



Special Minister of State
Minister for Commerce
Minister for Industrial Relations
Minister for Ageing
Minister for Disability Services
Assistant Treasurer
Vice President of the Executive Council

Hon. Tony Catanzariti MLC
Committee Chair
Legislative Council
Standing Committee on State Development
Parliament House
Macquarie Street
SYDNEY NSW 2000

12 DEