestion on Sydney’s roads, particularly in the inner-city areas that surround the current Port Jackson and Port Botany facilities.<sup>234</sup>

### **Proximity to southern and south-western Sydney**

- 6.9** A further argument put forward by supporters of the transfer of general cargo stevedoring to Port Kembla was that the port is close to southern and south-western Sydney, where much of the city’s manufacturing, warehousing and population growth is taking place.<sup>235</sup>
- 6.10** In particular, various parties cited a travel time study conducted for the Port Kembla Port Corporation by Sinclair Knight Merz in 1997, which concluded that Port Kembla had significant travel time and cost advantages over Port Botany and Port Jackson when accessing parts of south-western Sydney. In addition, it was claimed that the transport routes to and from Port Kembla are more reliable and less prone to significant delays compared to Port Jackson.<sup>236</sup>
- 6.11** This evidence was reiterated during hearings and at the community forum held at Wollongong Council Chambers in December 2004. The Committee notes in particular the evidence of Mr Glassen, Acting COE of the Port Kembla Port Corporation<sup>237</sup>. The Committee also notes the evidence of Cr Alex Darling, Lord Mayor of Wollongong City Council, that Bringelly, south of metropolitan Sydney, will ultimately grow to a population of 300,000 with a light industrial area which could be serviced easily by Port Kembla.<sup>238</sup>

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233 Submission 9, AiGroup, p10; Submission 11, Wollongong City Council, pp5,14; Submission 19, IACC, p2; Submission 35, Illawarra Business Chamber, p5; Cr Darling, Wollongong City Council, Evidence, 19 February 2004, p2; Mr Rorris, South Coast Labor Council, Evidence, 19 February 2004, p8, Mr Glasson, Port Kembla Port Corporation, Evidence, 18 May 2004, p30

234 Submission 9, AiGroup, p3; Submission 8, White Bay Noise Advisory Committee, pp1-3; Submission 11, Wollongong City Council, pp4,11; Submission 14, Southern Councils Group, p4; Submission 19, IACC, p4; Submission 23, Shellharbour City Council, p3; Submission 35, Illawarra Business Chamber, p1

235 Submission 9, AiGroup, p6; Submission 11, Wollongong City Council, p4; Submission 35, Illawarra Business Chamber, p1

236 Submission 9, AiGroup, p7; Submission 11, Wollongong City Council, p11; Submission 19, IACC, p4; Submission 23, Shellharbour City Council, p3

237 Mr Glasson, Port Kembla Port Corporation, Evidence, 18 May 2004, p30

238 Cr Darling, Wollongong City Council, Evidence, 19 February 2004, p2. See also Mr Wetherall, Illawarra Business Chamber, Evidence, 19 February 2004, pp3,14

- 6.12 Figure 6.1 below from the web site of the Port Kembla Port Corporation shows the areas in Sydney where travel times are estimated to be shorter from Port Kembla than they are from Port Botany.

**Figure 6.1** Estimated travel distances from Port Kembla and Port Botany to metropolitan Sydney



Source: Port Kembla Port Corporation, 'Port Kembla to Sydney Transport Routes', [http://www.kembla.com.au/Benefits\\_211.htm](http://www.kembla.com.au/Benefits_211.htm) (accessed 28 February 2004)

## The impact of the expansion of Port Kembla

- 6.13 Many supporters of the expansion of Port Kembla also cited to the Committee the anticipated positive economic, employment and social effects.

### The economic impact

- 6.14 During the inquiry, a large number of parties cited a study by the National Institute for Economic and Industry Research which concluded that a container terminal at Port Kembla could potentially contribute \$400 million to the regional economy.<sup>239</sup>

239 Submission 9, AiGroup Illawarra, p4; Submission 11, Wollongong City Council, p11; Submission 14, Southern Councils Group, p4; Submission 19, IACC, p4; Submission 23, Shellharbour City Council, p3;

- 6.15** In addition, it was also argued that the advent of container handling facilities at Port Kembla would result in significant cost savings for many local businesses, together with businesses on the south coast including in Bega and Eden which either import or export containerised cargo. Currently this trade has to be transported through Sydney's ports.<sup>240</sup>
- 6.16** In this regard, the Committee notes the written submission from BlueScope Steel Ltd (formerly known as BHP Steel).<sup>241</sup> BlueScope indicated that currently, the company's coated steel product exports are sent by train from its Port Kembla steelworks to Villawood in Sydney's western suburbs, where they are packed into containers before being transported to Port Botany and loaded onto ships. The company submitted that there would clearly be benefits if these products could be exported directly through Port Kembla.<sup>242</sup>
- 6.17** This was reiterated by Mr Simon Linge, Manager of Marine Logistics with BlueScope Steel, during the hearing on 19 February 2004:
- Obviously, development of infrastructure in Port Kembla, including port-related industries such as container packing and maintenance facilities, may attract shipping lines that do not currently come to Port Kembla in to Port Kembla. This would allow and facilitate BlueScope Steel being able to export from Port Kembla for those customers that we currently ship through Port Botany.<sup>243</sup>
- 6.18** Mr Linge further noted that the redirection of all its export activities through Port Kembla, rather than using Port Botany for some of its requirements, could save approximately 4,000 truck movements a year.<sup>244</sup>

### **The impact on employment**

- 6.19** During the inquiry, the Committee was presented with very strong arguments about the positive impact that development of Port Kembla could have on employment in the Illawarra.
- 6.20** As many people told the Committee, the Illawarra region has traditionally been the State's industrial powerhouse, with a large proportion of the workforce in blue-collar occupations. However, it was submitted that technological advances in the steel industry and a decline in the Illawarra's coal industry has caused a dramatic decline in employment opportunities in the region, such that an estimated 19,000 or 20,000 Illawarra residents now travel to Sydney to work each day.<sup>245</sup>
- 6.21** Various figures on the loss of employment in the region were tendered to the Committee:

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Submission 35, Illawarra Business Chamber, p2; Mr Wetherall, Illawarra Business Chamber, Evidence, 19 February 2004, p4; Mr Pedersen, Illawarra Regional Development Board, Evidence, 19 February 2004, p54

240 Submission 35, Illawarra Business Chamber, p3

241 BlueScope Steel is the largest single user of Port Kembla, responsible for 355 of the vessel calls at the port in 2002-2003 and 50% of the tonnes passing through the port. About 85% of the Company's steel exports from Australia and all the seaborne raw materials (largely iron ore) are shipped via Port Kembla.

242 Submission 18, BlueScope Steel Ltd, p18

243 Mr Linge, BlueScope Steel Ltd, Evidence, 19 February 2004, p30

244 Mr Linge, BlueScope Steel Ltd, Evidence, 19 February 2004, pp30-31

245 Cr Darling, Wollongong City Council, Evidence, 19 February 2004, p2

- employment in the steel industry in the Illawarra has fallen from 23,000 in the early 1980s to less than 6,000 today, entailing a big decline in entry level jobs, particularly those suitable for early school leavers and young men in manufacturing and mining.<sup>246</sup>
- the 2001 Census by the Australian Bureau of Statistics found that the Wollongong local government area had total unemployment of 9.1%, while the Illawarra region as a whole had 8.9% unemployment. These figures were almost two percentage points above the NSW average.<sup>247</sup>
- youth unemployment in the Illawarra has been very high. In particular, evidence was presented to the Committee that the teenage male unemployment rate has been consistently above 30% in the region, with the rate in some suburbs rising to 40% or 50%.<sup>248</sup>
- between 1986 and 1996, the Illawarra lost 6,500 jobs in the manufacturing sector, representing 31% of the overall decline in manufacturing employment in the state. In 2001, the manufacturing industry employed 13.7% of the Illawarra's labour market, down from 17.5% in 1991.<sup>249</sup>
- a large number of major employing companies, notably collieries, have left the Illawarra over the past 15 years. These include such companies such as BHP Stainless, The Electricity Commission of New South Wales, Tallawarra Power Station, Metropolitan Colliery, Morgan Cement, Oakdale Colliery, Parrish Meats, Transtate, Parrish Meats, ERS, Cordeaux Colliery, Avon Colliery, Coal Cliff Colliery, Kemira Colliery, Huntley Colliery, South Bulli Colliery and Nebo Colliery, and so on.<sup>250</sup>

**6.22** Given this loss of employment in the Illawarra region, the expansion and diversification of trade through an expansion of Port Kembla was welcomed as not only creating hundreds of jobs directly, but also delivering a flow-on employment dividend as companies establish port support facilities in the region.<sup>251</sup> It was variously argued that the new container terminal at Port Kembla would generate the following jobs:

- construction jobs during the building of the harbour facilities and associated land-based infrastructure
- stevedoring and other harbour related jobs such as crewing boats and tugs, and maintenance and administration work

246 Submission 11, Wollongong City Council, p12; Submission 14, Southern Councils Group, p5; Submission 19, IACC, p5; Cr Darling, Wollongong City Council, Evidence, 19 February 2004, p2; Ms Murphy, Australian Industry Group - Illawarra, Evidence, 19 February 2004, p4

247 Submission 9, AiGroup Illawarra, p8; Submission 11, Wollongong City Council, p12; Submission 28, Illawarra Regional Development Board, p2

248 Dr Stubbs, IACC, Evidence, 19 February 2004, p44. See also Cr Darling, Wollongong City Council, Evidence, 19 February 2004, p2; Mr Payne, Wollongong City Council, Evidence, 19 February 2004, p6

249 Ms Murphy, Australian Industry Group – Illawarra, Evidence, 19 February 2004, p4

250 Mr Ward, AMWU and representative of the IACC, Evidence, 19 February 2004, p47

251 Submission 9, AiGroup Illawarra, p4; Submission 11, Wollongong City Council, p5; Submission 14, Southern Councils Group, p3; Submission 19, IACC, p3; Submission 23, Shellharbour City Council, pp3-4; Submission 28, Illawarra Regional Development Board, p2; Submission 19, IACC, pp3-4

- transport jobs for train and truck drivers to bring cargoes to and from the port
- service industry jobs in warehouses, distribution centres, container-packing operations, container repair yards, cold stores and “pre-tripping” facilities for refrigerated containers.<sup>252</sup>

**6.23** Many parties cited estimates by the Port Kembla Port Corporation that once fully operational, the new multi-purpose facility will support up to 300 jobs. Indirect effects will take this up to almost 1,000 jobs. A separate analysis undertaken by Dr Brian of the National Institute of Economic and Industrial Research suggested that over the longer term, the new multi-purpose terminal could create up to 2,000 indirect jobs.<sup>253</sup>

**6.24** The Committee also notes the following evidence of Ms Deborah Murphy, Regional Manager for the Illawarra with the Australian Industry Group:

In the Illawarra we have lost substantial jobs in the manufacturing sector over the last two decades. The beauty about the type of job opportunities at the port is that they will be of a similar type to those that we have lost. Some will call them “blue collar” jobs, others unskilled or traditional trade areas. Whatever the term, we need jobs. We need jobs to address the high levels of unemployment. We need jobs to address the imbalance we face following the changes to the Illawarra’s historical labour market. We need jobs to sustain a future balanced economic growth strategy. We need jobs to support our community and finally, we need jobs to secure the future of our children, and their children.<sup>254</sup>

**6.25** Finally, in evidence on 19 February 2004, Mr John Grace, Executive Officer with the IACC, argued that the expansion of the role of the port of Port Kembla, while not a panacea for tackling unemployment in the region, is an important chance for the New South Wales Government to help people of the Illawarra.<sup>255</sup>

### **The social impact**

**6.26** During its hearings on 19 February 2004, Dr Judith Stubbs, representing the IACC, presented the Committee with a concise social assessment of the impact of the high levels of unemployment, particularly youth unemployment, and the declining availability of manufacturing and mining jobs on the people of the Illawarra region.

**6.27** Dr Stubbs indicated to the Committee that over the last five years, Port Kembla has consistently had one of the highest rates of youth suicides amongst the local government areas in Wollongong. In addition, Dr Stubbs pointed to very low school retention rates, very high

252 Submission 9, AiGroup Illawarra, p9; Submission 11, Wollongong City Council, p13; Submission 19, IACC, pp6-7

253 Submission 9, AiGroup Illawarra, p9; Submission 11, Wollongong City Council, pp12-13; Submission 14, Southern Councils Group, p5; Submission 19, IACC, p6; Submission 23, Shellharbour City Council, p2; Submission 28, Illawarra Regional Development Board, p2; Submission 35, Illawarra Business Chamber, p4; Submission 91, MUA Southern NSW Branch, p4; Ms Murphy, Australian Industry Group – Illawarra, Evidence, 19 February 2004, p5

254 Ms Murphy, Australian Industry Group – Illawarra, Evidence, 19 February 2004, pp5-6

255 Mr Grace, IACC, Evidence, 19 February 2004, p43

crime rates and youth crime rates, and high rates of intergenerational poverty, with many families not having a single member in work.

- 6.28** Accordingly, Dr Stubbs highlighted the importance of the NSW Ports Growth Plan in bringing jobs to the region, particularly entry-level blue-collar jobs for young people. As stated by Dr Stubbs:

... I can say to you with certainty that this region, compared to so many other regions, will in fact benefit more from direct job creation and the flow-on because of the nature of the work and the nature of the project involved and its location. There are very, very direct, tangible and immediate benefits and flow-ons that I believe that this region will benefit from more than any other that the project could be located in.<sup>256</sup>

- 6.29** The Committee equally acknowledges the evidence of Mrs Margaret Biggs, Development Coordinator with the St Vincent de Paul Society in the Catholic Diocese of Wollongong and representative of the IACC, on the severe socio-economic and unemployment problems facing many families in the Illawarra region, and the positive social impact that would be derived from the expansion of Port Kembla.<sup>257</sup>

### **The environmental impact**

- 6.30** By contrast with Port Botany, the Committee notes that various parties to the inquiry suggested that the expansion of Port Kembla would have a negligible impact on the environment of the Illawarra because the port is an established industrial precinct, and is well removed from residential areas.<sup>258</sup>

- 6.31** During the hearing on 19 February 2004, the Committee raised with Mr Arthur Rorris, Secretary, South Coast Labor Council, concerns about heavy metals in the port, the quality of water in the harbour and air and noise pollution from increased road and rail traffic. In response, Mr Rorris observed:

We do not believe there is going to be a stirring up of heavy metals with the existing upgrade within Port Kembla. There is a long history of steel production and heavy industry within that harbour and we are not denying that. Whether we are going to stir things up, we have not seen any evidence of that. In terms of air and noise, I refer to the earlier comments regarding the scale of the operation, which is fairly minuscule compared to the size of general industry in this town ...<sup>259</sup>

### **The adequacy of the infrastructure servicing Port Kembla**

- 6.32** In their evidence during the inquiry, members of the Illawarra Alliance argued that no further investment in the road and rail infrastructure serving Port Kembla is required to support the

256 Dr Stubbs, IACC, Evidence, 19 February 2004, p45

257 Mrs Biggs, St Vincent de Paul Diocese of Wollongong, Evidence, 19 February 2004, p46

258 Submission 9, AiGroup Illawarra, p8; Submission 11, Wollongong City Council, p13; Submission 14, Southern Councils Group, p5; Submission 19, IACC, p5; Submission 91, MUA Southern NSW Branch, p3

259 Mr Rorris, South Coast Labor Council, Evidence, 19 February 2004, p16

anticipated growth in trade through Port Kembla under the NSW Ports Growth Plan.<sup>260</sup> As stated by Mr Rorris during the hearing on 19 February 2004:

You will no doubt hear later in the afternoon that there are other opportunities by way of Maldon Dombarton rail links. We say it is not necessary for what we do now. We can cope with the existing infrastructure, as I think we have just demonstrated, but it is a positive. It says that if at some point in the future we wish to expand, there is a cost effective way of adding to that infrastructure to expand ...<sup>261</sup>

- 6.33** In support, Mr Rorris, cited to the Committee evidence from the Roads and Traffic Authority of NSW that if all the additional proposed trade coming into Port Kembla under the NSW Ports Growth Plan were transported by road, it would mean additional truck movements out of Port Kembla of 100 trucks per day (a 0.3% increase).<sup>262</sup>
- 6.34** However, the Committee notes that other parties suggested that the road and rail infrastructure is not adequate to support the anticipated growth in trade through Port Kembla under the Ports Growth Plan.
- 6.35** The Committee examines this issue in more detail below.

### **The adequacy of the rail infrastructure**

- 6.36** There are two rail lines that feed into Port Kembla:
- the Sydney to Wollongong line (the Illawarra Line) which is used for passenger operations and to haul coal from the western coalfields such as Helensburgh (metropolitan) and Lithgow
  - the Moss Vale line linking with the southern line to Melbourne which is used to haul coal from the southern coalfields as well as other bulk haulage such as limestone for BlueScope Steel, and grain from southwest NSW.

#### ***The Illawarra Line***

- 6.37** In evidence to the Committee on 18 May 2004, Mr Vince Graham, CEO of RailCorp, indicated that the Illawarra rail line is capable of handling approximately 250,000 twenty-foot equivalent unit containers (TEU) a year (this figure accepts that for 6 hours a day during the morning and afternoon passenger peaks on Monday to Friday, the line is not available to freight movements).<sup>263</sup>
- 6.38** However, during the hearing, various parties highlighted limitations on the capacity of the line. For example, in its written submission to the inquiry, the Southern Councils Group highlighted the findings of the 2000 Maunsell McIntyre South Coast Transport Strategy which noted the following capacity restrictions on the Illawarra line:

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260 Ms Scarlett, Southern Councils Group, Evidence, 19 February 2004, p10, Mr Rorris, South Coast Labor Council, Evidence 19 February 2004, p17

261 Mr Rorris, South Coast Labor Council, Evidence, 19 February 2004, pp8,17

262 Mr Rorris, South Coast Labor Council, Evidence, 19 February 2004, p7

263 Mr Graham, RailCorp, Evidence, 18 May 2004, p41

- freight trains are set aside during morning and evening peak passenger train periods
- the length and speed of freight trains is restricted by track alignment around Helensburgh.<sup>264</sup>

**6.39** The Committee also notes the private submission of Mr Leslie Grapps in which he cited the following restrictions on the capacity of the Illawarra line:

- the slow and constantly curving alignment between Thirroul and Waterfall
- the slow speeds required when crossing the Stanwell Park viaduct
- the necessity of travelling almost to Sydney Central before diverting to the dedicated freight lines at Meeks Rd near Tempe, thereby sharing the tracks with commuter services.<sup>265</sup>

**6.40** The NSW Minerals Council also noted that coal trains are restricted from using the line during the peak passenger periods of 3:30am to 7:00am and 3:30pm to 7:00pm Monday to Friday. Coal trains have access to the rail network outside these times.<sup>266</sup>

**6.41** Similarly, GrainCorp highlighted that it must compete with coal for access and freight paths, and that there are times when access for passenger trains clashes with bulk freight trains at Port Kembla.<sup>267</sup>

**6.42** In response to these concerns, the Committee raised with Dr Phillip Laird from the Railway Technical Society of Australia (RTSA) the evidence of the Illawarra Alliance that Port Kembla has unutilised capacity, given the 6 million tonnes of coal trade lost to Port Kembla since 1995. In reply, Dr Laird stated:

Yes, I think there are two aspects here, Mr Chairman. One is the capacity of the line, which as you suggest may well have carried more gross tonnage in the past, but the second is the efficiency of the line. We have a demand for more and more rail passenger services from Wollongong, Cronulla ... feeding through Sutherland and then on to Hurstville and to town. So you have the problem of increasing conflict between passenger trains and freight trains. ...

The second point is that the South Coast line is a textbook example of difficult working for freight trains as well as the rail congestion in Sydney, you have severe ruling 1 and 40 grades, which means just to bring a 42 wagon coal train into Port Kembla you need 5 diesel electric locos. Not even 5 electric ones with the old 1500 volts DC is good enough.<sup>268</sup>

264 Cited in submission 14, Southern Councils Group, p6

265 Submission 38, Mr Grapps, p1

266 Submission 57, NSW Minerals Council, p6. The Committee is surprised that the NSW Minerals Council nominates 3:30am to 7:00am as a peak passenger period.

267 Submission 65, GrainCorp, p2

268 Mr Laird, Evidence, 19 February 2004, p37

- 6.43** As a solution to the real or perceived infrastructure restraints on the Illawarra line, a number of parties to the inquiry advocated the completion of the Maldon to Dombarton line. The Committee notes in particular the evidence of the RTSA cited in Chapter 2.<sup>269</sup>
- 6.44** The Committee raised the issue of the Maldon to Dombarton line with Mr Graham during the hearing on 18 May 2004. In reply, Mr Graham observed:
- I think at this time we do not need the hammer to crack the nut. Maldon-Dombarton is obviously meant for a significantly greater development of the western coal deposits when the anticipation was that the underground mines in the Lithgow and western areas of the State would compete well with some of the open cut developments in the Hunter and Queensland. That clearly has not eventuated. The difficulties of getting those productivities out of underground mines has proven to be correct. The intention of Maldon-Dombarton was for a far grander scheme than the potential development of a container terminal at Port Kembla.<sup>270</sup>
- 6.45** The Committee accepts this evidence, and believes that following the anticipated transfer of general cargo stevedoring to Port Kembla in 2006, the Government should re-examine the freight task out of Port Kembla. The Committee encourages the Government to ensure that any increase in freight traffic will be supported by the necessary improvements in infrastructure. This issue is addressed in the following recommendation (see next page).

### *The Moss Vale line*

- 6.46** In its written submission, the NSW Minerals Council argued that the Moss Vale line is currently operating near or at capacity because it is a single line with passing loops that are too short to accommodate current train sizes.<sup>271</sup>
- 6.47** In addition, as noted earlier, the Southern Councils Group cited in its written submission the findings from the 2000 Maunsell McIntyre South Coast Transport Strategy, which noted the following transport problems for freight on the Moss Vale line:
- Rail access on the alternative line through Robertson is restricted by steep grades and tight curvature. The route up or down the escarpment requires extra locomotives.<sup>272</sup>
- 6.48** Once again, the Committee also notes the earlier recommendation of the RTSA cited in Chapter 2 for the completion of the “Wentworth” rail deviation from near Menangle to north of Mittagong.<sup>273</sup>

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269 Submission 38, Mr Grapps, p1, Submission 57, NSW Minerals Council, p8; Submission 6, Ms Fletcher, p1; Submission 36, Ms Bell, p1; Submission 37, Mr Tognetti, p1; Submission 40, Mr Green, p2; Submission 43, Mr Young, pp1-2; Submission 44, Ms Kent, p1; Submission 48, Dr Frey and Dr Barnes, p1; Submission 80, Mr & Mrs Gspurning, p1

270 Mr Graham, RailCorp, Evidence, 18 May 2004, p42

271 Submission 57, NSW Minerals Council, p6

272 Cited in submission 14, Southern Councils Group, p6

273 Submission 4, RTSA, pp4-7

### The adequacy of the road infrastructure

- 6.49** The 2000 Maunsell McIntyre South Coast Transport Strategy cited by the Southern Councils Group in its submission also highlighted a number of road infrastructure issues facing the Illawarra:
- road access on the Illawarra Highway through Robertson is steep and has tight curves which makes access difficult for long vehicles
  - the Mt Ousley Road is heavily used by coal trucks and other road transport
  - the F6 Freeway through Wollongong experiences delays during peak periods, which in turn affects the reliability of road transport to Port Kembla.<sup>274</sup>
- 6.50** The Southern Councils Group subsequently argued that Mt Ousley Road in particular is heavily used by coal trucks and other road transport, and is subject to appreciable congestion as traffic volumes increase.<sup>275</sup>
- 6.51** Similarly, in his private submission, Mr Grapps argued that the Mt Ousley Road from Wollongong to Bulli Tops is barely adequate to cope with the short-haul coal traffic from mines just west of the escarpment, despite being upgraded in recent years.<sup>276</sup>
- 6.52** Finally, Mr Rob Martin also argued in his private submission that the Mt Ousley road from Wollongong to Bulli Tops is very steep for trucks, has inadequate noise wall for residential areas, is a proven slip area and is often subject to poor weather conditions. Accordingly he submitted that the road is barely adequate for present traffic conditions, and would become extremely unsafe were traffic volumes to increase.<sup>277</sup>
- 6.53** The Committee believes that, as with rail infrastructure the Government should ensure that any increase in freight traffic will be supported by the necessary improvements in infrastructure.

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### Recommendation 12

That following the anticipated transfer of general cargo stevedoring to Port Kembla in 2006, the NSW Government re-examine the freight task out of Port Kembla to ensure that the anticipated increase in freight traffic is supported by the necessary improvements in road and rail infrastructure.

### Recommendation 13

That the NSW Government consider the feasibility of expanding rail infrastructure into Port Kembla, including consideration of the Maldon to Dombarton line, in conjunction with the AusLink program.

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274 Cited in submission 14, Southern Councils Group, p6

275 Cited in submission 14, Southern Council Group, p6

276 Submission 38, Mr Grapps. p2

277 Submission 64, Mr Martin, p2

## Additional trade through Port Kembla?

**6.54** During his evidence to the Committee on 19 February 2004, Mr Gary Keane, Assistant Secretary of the Southern NSW Branch of the MUA, noted the decline in containerised TEU being shipped through Port Jackson since 2000-2001, and raised concern that it may in fact mean that very little containerised trade is brought to Port Kembla under the NSW Ports Growth Plan. The Southern NSW Branch of the MUA cited data in its written submission that containerised shipping through Port Jackson decreased from 114,195 TEU in 2000-2001 to 66,599 TEU in 2002-2003.<sup>278</sup> As submitted by Mr Keane:

Port Kembla is ideally situated to handle a 100,000 to 200,000 TEU annually container terminal with its existing rail and road infrastructure and an extension to the multipurpose berth already put out to tender through Port Kembla Ports Corporation with \$14 million allocated by the New South Wales Government.<sup>279</sup>

**6.55** Similarly, other parties to the inquiry argued that the port could easily handle 100,000 TEU a year, and submitted that the proposed 50,000 per year under the NSW Ports Growth Plan represents only half the annual growth in the container movements through NSW ports in a year.<sup>280</sup>

**6.56** Against this position, however, the Committee notes the evidence of Mr Greg Martin, CEO of SPC, that Port Kembla has the capacity to provide berths and capacity to deal with general cargo and perhaps motor vehicles, but is not appropriate for a major large-scale terminal to compete with Port Botany.<sup>281</sup> This position was also expressed by Mr Tim Blood, Managing Director of P&O Ports, during the hearing on 17 May 2004:

For the transfer of general cargo to succeed and to act as a stimulus to further trade growth in the port, the Port Kembla Port Corporation must proactively market its advantages and support a transition of business from Darling Harbour. We have urged the corporation to pursue this approach vigorously. We also believe there will be a future role for Port Kembla as an overflow port for smaller, irregular container ships as Port Botany increasingly services larger dedicated regular container ships, matching the facilities and equipment provided in Port Botany. The operators of mixed general cargo and irregular container ships may well find Port Kembla a more attractive choice if they are given the right encouragement to call there. Service levels, reliability and cost through the maritime and land-side logistics chain will dictate the success or otherwise of Port Kembla in attracting this trade.<sup>282</sup>

**6.57** Given these competing positions on the long-term role of Port Kembla, the Committee notes the evidence of Mr Jim Glasson, Acting CEO of the Port Kembla Port Corporation. Mr Glasson acknowledged that following the announcement of the transfer of general cargo stevedoring to Port Kembla, some shipping lines relocated to Port Botany. However, he

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278 Submission 91, MUA Southern NSW Branch, p2

279 Mr Keane, MUA Southern NSW Branch, Evidence, 19 February 2004, p20

280 Submission 9, AiGroup Illawarra, p 6; Submission 11, Wollongong City Council, p10; Submission 35, Illawarra Business Chamber, p2; Submission 35, Illawarra Business Chamber, p5; Submission 91, MUA Southern NSW Branch, p2

281 Mr Martin, SPC, Evidence, 14 May 2004, p41

282 Mr Blood, P&O Ports, Evidence, 17 May 2004, p1

argued that provided Port Kembla has in place appropriate and cost-effective land side logistics to support shipping lines, then a transfer of shipping in the order of 50,000 TEU per year will be achieved. Mr Glasson further indicated that the Port Kembla Port Corporation had been in discussion with the shipping lines that currently use Port Jackson, and was confident they could be convinced that they would not lose market share or customers by relocating to Port Kembla.<sup>283</sup>

## Summary

- 6.58** The Committee recognises the strong support of a range of parties for the transfer of general cargo stevedoring from Port Jackson to Port Kembla under the NSW Ports Growth Plan. In particular, many parties cited the advantages of Port Kembla, including its proximity to southern Sydney, and highlighted the important and positive economic, social and employment effects that development of Port Kembla will have on the Illawarra region. In the community consultation conducted by the Committee in December 2004, the majority of participants supported the future plans for an enhanced role for Port Kembla.
- 6.59** Accordingly, the Committee supports the provisions of the NSW Ports Growth Plan as they relate to Port Kembla, and the Government's commitment of funding towards the new multi-purpose terminal currently being constructed at Port Kembla. As noted, however, the Committee believes that following the anticipated transfer of general cargo stevedoring to Port Kembla in 2006, the Government should consider the freight task out of Port Kembla, and whether or not additional infrastructure is required to support increased freight traffic.

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283 Mr Glasson, Port Kembla Port Corporation, Evidence, 18 May 2004, pp31-33

## Chapter 7     **The Port of Newcastle**

This chapter examines the impact of the NSW Ports Growth Plan on the Port of Newcastle. As indicated in Chapter 2, the Newcastle Port Corporation is currently in the final stages of tendering for the development of the new multi-purpose terminal in the Port of Newcastle.

The chapter initially examines the likely viability of the new terminal in the short and long terms, and expectations that it will have a positive economic and employment impact on the Newcastle region. The chapter also addresses concerns about supply constraints affecting the throughput of coal and grain through the Port of Newcastle.

### **Newcastle as the long-term site of a future large container terminal**

**7.1**     A majority of parties to the inquiry supported the provisions of the NSW Ports Growth Plan and the expansion of the Port of Newcastle once Port Botany reaches capacity. In particular, Mr Gary Webb, CEO of the Newcastle Port Corporation, stated during the hearing on 20 April 2004:

Importantly, it is noted that the [NSW Ports Growth Plan] supports the Newcastle Port Corporation's existing commitment to getting on with the job of delivering the first stage of a multipurpose terminal.<sup>284</sup>

**7.2**     Mr Webb further noted that demand for access to the Port of Newcastle will increase as shipping lines seek economic benefits and competitive advantages away from Sydney, and indicated that he had positive discussions with a number of major shipping lines interested in working through the Port of Newcastle.<sup>285</sup>

**7.3**     Similarly, in its submission, the Hunter Business Chamber<sup>286</sup> indicated its support for the NSW Ports Growth Plan.<sup>287</sup> This was reiterated by Mr Glen Thornton, CEO of the Hunter Business Chamber:

We see the development of the Newcastle multipurpose terminal as being complementary to Port Botany and to Port Kembla, and we see the Port of Newcastle as having a strategic location on the eastern seaboard. The Hunter Business Chamber has put it forward to various representatives of government as a recognised alternative eastern gateway into Australia, with the opportunity to better service all of regional New South Wales as well as the Sydney market from the outside in, as opposed to what is happening at the moment.<sup>288</sup>

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284   Mr Webb, Newcastle Port Corporation, Evidence, 20 April 2004, p7

285   Mr Webb, Newcastle Port Corporation, Evidence, 20 April 2004, p7,12

286   The Hunter Business Chamber has 1,120 company members. See Evidence, 20 April 2004, p14

287   Submission 20, Hunter Business Council, p2

288   Mr Thornton, Hunter Business Chamber, Evidence, 20 April 2004, p14

- 7.4** A broad range of other parties including Hardie Holdings,<sup>289</sup> the Hunter Economic Development Corporation, Patrick and private individuals such as Mr Paul Doran<sup>290</sup> gave similar support to the proposal.<sup>291</sup>
- 7.5** However, as noted previously in Chapter 5, concerns were also expressed that the Port of Newcastle involves longer travel times to Sydney, especially south-western Sydney, when compared to Port Botany and Port Kembla, and that consequently, it is less attractive to shipping lines, exporters and importers.
- 7.6** For example, Mr Lew Russell, CEO of Shipping Australia Limited (SAL), submitted that Newcastle would continue for the time being to be seen as a spill over port for Sydney, and that it would be 25-30 years minimum before a large-scale multi-purpose terminal is required in Newcastle.<sup>292</sup>
- 7.7** Similarly, Mr Peter Dexter, Regional Director of Wallenius Wilhelmsen, submitted that the company had withdrawn from the Port of Newcastle approximately five years ago. As stated by Mr Dexter:
- Specifically, what we found was that our shippers wanted to take advantage of the wider range of services that were available through Sydney than those that would be available through the limited services in Newcastle. It is clear to us, so far as the logistics chain is concerned, that most importers and exporters place considerable emphasis on the cost of inventory and the ability to have just in time input into their various processes.<sup>293</sup>
- 7.8** The Committee also notes, however, that a number of other parties to the inquiry argued that the Port of Newcastle would increasingly be needed to service the Hunter region and the NSW north coast, and not the Sydney region at all.
- 7.9** For example, Mr Steven Ford, General Manager of Ports with Toll Holdings Ltd, argued that the expansion of the Port of Newcastle could lead to some leakage of freight out of the Sydney ports, but that primarily it is needed for the growth of export products coming from the Hunter and the region.<sup>294</sup> As stated by Mr Ford:

Newcastle is a significant export port. Unfortunately, at the moment, much of that freight goes down the highway to be exported out of Sydney. So there is freight within the near vicinity and to our north-west which could provide the basis for export freight, and then you would target the ports to which that product is being exported,

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289 Hardie Holdings is a private Australian company and parent of the Hardie Holdings Group. It has a large number of business interests throughout the Hunter associated with rezoning and subdivision of land, industrial and commercial developments, infrastructure, tourism, conservation and wine.

290 Mr Doran is an engineering and mining surveyor who has previously worked on contract with the construction and mining industries.

291 Submission 22, Hardie Holdings, p1; Submission 85, Hunter Economic Development Corporation, p1; Submission 84, Patrick, p12; Submission 2, Mr Doran, p1

292 Mr Russell, SAL, Evidence, 21 April 2004, p15

293 Mr Dexter, Wallenius Wilhelmsen, Evidence, 22 April 2004, p3

294 Mr Ford, Toll Holdings Ltd, Evidence, 20 April 2004, p24

to assist with the economics of the shipping company and to attract that shipping to Newcastle.<sup>295</sup>

- 7.10** Similarly, Mr Geoffrey Beesley, Managing Director of Newcastle Stevedores, submitted that the multi-purpose terminal is needed in Newcastle to meet growth in exports from the Hunter and the Central Coast, rather than to handle an overflow from Port Botany.<sup>296</sup>
- 7.11** The Committee also received a submission from representatives of the Hunter Economic Zone (HEZ), which is a significant new business precinct being developed in the Hunter Valley near Kurri Kurri. The submission noted that the HEZ is well suited to support the development of a number of industry and port-related activities outside the Sydney basin.<sup>297</sup>
- 7.12** The Committee endorses the incremental expansion of the Port of Newcastle, although it notes that should the expansion of the Port Botany terminal not proceed, the development of the multi-purpose terminal and container facility at the Port of Newcastle may need to be expedited.

## **The impact of the proposed expansion of the port**

### **The economic impact**

- 7.13** In its written submission, the Newcastle City Council argued that further development of the Port of Newcastle would significantly strengthen Newcastle's position as a manufacturing and trade centre on the Australian eastern seaboard. In particular, the Council argued that the proposed development could position Newcastle as a trading hub, attracting port-reliant industries in the manufacturing, transport, wholesale and distribution sectors.<sup>298</sup>
- 7.14** Similarly, Hardie Holdings argued in its written submission that the Hunter is becoming a major international transport and industry hub on Australia's east coast, based on the rapid expansion of the coal mining and manufacturing industries. Accordingly, Hardie submitted that a container facility at the Port of Newcastle would bring significant economic benefits to the Hunter region, and that a range of businesses would be likely to establish in Newcastle, including companies involved in freight transport, container packing and unpacking operations, container storage and maintenance.<sup>299</sup>
- 7.15** Finally, the Hunter Business Chamber cited strong community support within the Hunter region for the development of the port, bringing employment and economic benefits not only to NSW, but also to the people of the Hunter and the adjoining economic areas.

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295 Mr Ford, Toll Holding Ltd, Evidence, 20 April 2004, p24

296 Mr Beesley, Newcastle Stevedores, Evidence, 20 April 2004, p5

297 Submission 59, Hunter Economic Zone, p9

298 Submission 67, Newcastle City Council, p2

299 Submission 22, Hardie Holdings, p2

### **The impact on employment**

- 7.16** In its submission, the Newcastle City Council suggested that the development of the Port of Newcastle could have a profound impact on local unemployment, which is structurally higher than the NSW state average. The Council submitted that the development of the container facility could provide an additional 600 jobs during the construction phase, with an ongoing direct employment of 300 workers, and a further 600 indirect and flow-on jobs.<sup>300</sup>
- 7.17** Similarly, Hardie Holdings noted that the Hunter has experienced high levels of unemployment in recent years, and that the growth of the Port of Newcastle would not only provide direct and indirect employment opportunities but would also encourage relocation of import/export related businesses and commencement of new port-related businesses. Hardie estimated that the operation of the new container terminal would generate an additional 320 direct jobs, together with an estimated 270 in support industries.<sup>301</sup>

### **The environmental and social impact**

- 7.18** The Newcastle City Council, City Strategy Group suggested the list of environmental issues includes:

...the contamination/remediation of the BHP steel works site, flood and stormwater management, noise and traffic impacts, dredging in the southern arm of the Hunter River, impact on the biodiversity and conservation of the Hunter River and estuary wetlands.<sup>302</sup>

- 7.19** The Newcastle City Council also argued that expansion of the port could have both positive and negative social impacts. In particular, the council submitted that the development could precipitate an influx of work-seekers and their families, placing pressure on existing social infrastructure and services in Newcastle and the Hunter region, such as affordable housing and childcare.<sup>303</sup>
- 7.20** The Committee also notes that a number of parties highlighted the impact of the port on nearby residential communities, notably Carrington. In evidence to the Committee on 20 April 2004, Mr Webb submitted that:

... the port corporation has worked hard over the past 10 years to establish not only effective relationships but real improvements such as the alternate access road into the port that has taken the heavy vehicles out of the centre of Carrington. We continue to have discussions with Carrington residents through their group and through different organisations there.<sup>304</sup>

- 7.21** The Committee did not receive any evidence from residents who live in suburbs such as Carrington, close to the port. However, the Committee does note the concerns of Mr Michael

300 Submission 67, Newcastle City Council, pp2-3

301 Submission 22, Hardie Holdings, p3

302 Submission 67, Newcastle, City Council, City Strategy Group, p3

303 Submission 67, Newcastle City Council, City Strategy Group, p2

304 Mr Webb, Newcastle Port Corporation, Evidence, 20 April 2004, p12

Reid, Manager of Port Development and Infrastructure with GrainCorp, about the long-term implications of the encroachment of Carrington on the terminal. Mr Reid advocated the need for buffer zones around the terminal to preserve the lifestyle of residents and the viability of the port facilities.<sup>305</sup>

- 7.22** The Committee does, however, acknowledge the concerns of residents of West Wallsend and surrounding areas that expansion of trade through the Port of Newcastle would lead to significant increases in truck movements in the West Wallsend area between the F3 freeway and the port. The Committee examines a number of these concerns below.

### **The adequacy of the rail link between Newcastle and Sydney**

- 7.23** During the Committee's hearing on 18 May 2004, Mr Vince Graham, CEO of RailCorp, indicated that the rail link between the Port of Newcastle and Sydney has the capacity to handle approximately 250,000 TEU a year (this figure accepts that for 6 hours a day during the morning and afternoon passenger peaks on Monday to Friday, the line is not available to freight movements).<sup>306</sup>
- 7.24** In his evidence to the Committee, Mr Webb, CEO of the Newcastle Port Corporation, argued that the rail infrastructure supporting the proposed container terminal at the Port of Newcastle is adequate at the present time.<sup>307</sup> Similarly, Mr Ian Travis, an infrastructure consultant engaged by the Hunter Business Chamber, cited studies that have concluded that there is adequate rail capacity in the Hunter region to support the new terminal.<sup>308</sup>
- 7.25** At the same time, however, other parties cited constraints on the rail link between the Port of Newcastle and Sydney, especially as trade through the port increases.
- 7.26** For example, in their submission, SAL and ANL both noted that the current rail infrastructure into the Port of Newcastle could not handle the projected volume of up to 1 million TEU envisaged under the NSW Ports Growth Plan. In particular, SAL argued that a high volume of container traffic between Sydney and Newcastle would require dedicated freight rail lines.<sup>309</sup>
- 7.27** Similarly, Mr Hugh McMaster, representing the NSW Road Transport Association, argued in favour of a dedicated freight rail line from Sydney to Newcastle, together with the development of a four-lane motorway link from the port itself to the beginning of the F3.<sup>310</sup>
- 7.28** The Committee also notes the submission of the Railway Technical Society of Australia (RTSA) cited in Chapter 2 arguing for an upgrade to the rail line between Hornsby and Warnervale, and the desirability of a separation of freight and passenger services between Hornsby and Gosford.

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305 Mr Reid, Manager, Port Development and Infrastructure, GrainCorp, Evidence, 20 April 2004, p19

306 Mr Graham, RailCorp, Evidence, 18 May 2004, p41

307 Mr Webb, Newcastle Port Corporation, Evidence, 20 April 2004, p10

308 Mr Travis, Infrastructure Consultant, Hunter Business Chamber, Evidence, 20 April 2004, p15

309 Submission 27, SAL, p5; Submission 29, ANL, p3. See also Mr Russell, SAL, Evidence, 21 April 2004, p14

310 Mr McMaster, NSW Road Transport Association, Evidence, 18 May 2004, p6

- 7.29** During the hearing on 21 April 2004, Mr Russell, CEO of SAL, cited an estimate from the Australian Rail Track Corporations that the upgrade of the rail line between Sydney and Newcastle would cost at least \$700 million.<sup>311</sup>
- 7.30** Given the concerns about the capacity of the rail line between Newcastle and Sydney, the Committee notes widespread community apprehension that expansion of trade through the Port of Newcastle could lead to a significant increase in truck movements between the F3 freeway and the port.
- 7.31** For example, in its submission, the West Wallsend Planning District Precinct Committee<sup>312</sup> raised concern about an increase in noise and air pollution, and accidents in West Wallsend as a result of any expansion of the Port of Newcastle, and advocated that all freight movements to and from the port should be by rail. Accordingly, the committee advocated:
- construction of a dedicated freight rail line between Fassifern and Hexham, to the west of Mt Sugarloaf
  - construction of a third rail line between Fassifern and Wyong (at least), with the concurrent elimination of several infamous bends on this line.<sup>313</sup>
- 7.32** The Newcastle Industrial Heritage Association, the Central Coast Community Environment Network and Mr Bernard Griffin, who made a private submission to the inquiry, expressed similar positions.<sup>314</sup>
- 7.33** In its submission, the State Chamber of Commerce (NSW) also highlighted that there has yet to be a comprehensive study on whether infrastructure into Newcastle could cope with a dramatic increase in traffic, but advocated expanded use of rail to avoid heavy congestion on major arterial roads such as the F3. The Chamber submitted that this would require line duplication and capacity extension along the Newcastle to Sydney northern suburbs and Wollongong to Sutherland rail lines.<sup>315</sup>
- 7.34** While the timing of any future redirection of freight to the Port of Newcastle will depend upon the future of Port Botany container terminal, the Committee supports the transport of the majority of container freight between Newcastle and Sydney by rail. Accordingly, the Committee believes that as Port Botany has a limited capacity, the Government should re-examine the adequacy of current rail lines to support the movement of increased freight traffic.

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311 Mr Russell, SAL, Evidence, 21 April 2004, p15. See also Mr O’Dea, Sydney Port Users Consultative Group, Evidence, 17 May 2004, p15

312 West Wallsend is situated close to the northern end of the F3

313 Submission 16, West Wallsend Planning District Precinct Committee, pp1-2

314 Submission 32, Newcastle Industrial Heritage Association, p1; Submission 66, Central Coast Community Environment Network, pp1-2; Submission 17, Mr Griffin

315 Submission 51, State Chamber of Commerce (NSW), p9

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**Recommendation 14**

Given that Port Botany has a limited capacity, the NSW Government should re-examine the freight task out of Port Newcastle to ensure that any increase in freight traffic is supported by the necessary improvements in road and rail infrastructure, such as a dedicated freight line from Sydney to Newcastle, in conjunction with the AusLink program.

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**Constraints on the throughput of coal and grain through Newcastle**

**7.35** Although not directly related to the NSW Ports Growth Plan, the Committee became very concerned during its inquiry at the obvious supply constraints affecting the throughput of coal and grain at the Port of Newcastle. During its visit to Newcastle, the Committee noted that up to 42 ships were waiting outside the port waiting to load coal, with some ships delayed up to 18 days.<sup>316</sup>

**7.36** In the hearing on 20 April 2004, the Committee raised the slow rate of turnover and high demurrage costs of ships transporting coal from the Port of Newcastle with Mr Webb, the CEO of the Newcastle Port Corporation. Mr Webb was unable to provide the Committee with a clear indication of the reasons for the delays:

... from the figures I have shown you, you can see that the throughput of coal in the port has increased each year by records, so systems have been put in place and, I presume, capital costs are being put along the chain. Where it sits, I do not know the answer to that, and I welcome the outcome of this investigation into what is needed to bring the coal chain to the 120 million tonnes.<sup>317</sup>

**7.37** Given its concerns, the Committee raised with other witnesses during its subsequent hearing on 21 April 2004 whether Newcastle would not be better served at the present time by the construction of another coal terminal, as opposed to a new large container terminal.

**7.38** In response, the Committee notes the evidence of Mr Russell and Mr Stephen Horton, respectively the CEO of SAL and General Manager of Hetherington Kingsbury Shipping Agency, that the supply constraints affecting the throughput of coal at the Port of Newcastle are in the rail network to and from the port, and not at the port itself.<sup>318</sup> As stated by Mr Horton:

Newcastle is a very efficient port when it is able to work and the problems that are existing in the preceding period of time have been largely, as I said, getting the product out of the mine and getting it to the port.<sup>319</sup>

**7.39** The NSW Minerals Council's submission indicated that the Hunter rail network is unusual amongst major bulk haulage railways in that it is a mixture of passenger and non-passenger

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316 Evidence, Mr Horton, 21 April 2004, p16

317 Mr Webb, Newcastle Port Corporation, Evidence, 20 April 2004, p8

318 Mr Russell, SAL, Evidence, 21 April 2004, p15; Mr Horton, General Manager, Hetherington Kingsbury Shipping Agency, Evidence, 21 April 2004, p16

319 Mr Horton, General Manager, Hetherington Kingsbury Shipping Agency, Evidence, 21 April 2004, p16

traffic sharing the same tracks. However, passenger trains have priority to the tracks, even though they pay only a small fraction of the access charges of export coal trains. Other non-coal trains are also afforded priority over coal trains, significantly reducing the coal carrying capacity of the network. As a result, the NSW Minerals Council stated in its written submission:

For the past few years, the Hunter rail network has been operating at or close to capacity. This has resulted in the coal haulage operator being unable to keep pace with demand for coal delivery to port. This in turn has contributed to the coal industry incurring substantial demurrage costs and constrained international market expansion opportunities.<sup>320</sup>

**7.40** The NSW Minerals Council further noted that recent major initiatives had led to modest gains in coal delivery through better scheduling and planning. However, it urged critical major investment in the rail infrastructure of the Hunter Valley to enable the Hunter Valley coal industry to operate competitively and to expand.<sup>321</sup>

**7.41** In its submission, GrainCorp also highlighted and that there are times when access for passenger trains clashes with bulk freight trains attempting to access the Port of Newcastle.<sup>322</sup> As observed by Mr Reid, Manager of Port Development and Infrastructure with GrainCorp, during the hearing on 20 April 2004:

... our grain movements into Newcastle are already restricted due to coal movements and passenger services. Any increase in volumes from other sources would exacerbate this problem. We would like to see that this is taken into account and that duplication of lines or the appropriate number of passing loops are incorporated into the system.<sup>323</sup>

**7.42** The Committee is concerned that constraints in the rail infrastructure servicing the Port of Newcastle may inhibit the export of coal and grains through the port, and believes that there is a need for additional investment in major bulk haulage rail capacity throughout the Hunter.

**7.43** The Committee notes that the Hunter Valley coal rail network – the Newcastle Ports to Werris Creek and Muswellbrook to Ulan lines – are leased to the Australian Rail Track Corporation under the Australian Rail Track Corporation Agreement with the Commonwealth Government, designed to provide a ‘one stop’ shop for all operators seeking access to the national interstate rail network.<sup>324</sup>

**7.44** Following discussions with local companies the Federal Transport Minister has stated that rail freight transport movements in the Hunter has significantly improved since the inception of the Australian Rail Track Corporation.<sup>325</sup>

320 Submission 57, NSW Minerals Council, p4

321 Submission 57, NSW Minerals Council, pp4-5

322 Submission 65, GrainCorp, p2

323 Mr Reid, Manager, Port Development and Infrastructure, GrainCorp, Evidence, 20 April 2004, p18

324 Australian Rail Track Corporation, <http://www.artc.com.au/about/about.htm>, (accessed 3 March 2005)

325 Federal Transport Minister, John Anderson, Interview, ABC PM, 15 February 2005

- 7.45** Accordingly, the Committee believes that the NSW Government should seek the cooperation of the Federal Government to fund a significant investment to increase bulk haulage rail capacity throughout the Hunter. As noted in Chapter 3, the Committee believes that the Commonwealth Government's land transport plan, AusLink would be an appropriate funding source.

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**Recommendation 15**

That the NSW Government seeks funding through the Federal Government's land transport plan, AusLink to increase bulk haulage rail capacity throughout the Hunter.

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**Summary**

- 7.46** The Committee recognises the support of a majority of parties to the inquiry for the expansion of terminal facilities at the Port of Newcastle once Port Botany reaches capacity. While the NSW Ports Growth Plan does not anticipate the need for this for several years, should further expansion of Port Botany not proceed, then development of the Port of Newcastle as a major container terminal may need to be expedited. Similarly, the timing of any upgrade to the rail line between Sydney and Newcastle will depend on the final decision on the future of Port Botany.
- 7.47** In the meantime, however, the Committee is concerned about apparent rail infrastructure constraints on the coal and grain industries accessing the Port of Newcastle, and believes that the NSW Government should seek the cooperation of the Federal Government to fund a significant investment to increase bulk haulage rail capacity throughout the Hunter.

## Chapter 8 Other issues

This chapter examines two issues raised with the Committee during its inquiry not relating specifically to the major commercial ports: the transport of freight by barge between NSW ports, and the need for government planning for the future of regional ports.

### The transport of freight by barge between NSW ports

**8.1** In its submission, Newcastle Stevedores raised the possible use of barges up and down the NSW coast as a means of lessening the transport burdens placed on NSW's road and rail infrastructure. In support, Newcastle Stevedores noted that barges can operate at much lower cost than either road or rail transport, citing data from Europe on the weight of goods that can be moved one kilometre by one litre of fuel. By road, the weight is estimated at 50 tonnes, by rail 97 tonnes and by barge 127 tonnes. Accordingly, Newcastle Stevedores submitted that not only are barges more fuel-efficient and environmentally friendly than other means of transport, they also reduce road and rail congestion.<sup>326</sup>

**8.2** This evidence was reiterated by Mr Geoffrey Beesley, Managing Director of Newcastle Stevedores, during the hearing on 20 April 2004:

Where it is done in overseas countries, and my visits to overseas countries, everything there is turning to barge or whatever they can do up their river systems or on their coastal systems. They use barges wherever possible.<sup>327</sup>

**8.3** Mr Beesley subsequently noted that modern barges or small Ro-Ro ships holding 350-400 containers are well adapted to handle adverse weather conditions, and have operated successfully into Newcastle in the past using existing port facilities. He also noted that the operation of barges at the Eastern Basin in the Port of Newcastle would not interfere with the coal loading facilities at the Kooragang wharves.<sup>328</sup>

**8.4** Similarly, Adsteam Marine argued in its submission that an environmentally friendly and cost effective transport option to complement NSW's existing rail and road infrastructure would be a coastal feeder service provided by a tug and barging system. Adsteam Marine suggested that such a system would require very little additional spending on infrastructure, and that coastal feeder systems are used successfully in many other parts of the world.<sup>329</sup>

**8.5** However, the Committee also notes the more cautious note sounded by Mr Llew Russell, CEO of Shipping Australia Limited (SAL), about the viability of coastal transport:

The history of coastal shipping around Australia shows that road and rail have been able to out compete it and it has been forced out of business. We have to see whether

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326 Submission 26, Newcastle Stevedores Pty Ltd, pp2-3

327 Mr Beesley, Newcastle Stevedores, Evidence, 20 April 2004, p1

328 Mr Beesley, Newcastle Stevedores, Evidence, 20 April 2004, p3

329 Submission 90, Adsteam Marine, pp1-2

it is a viable proposition. If it is barging petroleum and petroleum products between ports a relatively short distance that is fine.<sup>330</sup>

- 8.6** The Committee believes that, while there may be merit transporting cargo between NSW ports using barges, the major transport issues facing the ports involve the distribution of cargo from the ports to inland areas, notably in the Sydney basin, and vice versa, rather than the transport of cargo between the ports.

### **Government planning for the future of regional ports**

- 8.7** In its submission, the Northern Rivers Regional Development Board<sup>331</sup> noted that the primary focus of the NSW Ports Growth Plan is on the development of port capacity in Sydney, Newcastle and Wollongong. However, the board submitted that the plan should also provide a framework for other NSW regional ports in terms of:
- the role of existing regional posts (eg. Coffs Harbour and Yamba) and their contribution to future economic development and growth in regional NSW
  - the maintenance, establishment or upgrading of access routes and networks to regional ports
  - the development of a framework for investment to enhance the efficiency and productivity of freight logistics through regional transport, port and inter-modal terminal facilities.
- 8.8** In short, it was suggested that the NSW Ports Growth Plan introduces certainty for future port developments in Sydney, Newcastle and Port Kembla, but does not identify opportunities and benefits for other ports or regions of NSW.<sup>332</sup>
- 8.9** The Committee also notes that the Sea Freight Council of NSW argued in its submission that there needs to be strategic state-wide planning in relation to port infrastructure, to achieve a 'whole of state' perspective and not just a Sydney-centric policy.
- 8.10** The Committee acknowledges the importance of this issue, and believes that the NSW Government should ensure that the NSW Ports Growth Plan incorporates strategies for the future development of the regional NSW ports, including the maintenance, establishment or upgrading of infrastructure to those ports. This plan should involve consultation with all relevant stakeholders.

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330 Mr Russell, SAL, Evidence, 21 April 2004, p20

331 The Northern Rivers Regional Development Board is the peak economic advisory body in the Northern Rivers Region of NSW

332 Submission 34, Northern Rivers Regional Development Board, pp1-2

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**Recommendation 16**

That the NSW Government ensure that the NSW Ports Growth Plan incorporates strategies for the future development of regional NSW ports, including the maintenance, establishment or upgrading of infrastructure to those ports. These strategies should be developed in consultation with stakeholders, including relevant government agencies, industry and local communities.

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## Appendix 1 Submissions

No	Author
1	Mr Douglas A. Robertson
2	Mr Paul J Doran
3	Mr H F Lenertz
4	Railway Technical Society of Australasia
5	Australian International Research Institute
6	Miss Susan Fletcher
7	Hanson Australia Pty Ltd
8	Members of White Bay Noise Advisory Committee
9	Australian Industry Group - Illawarra
10	Sydney Harbour & Foreshores Committee
11	Wollongong City Council
12	Coast and Wetlands Society Inc
13	Rockdale Wetlands Preservation Society
14	Southern Councils Group
15	City of Botany Bay
16	West Wallsend Planning District Precinct Committee
17	Mr Bernard Griffin
18	BlueScope Steel Limited
19	Illawarra Area Consultative Committee Inc
20	Hunter Business Chamber
21	Mr Daryl Gates
22	Hardie Holdings
23	Shellharbour City Council
24	Hon John Della Bosca MLC
25	Hon Sandra Nori MP
26	Newcastle Stevedores Pty Ltd
27	Shipping Australia Limited
28	Illawarra Regional Development Board
29	Confidential
30	Leichhardt Council
31	SH Langford
32	Newcastle Industrial Heritage Association

<b>No</b>	<b>Author</b>
33	Northern Rivers Regional Development Board
34	Randwick City Council
35	Illawarra Business Chamber
36	Ms Helen Bell
37	Mr Keith Tognetti
38	Mr Leslie B Gapps
39	Mr Michael Organ MP
40	Mr David Green
41	Federal Chamber of Automotive Industries
42	Botany Bay and Catchment Alliance Inc
43	Mr R Young
44	Ms Jan Kent
45	Concerned Citizens Association Rockdale Third Ward
46	Ms Sharon Bird
47	Maritime Union of Australia - Sydney Branch
48	Dr J Frey
49	Bexley Chamber of Commerce
50	Sugar Australia Pty Ltd
51	State Chamber of Commerce
52	South West Enviro Centre Inc
53	Botany Bay Planning & Protection Council
54	Soraya Kassim
55	New South Wales Sea Freight Council
56	Southern Sydney Regional Organisation of Councils
57	NSW Minerals Council
58	Confidential
59	Hunter Economic Zone
60	Ms Lesa de Leau
61	St George Greens
62	Confidential
63	No Port Enfield Community Action Group
64	Mr Rob Martin
65	GrainCorp
66	Central Coast Community Environment Network Inc
67	Newcastle City Council, City Strategy Group

<b>No</b>	<b>Author</b>
68	The Committee for Sydney
69	Eastlakes Community Group
70	Millers Point, Dawes Point, The Rocks, Resident Action Group
71	P&O Ports Ltd
72	Mr Milton Way
73	Transurban Infrastructure Developments Ltd
74	Kurnell Regional Environment Planning Council
75	Australian Amalgamated Terminals Pty Ltd
76	Hunter Councils
77	Cement Australia Holdings Ltd
78	Save Botany Beach Inc
79	AsiaWorld Shipping Services Pty Ltd
80	Mr & Mrs W Gspurning
81	Wallenius Wilhelmsen
82	NSW Cabinet Office
83	Sydney Ports Users Consultative Group
84	Patrick Corporation
85	Hunter Economic Development Corporation
86	Ms Jenny George MP
87	Sydney Harbour Maritime Forum
88	NSW Road Transport Association
89	Enfield Business Alliance
90	Adsteam Marine Ltd
91	Maritime Union of Australia - Southern NSW Branch
92	Sutherland Shire Council
93	Australian Business Limited
94	Mr Klass Boes
95	Hon Bruce Baird MP
96	Planning Institute of Australia (NSW Division)
97	Australian Labor Party, West Wallsend Branch
98	Four Ports Campaign Committee
99	City of Sydney
100	Mr Ronald Knowles

## Appendix 2 Witnesses

<b>Date</b>	<b>Name</b>	<b>Position and Organisation</b>	
<b>19 February 2004</b>	Mr Gary Keane	Acting Secretary, Southern NSW Branch, Maritime Union of Australia	
	Mr Arthur Rorris	Secretary, South Coast Labor Council	
	Mr Terry Wetherall	President, Illawarra Business Chamber	
	Cr Alex Darling	Lord Mayor, Wollongong City Council	
	Mr Stephen Payne	Director Corporate & Governance, Wollongong City Council	
	Ms Lesley Scarlett	Executive Director, Southern Councils Group	
	Ms Deborah Murphy	Regional Manager, Australian Industry Group - Illawarra	
	Mr Simon Linge	Manager, Marine Logistics, BlueScope Steel Ltd	
	Mr Ross Murray	President, Iron & Slab, BlueScope Steel Ltd	
	Dr Phillip Laird	Chairman, Government Relations Committee, Railway Technical Society of Australasia	
	Mr John Grace	Executive Officer, Illawarra Area Consultative Committee	
	Mr Geoff Goeldner	Board Member, Illawarra Area Consultative Committee	
	Mrs Margaret Biggs	Board Member, Illawarra Area Consultative Committee	
	Dr Judith Stubbs	Board Member, Illawarra Area Consultative Committee	
	Mr Alan Ward	Board Member, Illawarra Area Consultative Committee	
	Mr Garry Langton	Chairman, Illawarra Regional Development Board	
	Mr Peter Pedersen	General Manager, Illawarra Regional Development Board	
	<b>20 April 2004</b>	Mr Geoffrey Beesley	Managing Director, Newcastle Stevedores
		Mr Gary Webb	Acting Chief Executive Officer, Newcastle Port Corporation
Mr Glenn Thornton		Chief Executive Officer, Hunter Business Chamber	
Mr Ian Travis		Supply Chain Infrastructure Consultant, Hunter Business Chamber	
Mr Andrew Geddes		Engineer, Hunter Business Chamber	
Mr Michael Reid		Manager, Ports Development and Infrastructure, GrainCorp	
Mr Steven Ford		General Manager, Ports, Toll Holdings Ltd	
<b>21 April 2004</b>	Mr Graeme Sargent	National Development Manager, Port Division, Toll Logistics	
	Mr Gary Blaschke	Spokesperson, Botany Bay and Catchment Alliance Inc	
	Mr Bob Walsh	Chairman, Kurnell Regional Environment Planning Council	
	Mr Llew Russell	Chief Executive Officer, Shipping Australia Ltd	
	Mr Stephen Horton	General Manager, Hetherington Kingsbury Shipping Agency	
<b>22 April 2004</b>	Mr Donald Smithwick	Director Automotive and General, Patrick Corporation	
	Mr Peter Dexter	Regional Director, Wallenius Wilhelmsen	
	Mr Kim Buoy	General Manager, Operations, Wallenius Wilhelmsen	
	Mr Harold Kerr	Committee Member, Millers Point, Dawes Point, The Rocks Residents Action Group (RAG)	
	Mr Graham Brooks	Representative, Millers Point, Dawes Point, The Rocks RAG	
	Mr Michael Harrison	Representative, Millers Point, Dawes Point, The Rocks RAG	
	Mr Robert Coombs	Secretary, Maritime Union of Australia – Sydney Branch	

<b>Date</b>	<b>Name</b>	<b>Position and Organisation</b>
<b>14 May 2004</b>	Mr Sam Haddad	Deputy Director General, Office of Sustainable Development Assessments and Approvals, Department of Infrastructure, Planning and Natural Resources
	Mr Stephen Alchin	Executive Director, Transport Planning, Department of Infrastructure, Planning and Natural Resources
	Ms Joan Staples	Chairperson, Save Botany Beach
	Mr Colin Woodward	Executive Director of Operations, Department of Environment and Conservation
	Mr Niall Johnston	Manager, Contaminated Sites Regulatory Unit, Department of Environment and Conservation
	Mr Greg Martin	Chief Executive Officer, Sydney Ports Corporation
	Mr Simon Barney	General Manager, Commerce and Logistics, Sydney Ports Corporation
	Ms Marika Calfas	Manager, Environmental Planning, Sydney Ports Corporation
	Mr Paul Shepherd	Director, Technical and Regulatory Services, City of Botany Bay
	Mr Peter Fitzgerald	General Manager, City of Botany Bay
	Ms Catherine McMahon	Manager, City Planning, City of Botany Bay
	Ms Melissa Gibbs	Executive Director, Southern Sydney Regional Organisation of Councils
<b>17 May 2004</b>	Mr Tim Blood	Managing Director, P&O Ports
	Mr Roy Cummins	Manager, Port Services NSW, P&O Ports
	Mr Brian O'Dea	Chairman, Sydney Ports Users Consultative Group
	Mr Denis Dillon	Secretary, Sydney Ports Users Consultative Group
	Ms Alison McCabe	Director, Environment and Community Management, Leichhardt Council
<b>18 May 2004</b>	Mr Hugh McMaster	Government and Commercial Services Manager, NSW Road Transport Association Inc
	Mr Chris Oxenbould	Acting Chief Executive, Waterways Authority
	Mr Paul Robinson	Executive Director, Maritime Asset Strategy, Waterways Authority
	Mr Gerry Gleeson	Chairman, Sydney Harbour Foreshore Authority
	Dr Robert Lang	Chief Executive Officer, Sydney Harbour Foreshore Authority
	Mr Jim Glasson	Acting Chief Executive Officer, Port Kembla Port Corporation
	Mr Warwick Reader	General Manager, Marketing and Strategic Development, Port Kembla Port Corporation
	Mr Vince Graham	Chief Executive Officer, RailCorp

## Appendix 3 Minutes

Minutes No 12

Tuesday 21 October 2003

Legislative Council Chamber, Parliament House, at 12:35pm.

### 1. **Members present**

Hon Tony Burke MLC (Chair)  
 Hon Patricia Forsythe MLC (Deputy Chair)  
 Hon Tony Catanzariti MLC  
 Hon Christine Robertson MLC  
 Mr Ian Cohen MLC

### 2. **Apologies**

Hon Melinda Pavey MLC

### 3. **Correspondence**

#### ***Received***

The Chair tabled correspondence from the Hon Michael Costa MP, Minister Transport Services, Minister for the Hunter, Minister Assisting the Minister for Natural Resources (Forests) requesting that the Standing Committee on State Development conduct an inquiry into port infrastructure in NSW.

The Committee proceeded to consider the Terms of Reference for the inquiry.

### 4. **Deliberative - Inquiry into Port Infrastructure in NSW**

#### ***Call for submissions***

Resolved on the motion of the Ms Forsythe, that the Committee resolve advertise the Terms of Reference and call for submissions in major metropolitan and selected regional press and publications of identified stakeholders; and that the closing date for submissions should be 17 December 2003.

### 5. **Adjournment**

The meeting adjourned at 12:50 pm.

**Bayne McKissock**  
**A/Director**

Minutes No. 13

Wednesday 21 October 2003

Legislative Council Chamber, Parliament House, at 10:10am

### 1. **Members present**

Hon Tony Burke MLC (Chair)  
 Hon Patricia Forsythe MLC (Deputy Chair)  
 Hon Tony Catanzariti MLC  
 Hon Christine Robertson MLC

Hon Melinda Pavey MLC  
Mr Ian Cohen MLC

**2. Correspondence**

***Received***

The Chair tabled correspondence from the Hon Michael Costa MP, Minister Transport Services, Minister for the Hunter, Minister Assisting the Minister for Natural Resources (Forests) advising the Standing Committee on State Development of revised terms of reference.

**3. Deliberative - Inquiry into Port Infrastructure in NSW**

***Call for submissions***

Resolved, on the motion of Ms Robertson: that the Committee need not re-advertise the revised terms of reference in the Newcastle Herald and Illawarra Mercury (appeared Saturday 25 October 2003) as the terms of reference are to be circulated directly to all stakeholders.

**4. Adjournment**

The meeting adjourned at 10:20am.

**Bayne McKissock**  
**A/Director**

Minutes No. 17

Wednesday 18 February 2004

Port Kembla Port Corporation Training and Conference Centre

Port Kembla at 1.00pm

**1. Members present**

Hon Tony Burke MLC (Chair)  
Hon Patricia Forsythe MLC (Deputy Chair)  
Hon Tony Catanzariti MLC  
Hon Christine Robertson MLC  
Hon Melinda Pavey MLC

**2. Apologies**

Mr Ian Cohen MLC

**3. Site Visit - Inquiry into Port Infrastructure in NSW**

Philip McGavin, Managing Director and Warwick Reader, General Manager Marketing and Strategic Development, both from Port Kembla Port Corporation provided a briefing to the Committee.

The Committee, accompanied by Mr McGavin and Mr Reader, conducted a site visit of the Port Kembla Inner Harbour port facilities and discussed the proposed infrastructure upgrade.

**4. Adjournment**

The meeting adjourned at 4.00pm until 9.00am, 19 February 2004.

**Rob Stefanic**

**Director**

Minutes No 18

Thursday 19 February 2004

Wollongong Council Chambers, Wollongong at 9.00am

**1. Members present**

Hon Tony Burke MLC (Chair)  
 Hon Patricia Forsythe MLC (Deputy Chair)  
 Hon Tony Catanzariti MLC  
 Hon Christine Robertson MLC  
 Hon Melinda Pavey MLC  
 Mr Ian Cohen MLC

**2. Deliberative – Inquiry into Port Infrastructure in NSW*****Publication of submissions***

Resolved on the motion of Mrs Forsythe: that pursuant to the provisions of section 4 of the *Parliamentary Papers (Supplementary Provisions) Act 1975* and under the authority of Standing Order 2223, the Committee authorises the Clerk of the Committee to publish the submissions for the inquiry into port infrastructure in NSW with the exception of submissions or part of submissions identified as “confidential” or “not publicly available”.

**3. Hearing - Inquiry into Port Infrastructure in NSW**

The public were admitted.

Ms Deborah Murphy Regional Manager – Illawarra, Australian Industry Group,  
 Mr Terry Wetherall, President, Illawarra Business Chamber,  
 Cr Alex Darling, Lord Mayor, City of Wollongong,  
 Mr Stephen Payne, Director Corporate & Governance, City of Wollongong,  
 Ms Lesley Scarlett, Executive Director, Southern Councils Group, and  
 Mr Arthur Rorris, Secretary, South Coast Labor Council, were all sworn and examined representing the Illawarra Alliance.

Evidence concluded and the witnesses withdrew.

Mr Gary Keane, Acting Secretary, Maritime Union of Australia, Southern NSW Branch, was sworn and examined.

Evidence concluded and the witness withdrew.

Mr Simon Linge, Manager, Marine Logistics, BlueScope Steel Ltd, and  
 Mr Ross Murray, President, Iron and Slab, BlueScope Steel Ltd, were sworn and examined.

Evidence concluded and the witnesses withdrew.

Dr Phillip Laird, Chairman, Government Relations Committee, Railway Technical Society of Australasia, was sworn and examined.

Evidence concluded and the witness withdrew.

Mr John Grace, Executive Officer, Illawarra Area Consultative Committee, Mr Geoff Goeldner Board Member, Illawarra Area Consultative Committee, Mrs Margaret Biggs Board Member, Illawarra Area Consultative Committee, Dr Judith Stubbs Board Member, Illawarra Area Consultative Committee, and Mr Alan Ward, Board Member, Illawarra Area Consultative Committee, were sworn and examined.

Evidence concluded and the witnesses withdrew.

Mr Garry Langton, Chairman, Illawarra Regional Development Board, and Mr Peter Pedersen, General Manager, Illawarra Regional Development Board, were sworn and examined.

Evidence concluded and the witnesses withdrew.

#### **4. Adjournment**

The meeting adjourned at 4.00pm.

**Rob Stefanic**  
**Director**

Minutes 19

Friday 2 April 2004

Sydney Ports Authority, Port Botany at 9.00am

#### **1. Members present**

Hon Tony Burke MLC (Chair)  
Hon Patricia Forsythe MLC (Deputy Chair)  
Hon Christine Robertson MLC  
Hon Melinda Pavey MLC  
Mr Ian Cohen MLC

#### **2. Apologies**

Hon Tony Catanzariti MLC

#### **3. Site Visit – Port Botany and Sydney Harbour Foreshore**

Greg Martin, Chief Executive Officer, Polly Bennett, General Manager, Corporate Communications and Planning, and Simon Barney, General Manager, Commerce & Logistics, of Sydney Ports Corporation provided a briefing to the Committee.

Ray Lee, Acting Terminal Manager, Patrick Corporation provided a briefing to the Committee. The Committee conducted a site visit of the Port Botany terminals and surrounding area, including Foreshore Beach and discussed the proposed infrastructure upgrade.

The Committee then conducted a site visit of Sydney Ports Corporation land on Sydney Harbour, which is part of the Government's Ports Growth Plan. The Committee was

accompanied by Greg Martin, Chief Executive Officer, Polly Bennett, General Manager, Corporate Communications and Planning, Simon Barney, General Manager, Commerce & Logistics, Phil Rosser, Senior Manager, Trade Development and Liaison, and Shane Hobday, General Manager, Marine Operations.

#### 4. **Adjournment**

The meeting adjourned at 2.00pm.

**Bayne McKissock**  
**Senior Project Officer**

Minutes No 20

Monday 19 April 2004

Newcastle Ports Corporation, Newcastle at 12:30pm

#### 1. **Members present**

Hon Tony Burke MLC (Chair)  
Hon Patricia Forsythe MLC (Deputy Chair)  
Hon Tony Catanzariti MLC  
Hon Melinda Pavey MLC  
Mr Ian Cohen MLC

#### 2. **Apologies**

Hon Christine Robertson MLC

#### 3. **Site Visit – Newcastle Ports Corporation and Port**

Gary Webb, A/Chief Executive Officer, Colin Norman, Executive Manager, Strategic Projects, and Annette Woods, Project manager, Strategic Projects provided a briefing to the Committee.

The Committee conducted a site visit of the Port of Newcastle terminals and surrounding area, including the site for the proposed Multi-purpose terminal.

#### 4. **Adjournment**

The meeting adjourned at 5.30pm.

**Bayne McKissock**  
**Senior Project Officer**

Minutes No 21

Tuesday 20 April 2004

Noah's on the Beach, Newcastle at 9:30am

#### 1. **Members present**

Hon Tony Burke MLC (Chair)  
Hon Patricia Forsythe MLC (Deputy Chair)  
Hon Tony Catanzariti MLC  
Hon Melinda Pavey MLC  
Mr Ian Cohen MLC

**2. Apologies**

Hon Christine Robertson MLC

**3. Hearing - Inquiry into Port Infrastructure in NSW**

Mr Geoff Beesley, Managing Director, Newcastle Stevedores and Illawarra Stevedores was sworn and examined.

Evidence concluded and the witnesses withdrew.

Mr Gary Webb, A/Chief Executive Officer, Newcastle Ports Corporation was sworn and examined.

Evidence concluded and the witness withdrew.

Mr Glenn Thornton, Chief Executive Officer, Hunter Business Chamber, Mr Ian Travis, Supply Chain Infrastructure Consultant, and Mr Andrew Geddes, Engineer, were sworn and examined.

Evidence concluded and the witness withdrew.

Mr Michael Reid, Manager, Ports Development and Infrastructure, GrainCorp Operations, was sworn and examined.

Evidence concluded and the witness withdrew.

Mr Steven Ford, General Manager, Ports, Toll Holdings Ltd, and Mr Graeme Sargent, National Development Manager, Port Division, Toll Logistics, were sworn and examined.

Evidence concluded and the witness withdrew.

**4. Deliberative - Inquiry into Port Infrastructure in NSW**

Resolved on the motion of Mrs Forsythe: that the Secretariat prepares a brief to the Committee on the Ports of Brisbane and Fremantle to determine the value of a Committee site visit to these ports.

**5. Floor Discussion - Inquiry into Port Infrastructure in NSW**

The Committee then conducted an open mike discussion from the floor.

**6. Adjournment**

The meeting adjourned at 2.30pm.

**Bayne McKissock**  
**Senior Project Officer**

Minutes No 22

Wednesday 21 April 2004

Parliament House, Sydney at 9:30am

**1. Members present**

Hon Tony Burke MLC (Chair)

Hon Patricia Forsythe MLC (Deputy Chair)  
 Hon Tony Catanzariti MLC  
 Hon Christine Robertson MLC  
 Hon Melinda Pavey MLC  
 Mr Ian Cohen MLC

**2. Hearing - Inquiry into Port Infrastructure in NSW**

Mr Gary Blaschke, Botany Bay Catchment Alliance and Bob Walshe, Kurnell Regional Environment Planning Council were sworn and examined.

Evidence concluded and the witnesses withdrew.

Llewellyn Russell, Chief Executive Officer, Shipping Australia Ltd, and Stephen Horton, General Manager, Hetherington Kingsbury Shipping Agency, were sworn and examined.

Evidence concluded and the witness withdrew.

Donald Smithwick, Director, Automotive and General, Patrick Corporation, was sworn and examined.

Evidence concluded and the witness withdrew.

**3. Deliberative – Inquiry into Port Infrastructure in NSW**

Resolved on the motion of Ms Forsythe: that the Secretariat contact P&O Ports to ensure the appropriate representatives from that organisation are present and available for questioning for their scheduled appearance.

**4. Adjournment**

The meeting adjourned at 12:00pm

**Bayne McKissock**  
**Senior Project Officer**

Minutes No 23  
 Thursday 22 April 2004  
 Parliament House, Sydney at 10:30am

**1. Members present**

Hon Tony Burke MLC (Chair)  
 Hon Patricia Forsythe MLC (Deputy Chair)  
 Hon Tony Catanzariti MLC  
 Hon Melinda Pavey MLC  
 Mr Ian Cohen MLC

**2. Apologies**

Hon Christine Robertson MLC

**3. Hearing - Inquiry into Port Infrastructure in NSW**

Peter Dexter, Regional Director, Wallenius Wilhelmsen Lines, and Kim Buoy, General Manager, Operations, Wallenius Wilhelmsen Lines were sworn and examined.

Evidence concluded and the witnesses withdrew.

Harold Kerr, Company Director, Millers Point, Dawes Point and The Rocks Residents Action Group, and Graham Brooks, Heritage Consultant, Millers Point, Dawes Point and The Rocks Residents Action Group, Michael Harrison, Town Planner and Urban Designer, Millers Point, Dawes Point and The Rocks Residents Action Group were sworn and examined.

Evidence concluded and the witness withdrew.

Robert Coombs, Secretary, Central New South Wales Branch, Maritime Union of Australia, was sworn and examined.

Evidence concluded and the witness withdrew.

**4. Deliberative – Inquiry into Port Infrastructure in NSW**

The committee reserved the following dates for public hearings: 14, 17-19 May and 9-11 June 2004. The Committee reserved 15 June 2004 as a possible date for a public meeting in Wollongong.

**5. Floor Discussion – Inquiry into Port Infrastructure in NSW**

The Committee then conducted an open mike discussion from the floor.

**6. Adjournment**

The meeting adjourned at 3:00pm

**Bayne McKissock**  
**Senior Project Officer**

Minutes No 24

Friday 14 May 2004

Parliament House, Sydney at 9:30am

**1. Members present**

Hon Tony Burke MLC (Chair)  
Hon Patricia Forsythe MLC (Deputy Chair)  
Hon Tony Catanzariti MLC  
Hon Christine Robertson MLC  
Hon Melinda Pavey MLC  
Mr Ian Cohen MLC

**2. Hearing - Inquiry into Port Infrastructure in NSW**

Sam Haddad, Deputy Director-General, Department of Infrastructure, Planning and Natural Resources, Stephen Alchin, Executive Director, Transport Planning, Department of Infrastructure, Planning and Natural Resources were sworn and examined.

Evidence concluded and the witnesses withdrew.

Joan Staples, Campaign Co-ordinator, Save Botany Beach was sworn and examined.

Evidence concluded and the witness withdrew.

**3. Deliberative – Inquiry into Port Infrastructure in NSW**

The committee considered the proposal to undertake research and information gathering exercise to Brisbane, Queensland on 9 June 2003 and/or Fremantle 10-11 June 2003.

The Committee deliberated.

Resolved on the motion of Ms Forsythe: that subject to approval by the President, that the Committee conduct the proposed research and information gathering exercise to Queensland and Fremantle on Wednesday 9 June to Friday 11 June 2003.

**4. Recommended - Inquiry into Port Infrastructure in NSW**

Colin Woodward, Executive Director of Operations, Department of Environment and Conservation and. Niall Johnston, Manager, Contaminated Sites Regulatory Unit, Department of Environment and Conservation were sworn and examined.

Evidence concluded and the witness withdrew.

Simon Barney, General Manager, Commerce and Logistics, Sydney Ports Corporation, Gregory Martin, Chief Executive Officer, Sydney Ports Corporation, Marika Calfas, Manager Environmental Planning, Sydney Ports Corporation were sworn and examined.

Evidence concluded and the witness withdrew.

Melissa Gibbs, Executive Director, Southern Sydney Regional Organisation of Councils, and Paul Shepherd, Director of Technical and Regulatory Services, City of Botany Bay, Peter Fitzgerald, General Manager, Botany Bay City Council, and Catherine McMahon, Manager of City Planning, City of Botany Bay, were sworn and examined.

Evidence concluded and the witness withdrew.

**5. Adjournment**

The meeting adjourned at 4:40pm

**Bayne McKissock**  
**Senior Project Officer**

Minutes No 25

Monday 17 May 2004

Parliament House, Sydney at 2:30pm

**1. Members present**

Hon Tony Burke MLC (Chair)

Hon Patricia Forsythe MLC (Deputy Chair)

Hon Tony Catanzariti MLC

Hon Christine Robertson MLC  
Hon Melinda Pavey MLC  
Mr Ian Cohen MLC

**2. Hearing - Inquiry into Port Infrastructure in NSW**

Timothy Blood, Managing Director, P&O Ports Australia and New Zealand, and Roy Cummins, Manager, Port Services New South Wales, P&O Ports were sworn and examined.

Evidence concluded and the witnesses withdrew.

Brian O'Dea, Regional Director, CP Ships UK Limited, Representative of Sydney Ports Users Consultative Group and Denis Dillon, Senior Manager, Sydney Ports Corporation, Secretary, Sydney Ports Users Consultative Group were sworn and examined.

Evidence concluded and the witness withdrew.

Alison McCabe, Town Planner, Director of Environmental and Community Management, Leichhardt Council was sworn and examined.

Evidence concluded and the witness withdrew.

**3. Adjournment**

The meeting adjourned at 4:10pm

**Bayne McKissock**  
**Senior Project Officer**

Minutes No 26  
Tuesday 18 May 2004  
Parliament House, Sydney at 9:00pm

**1. Members present**

Hon Tony Burke MLC (Chair)  
Hon Patricia Forsythe MLC (Deputy Chair)  
Hon Tony Catanzariti MLC  
Hon Melinda Pavey MLC  
Mr Ian Cohen MLC

**2. Apologies**

Hon Christine Robertson MLC

**3. Hearing - Inquiry into Port Infrastructure in NSW**

Hugh McMaster, Government and Commercial Services Manager, New South Wales Road Transport Association was sworn and examined.

Evidence concluded and the witnesses withdrew.

Paul Robinson, Executive Director, Maritime Asset Strategy, Waterways Authority, and Christopher Oxenbould, Acting Chief Executive, Waterways Authority were sworn and examined.

Evidence concluded and the witness withdrew.

Gerald Gleeson, Chairman, Sydney Harbour Foreshore Authority, and Robert Lang, Chief Executive Officer, Sydney Harbour Foreshore Authority were sworn and examined.

Evidence concluded and the witness withdrew.

Ian Glasson, Acting Chief Executive Officer, Port Kembla Port Corporation, and Warwick Reader, General Manager Marketing and Strategic Development, Port Kembla Port Corporation were sworn and examined.

Evidence concluded and the witness withdrew.

Vincent Graham, Chief Executive Officer, Rail Corporation, Chief Executive Officer, Rail Infrastructure Corporation, and Acting Chief Executive of State Rail was sworn and examined.

Evidence concluded and the witness withdrew.

#### 4. **Deliberative – Inquiry into Port Infrastructure in NSW**

Resolved on the motion of Ms Pavey: That the Committee conduct a public forum in Wollongong on 15 June 2004.

#### 5. **Adjournment**

The meeting adjourned at 2:55pm

**Bayne McKissock**  
**Senior Project Officer**

Minutes No 27

Friday 28 May 2004

Parliament House, Sydney at 10:00am

#### 1. **Members present**

Hon Tony Burke MLC (Chair)  
Hon Patricia Forsythe MLC (Deputy Chair)  
Hon Tony Catanzariti MLC  
Hon Christine Robertson MLC  
Hon Melinda Pavey MLC  
Mr Ian Cohen MLC

#### 2. **Deliberative – Inquiry into Port Infrastructure in NSW**

The Chair submitted his draft interim report entitled “Inquiry into port infrastructure in New South Wales – Interim Report”, which, having been circulated to each Member of the Committee, was accepted as having been read.

The Committee proceeded to consider the draft report.

Chapter 1 read.

Resolved on the motion of Ms Forsythe: That the Committee Secretariat be permitted to correct stylistic, typographical and grammatical errors.

Chapter 1, as circulated, agreed to.

Chapter 2 read.

Resolved on the motion of Ms Forsythe: That in paragraph 2.11 the words: “Based on the evidence presented to the Committee, including from the Department of Environment and Conservation (DEC), the Committee shares some of this concern. On this evidence, there will be negative consequences associated with the expansion of the existing port facilities” be deleted and replaced with the words: “Evidence was presented to the Committee including from the Department of Environment and Conservation (DEC) identifying potential be negative consequences associated with the expansion of the existing port facilities”.

Resolved on the motion of Mr Cohen: That following paragraph 2.12 a new paragraph be inserted to read:

“These concerns were echoed in the Save Botany beach submission:

The implications for the proposed reclamation of Botany Bay and the development of the third terminal are that any disturbance of the Bay near the zone of diffusion, where the underground water mixes with the salt water, will increase the release of the contaminants into the environment.

Orica and SPC are trying to give the impression that the zone of diffusion will be very narrow and confined to Penrhyn Estuary, and the only transect they show is through Penrhyn Estuary, but...the chemicals are moving across a much wider front. As well, the emergency situation, in relation to polluted bores experienced in Botany during 2003, related to EDC moving faster and further into Botany suburbs than had been anticipated by Orica and widening this front where the diffusion will occur.<sup>333</sup>”

Resolved on the motion of Mr Cohen: That following paragraph 2.28 the following paragraph be inserted:

“The Committee recognises that there is community objection to any expansion, as expressed by Ms Joan Staples, Chairperson, Save Botany Beach:]

Anything which involves reclamation of the bay is of concern to us, and anything that results in a tripling of the current volumes is of concern to us because, as I have been emphasising, this truck movement is the big issue.<sup>334</sup>”

Moved by Ms Pavey that the word “strongly” be deleted from paragraph 2.32.

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<sup>333</sup> Save Botany Beach, Submission 78, p12

<sup>334</sup> Ms Staples, Save Botany Beach, Evidence 14 May 2004, p25

The question put.

The Committee divided:

**Ayes**

Ms Pavey

**Noes**

Mr Burke

Mr Catanzariti

Mr Cohen

Ms Forsythe

Ms Robertson

Question resolved in the negative.

Resolved on the motion of Mr Cohen that in paragraph 2.32 the words “ The Committee acknowledges however that the Commission of Inquiry is in a better position regarding technical expertise to assess in detail the merits of any expansion of the Port Botany terminal” be deleted, and the replaced be the words “The Committee recognises that Commissions of Inquiry have access to technical expertise to assess in detail the merits of any expansion of the Port botany terminal.”

Resolved on the motion of Mr Cohen the words “of port facilities in New South Wales” be inserted following the first sentence in paragraph 2.33.

Chapter 2, as amended, agreed to.

Ms Pavey, by way of leave, made the following statement:

The interim report should not unduly hold up the process and a decision on port expansion in New South Wales. It must be noted that the Sydney Ports Corporation have followed a detailed EIS process over the past several years.

Resolved on the motion of Ms Robertson: That the interim report, as amended, be adopted.

### 3. **Adjournment**

The meeting adjourned at 11:55am

**Bayne McKissock**  
**Senior Project Officer**

Minutes No 28

Wednesday 9 June 2004

Brisbane Ports Corporation, Brisbane at 2:00pm

### 1. **Members present**

Hon Tony Burke MLC (Chair)

Hon Patricia Forsythe MLC (Deputy Chair)

Hon Christine Robertson MLC

Hon Melinda Pavey MLC

Mr Ian Cohen MLC

**2. Apologies**

Hon Tony Catanzariti MLC

**3. Site Visit - Inquiry into Port Infrastructure in NSW**

Mr Jeff Coleman, Chief Executive Officer, Port of Brisbane Corporation, and members of the PBC Executive team provided a briefing to the Committee.

The Committee conducted a site visit of the Port of Brisbane terminals and surrounding area, including the site for the proposed terminal expansion

**4. Adjournment**

The meeting adjourned at 4:15pm

**Bayne McKissock**  
**Senior Project Officer**

Minutes No 29

Thursday 10 June 2004

Fremantle Ports, Fremantle at 2:00pm

**1. Members present**

Hon Tony Burke MLC (Chair)

Hon Patricia Forsythe MLC (Deputy Chair)

Hon Christine Robertson MLC

**2. Apologies**

Hon Tony Catanzariti MLC

Hon Melinda Pavey MLC

Mr Ian Cohen MLC

**3. Fremantle Site Visit - Inquiry into Port Infrastructure in NSW**

Ms Kerry Sanderson, Chief Executive Officer, Fremantle Ports, Chris Leatt-Hayter, General Manager Strategic & Commercial Development, Gino Valenti, Manager Planning, Environment & Sustainability, John Barraclough, Manager Asset Strategy, Ainslie de Vos, Manager External Affairs provided a briefing to the Committee.

The Committee conducted a site visit of the Fremantle Port terminals and surrounding area, including the site for the proposed terminal expansion, the Fremantle Ports Signal station and Observation Deck.

**4. Adjournment**

The meeting adjourned at 5:15pm

**Bayne McKissock**  
**Senior Project Officer**

Minutes No 30

Friday 11 June 2004

Department of Planning & Infrastructure, Fremantle at 8:00am

**1. Members present**

Hon Tony Burke MLC (Chair)  
 Hon Patricia Forsythe MLC (Deputy Chair)  
 Hon Christine Robertson MLC

**2. Apologies**

Hon Tony Catanzariti MLC  
 Hon Melinda Pavey MLC  
 Mr Ian Cohen MLC

**3. Fremantle Site Visit - Inquiry into Port Infrastructure in NSW**

The Committee was provided a briefing by key staff of the Department of Planning & Infrastructure on the proposed Outer Harbour expansion and various other ports related issues. The Committee also met with the WA Minister for Infrastructure and Planning, Alannah MacTiernan, MLA.

The Committee conducted a site visit of the proposed Outer Harbour development site and surrounding area.

**4. Adjournment**

The meeting adjourned at 3:30pm

**Bayne McKissock**  
**Senior Project Officer**

Minutes No 31

Friday 31 November 2004

Parliament House, Sydney, Room 1108 at 3.00pm

**1. Members present**

Hon Eric Roozendaal MLC (Chair)  
 Hon Patricia Forsythe MLC (Deputy Chair)  
 Hon Tony Catanzariti MLC  
 Hon Christine Robertson MLC  
 Hon Melinda Pavey MLC  
 Mr Ian Cohen MLC

**2. Previous minutes**

Resolved, on the motion of Ms Forsythe, that Minutes No 17 – 30 be confirmed with following amendments made – Minutes 19 Mr Catanzariti an apology, Minutes 22 Ms Robertson present.

**3. Staffing issues**

Committee Director briefed the Committee on staffing changes.

Resolved, on the motion of Ms Pavey, that the Committee thank Bayne McKissock and Cathy Nunn for their considerable work with the State Development Committee.

**4. Deliberative – Inquiry into Port Infrastructure in NSW**

Resolved, on the motion of Ms Pavey, to conduct an open floor discussion at Wollongong to complete the series of open floor discussions commenced earlier in 2004 at Sydney and Newcastle, and to conduct a site visit to Patrick's Ingleburn facility on the same day.

Resolved, on the motion of Ms Pavey, that the Committee form a Sub-Committee to conduct the Wollongong floor discussion and Ingleburn site visit, with membership comprising Mr Roozendaal, Ms Forsythe and Ms Pavey.

Resolved on the motion of Ms Forsythe that the Chair write to Minister Costa MLC (Sydney Ports Corporation), Mr Tim Blood (P&O) and Mr Chris Corrigan (Patrick) requesting they provide the Committee with submissions they made to the Independent Commission of Inquiry into Port Botany.

**5. Other business**

The Committee discussed a range of possible future inquiry topics.

**6. Adjournment**

The meeting adjourned at 4.05pm

**Julie Langsworth**  
**Director**

Minutes No 32

Friday 3 December 2004

Sub-committee site visit, Wollongong City Council 11am-1pm;

Patrick's Ingleburn facility 3pm – 4.30pm.

**1. Members present**

Hon Eric Roozendaal MLC (Chair)

Hon Patricia Forsythe MLC (Deputy Chair)

**2. Apologies**

The Hon Melinda Pavey MLC

**3. Public Forum and Site Visit - Inquiry into Port Infrastructure in NSW**

The sub-Committee held a public forum and heard from community groups and the general public in relation to its inquiry into Port Infrastructure.

Short lunch adjournment and travel to Ingleburn.

The sub-Committee met with Mr Peter Wilson, Project Manager, Patrick Corporation and had a tour of the Ingleburn facility.

**4. Adjournment**

The sub-Committee adjourned at 4.30pm sine die.

**Julie Langsworth**  
**Director**

Minutes No 33  
 Tuesday 22 March 2005  
 Parliament House, Members Lounge, 5.35pm

**1. Members present**

Hon Tony Burke MLC (Chair)  
 Hon Patricia Forsythe MLC (Deputy Chair)  
 Hon Tony Catanzariti MLC  
 Hon Christine Robertson MLC  
 Hon Melinda Pavey MLC  
 Mr Ian Cohen MLC

**2. Minutes**

Resolved, on the motion of Ms Robertson, that the Committee adopt Minutes no 31 and 32 (sub-Committee site visit to Wollongong).

**3. Correspondence**

The Chair noted the following items of correspondence, sent and received:

***Received***

**Item 1** – To Chair from Mr Greg Martin, Chief Executive Officer, Sydney Ports Corporation, dated 6 December 2004, with submission to the Independent Commission of Inquiry into Port Botany

**Item 2** – To Chair from Patrick Corporation, dated 7 December 2004, with submission to the Independent Commission of Inquiry into Port Botany

**Item 3** – To Chair from Mr Chris Corrigan, Managing Director, Patrick Stevedores, dated 12 December 2004 with submission to the Independent Commission of Inquiry into Port Botany

***Sent***

**Item 4** – To The Hon Michael Costa MP, Minister for Ports, dated 16 November 2004, requesting the Committee be provided with Sydney Ports Corporation's opening statement to the Independent Commission of Inquiry into Port Botany

**Item 5** – To Mr Tim Blood, Managing Director, P&O Ports, dated 16 November 2004, requesting the Committee be provided with Sydney Ports Corporation's opening statement to the Independent Commission of Inquiry into Port Botany

**Item 6** – To Mr Chris Corrigan, Managing Director, Patrick Stevedores, dated 16 November 2004, requesting the Committee be provided with Sydney Ports Corporation's opening statement to the Independent Commission of Inquiry into Port Botany

**Item 7** – To Cr Alex Darling, Lord Mayor, City of Wollongong, dated 14 December 2004, to thank him for providing assistance with the meeting on 3 December 2004.

**4. Deliberative – Inquiry into Port Infrastructure in NSW**

The Secretariat provided an update on the progress of the inquiry and Chair's draft final report.

Resolved, on the motion of Ms Forsythe, that the Secretariat contact Mr Peter Wilson, Project Manager, Patrick Corporation to establish his availability to appear at a public hearing in late April.

***Publication of submissions***

Submission 100 - Resolved, on the motion of Ms Forsythe, that in order to better inform all those who are participating in the inquiry process, the Committee make use of its powers granted under paragraph 16 of the resolution establishing the Standing Committees, and section 4(2) of the *Parliamentary Papers (Supplementary Provisions) Act 1975*, to publish submission 100.

**5. Adjournment**

The Committee adjourned at 5.55pm sine die.

**Julie Langsworth  
Director**

Minutes No 34  
Wednesday 27 May 2005  
Parliament House, Room 1153, 6.30pm

**1. Members present**

Hon Tony Catanzariti MLC (Chair)  
Hon Patricia Forsythe MLC (Deputy)  
Hon Christine Robertson MLC  
Hon Melinda Pavey MLC  
Mr Ian Cohen MLC  
Hon Greg Donnelly MLC

**2. Minutes**

Resolved, on the motion of Ms Robertson, that the Committee adopt Minutes no 33.

**3. Correspondence**

The Chair noted the following items of correspondence:

***Received***

**Item 1** – To the Chair from David Campbell, Minister for Regional Development, Minister for the Illawarra, Minister for Small Business, dated 24 May 2005, regarding a new inquiry.

**4. Deliberative - Inquiry into Port Infrastructure**

The Committee considered the Chair's draft final report, which had been previously circulated.

Chapter One Read.

Resolved, on the motion of Ms Forsythe, that the following paragraph be included after the introductory paragraph on page 1:

'During this inquiry, the State Development Committee has experienced a number of changes to its membership and Chair. On 29 June 2004, the Hon Eric Roozendaal, MLC replaced Mr Tony Burke as Committee member and Chair. On 23 February 2005, the Hon Tony Catanzariti, MLC replaced Mr Roozendaal as Chair of the Committee. On 4 May 2005 the Hon Greg Donnelly, MLC became a member of the Committee, replacing Mr Roozendaal.'

Resolved, on the motion of Ms Forsythe, that the following section be included at the end of chapter 1:

**‘Recent developments’**

The Committee notes that the issue of ports and related infrastructure has been the subject of considerable debate over the past couple of months. Most recently, the Deputy Prime Minister, John Anderson ignited debate on the issue of State and Federal responsibilities for ports planning and regulation. As the Committee has not sought evidence from inquiry participants on this issue, we do not comment further in this report. However, given that ports infrastructure is of national significance, the Committee encourages the Commonwealth to work collaboratively with the State Government on the future of ports infrastructure in New South Wales. Any changes to the current planning arrangements and regulation of ports should only occur after wide consultation with all interested parties, including state and local government agencies, industry and the community, and after consideration of the recommendations of this report.

This report relies on the submissions and oral evidence provided to the Committee in the first half of 2004. The Committee has attempted to check wherever possible that the details provided in evidence are still current. In addition, we have provided information on relevant recent government announcements in relation to ports infrastructure.’

## Chapter 2 Read

Resolved, on the motion of Mr Cohen, that following paragraph and recommendation be added after paragraph 2.21:

‘The Committee acknowledges the support of a number of inquiry participants for a single ports corporation for NSW. While other witnesses were less sure of the value of a single corporation, the majority of participants felt that there could be better coordination between the three separate corporations. The Committee believes that the NSW Government should play an active role in ensuring that the Sydney Ports Corporation, the Port Kembla Port Corporation and the Newcastle Port Corporation work collaboratively and in the best interests of the citizens of New South Wales. Further, we believe that there should be a review into the feasibility and appropriateness of establishing a single ports corporation for New South Wales.

## Recommendation

That the NSW Government ensure there is a coordinated approach in the development and implementation of plans for NSW ports and related infrastructure, including the NSW Ports Growth Plan. In particular, the NSW Government should ensure that the Sydney Ports Corporation, the Port Kembla Port Corporation and the Newcastle Port Corporation work collaboratively and in the best interests of the citizens of New South Wales. Further, the NSW Government should review the feasibility and appropriateness of establishing a single ports corporation.’

Resolved, on the motion of Mr Cohen, that the following recommendation replace Recommendation 1: ‘That NSW government agencies work together to ensure a coordinated approach in the development and implementation of plans for NSW ports and related infrastructure, including the NSW Ports Growth Plan.’

Resolved, on the motion of Mr Cohen, that the following phrase be added to the first dot point at paragraph 2.41: ‘particularly the Penrhyn Estuary and the adjacent seagrass beds’

Resolved, on the motion of Ms Robertson, that the following recommendation replace Recommendation 2: ‘That the NSW Government develop and implement a comprehensive strategy for effective consultation with all levels of government, industry and the community in relation to further planning and management of NSW Ports.’

#### Chapter 3 Read

Resolved, on the motion of Mr Cohen, that the following phrase be added to the beginning of Recommendation 3: ‘Recognising an overall increase in the volume of freight traffic, both road and rail’

#### Chapter 4 Read

Resolved, on the motion of Ms Forsythe, that Recommendation 4 be amended to read: ‘In recognition of the lead time of major capital investment, the NSW Government should make a decision as soon as possible on the long-term viability of the Glebe Island Automotive Terminal, and the costs and benefits of extending leases at the terminal beyond 2017.’

Resolved, on the motion of Mr Cohen, that Recommendation 6 be amended to read: ‘That the NSW Government remain committed to the preservation of Millers Point as open space.’

#### Chapter 5 Read

Resolved, on the motion of Ms Forsythe, that the following phrase be added to paragraph 5.18: ‘the Hon Bruce Baird, MP’

Resolved, on the motion of Mr Cohen, that the following recommendation replace Recommendation 7:

‘That the NSW Government, before any future expansion of Port Botany ensures there is:

- the development of adequate environmental management plans for Penrhyn Estuary, Foreshore Beach and surrounding areas
- an assessment of the potential social impact, particularly in relation to air and noise pollution
- an analysis of the impact of any development on the hydrology of the Bay
- a plan for the protection of seagrass beds in the Bay.’

Resolved, on the motion of Mr Cohen, that the following dot point be removed from Recommendation 8: ‘Should the expansion of Port Botany be given the go ahead, a thorough process of assessment take place prior to the expansion, to take account of the environmental impacts in relation to the construction and operation of the new facilities.’

Resolved, on the motion of Mr Cohen, that the following recommendation become a new recommendation after Recommendation 8: ‘That the NSW Government, before any future expansion of Port Botany, ensure there is a thorough process of assessment to take account of the environmental and social impacts in relation to the construction and operation of the new facilities.’

Resolved, on the motion of Ms Forsythe, that Recommendation 9 be moved to paragraph 5.53 and be amended to read: 'That the NSW Government investigate, irrespective of any expansion of Port Botany, the adequacy of road and rail infrastructure servicing Port Botany, and the intermodal network.'

#### Chapter 6 Read

Resolved, on the motion of Mr Cohen, that the following recommendation be a new recommendation to appear after Recommendation 10: 'That the NSW Government consider the feasibility of rail infrastructure into Port Kemba, including consideration of the Maldon to Dombarton line.'

#### Chapter 7 Read

Resolved, on the motion of Ms Forsythe, that the following heading above paragraph 7.30 be removed: 'West Wallsend and surrounding suburbs'

Resolved, on the motion of Ms Forsythe, that the following phrase be removed from paragraph 7.30: 'adversely affecting West Wallsend and surrounding residential suburbs.'

Resolved, on the motion of Ms Forsythe, that the following sentence be removed from the beginning of paragraph 7.34: 'The Committee acknowledges the concerns of residents in West Wallsend and surrounding suburbs.'

Resolved, on the motion of Ms Forsythe, that the Recommendation 11 be amended to read: 'Given that Port Botany has a limited capacity, the NSW Government should re-examine the freight task out of Port Newcastle to ensure that any increase in freight traffic is supported by the necessary improvements in road and rail infrastructure, such as a dedicated freight line from Sydney to Newcastle.'

Resolved, on the motion of Ms Pavey, that the following sentence be added as a new paragraph after paragraph 7.43: 'The Committee acknowledges that rail freight transport movements in the Hunter have increased by 20% since the inception of the Australian Rail Track Corporation.'

#### Chapter 8 Read

Resolved, on the motion of Ms Robertson, that Chapters 1 - 8, as amended, be adopted.

Resolved, on the motion of Ms Robertson, that the Chair's Foreword, be adopted.

Resolved, on the motion of Ms Robertson, that Appendices 1-3 be adopted.

Resolved, on the motion of Ms Pavey, that the report, as amended, be adopted by the Committee and signed by the Chair and presented to the House in accordance with Standing Order 230 and 321.

Resolved, on the motion of Ms Pavey, that the report, with accompanying public submissions, evidence, correspondence, minutes and tabled documents, be tabled in the House in accordance with Standing Order 230.

Resolved, on the motion of Ms Pavey, that the secretariat be authorised to make any grammatical or typographical changes to the report prior to tabling of the report.

5. \*\*\*

6. **Adjournment**

The Committee adjourned at 9.30pm sine die.

**Julie Langsworth**  
**Director**

Minutes No 35  
Tuesday 31 May 2005  
Parliament House, Jubilee Room, 12.30pm

1. **Members present**

Hon Tony Catanzariti MLC (Chair)  
Hon Patricia Forsythe MLC (Deputy)  
Hon Christine Robertson MLC  
Hon Greg Donnelly MLC

2. **Apologies**

Hon Melinda Pavey MLC  
Mr Ian Cohen MLC

3. **Deliberative - Inquiry into Port Infrastructure**

The Chair noted that at the last meeting, Meeting 34 on 27 May 2005, members agreed that should any committee member have concerns about the changes to the report as a result of decisions made at that meeting, the Committee would meet to rescind the motion to adopt the report, to allow consideration of further amendments to the Chair's draft report.

Resolved, on the motion of Ms Forsythe, that the Committee rescind Ms Pavey's motion made at Meeting 43: "that the report, as amended, be adopted by the Committee and signed by the Chair and presented to the House in accordance with Standing Order 230."

Resolved, on the motion of Ms Forsythe, that the Committee rescind Ms Pavey's motion made at Meeting 34: "that the report, with accompanying public submissions, evidence, correspondence, minutes and tabled documents, be tabled in the House in accordance with Standing Order 230."

Resolved, on the motion of Mr Donnelly, that the Committee rescind Ms Robertson's motion made at meeting 34: "that Chapters 1 – 8, as amended, be adopted."

4. **Adjournment**

The Committee adjourned at 12.40 pm until Tuesday 7 June 2005 at 1.30pm.

**Julie Langsworth**  
**Director**

Minutes No 36  
 Wednesday 8 June 2005  
 Parliament House, Room 1153, 1.10pm

**1. Members present**

Hon Tony Catanzariti MLC (Chair)  
 Hon Patricia Forsythe MLC (Deputy Chair)  
 Hon Christine Robertson MLC  
 Hon Greg Donnelly MLC  
 Hon Melinda Pavey MLC  
 Mr Ian Cohen MLC

**2. Minutes**

Resolved, on the motion of Ms Forsythe, that the Committee adopt Minutes 34 and 35.

**3. \*\*\***

**4. Deliberative - Inquiry into Port Infrastructure**

Consideration of Chapter 2 resumed.

Ms Robertson moved that the last sentence in paragraph 2.22 be deleted: "Further, we believe that there should be a review into the feasibility and appropriateness of establishing a single ports corporation for New South Wales."

Question put.

Ayes	Noes
Mr Catanzariti	Ms Forsythe
Ms Robertson	Ms Pavey
Mr Donnelly	
Mr Cohen	

The question resolved in the affirmative.

Ms Robertson moved that the last sentence in Recommendation 1 be deleted: "Further, we believe that there should be a review into the feasibility and appropriateness of establishing a single ports corporation for New South Wales."

Question put

Ayes	Noes
Mr Catanzariti	Ms Forsythe
Ms Robertson	Ms Pavey
Mr Donnelly	
Mr Cohen	

The question resolved in the affirmative.

Resolved, on the motion of Ms Forsythe, the following sentences be added as a new paragraph after paragraph 2.22: "While the majority of Committee members do not believe there is a need

to change the current arrangements, the Opposition Committee members believe there should be a review into the feasibility and appropriateness of establishing a single ports corporation for New South Wales.”

Consideration of Chapter 4 resumed.

Ms Robertson moved, that Recommendation 5 be amended to read: “Recognising the expected ongoing growth in car importation to NSW, the Committee calls on the NSW Government to make a decision on the long term future of the Glebe Island Terminal, including the costs and/or benefits of any move to Port Kembla.”

Question put

Ayes	Noes
Mr Catanzariti	Ms Forsythe
Ms Robertson	Ms Pavey
Mr Donnelly	
Mr Cohen	

The question resolved in the affirmative.

Resolved, on the motion of Ms Forsythe, that the following paragraph be added after paragraph 4.13: “The majority of the Committee endorse this recommendation, however the Opposition Committee members believe, regardless of any expansion of Port Kembla, there should be a guaranteed future of Port facilities at the Glebe Island Terminal.”

Consideration of Chapter 6 resumed.

Resolved, on the motion of Mr Cohen, that following phrase be added to the end of Recommendation 13: “in conjunction with the AusLink program.”

Consideration of Chapter 7 resumed.

Resolved, on the motion of Mr Donnelly, that the following phrase be added to the end of Recommendation 14: “in conjunction with the AusLink program.”

Resolved, on the motion of Mr Cohen, that paragraph 7.44 be amended to read: “Following discussions with local companies the Federal Transport Minister has stated that rail freight transport movements in the Hunter has significantly improved since the inception of the Australian Rail Track Corporation,” and that a footnote with the reference to the media statement be attached.

Resolved, on the motion of Ms Forsythe, that Chapters 1 - 8, as amended, be adopted.

Resolved, on the motion of Ms Forsythe, that the Chair’s Foreword, be adopted.

Resolved, on the motion of Mr Cohen, that Appendices 1-3 be adopted.

Resolved, on the motion of Ms Forsythe, that the report, as amended, be adopted by the Committee and signed by the Chair and presented to the House in accordance with Standing Order 230 and 231.

Resolved, on the motion of Ms Pavey, that the report, with accompanying public submissions, evidence, correspondence, minutes and tabled documents, be tabled in the House in accordance with Standing Order 230.

Resolved, on the motion of Mr Cohen, that the secretariat be authorised to make any grammatical or typographical changes to the report prior to tabling of the report.

5. \*\*\*

6. **Adjournment**

The Committee adjourned at 2.00pm sine die.

**Julie Langsworth**  
**Director**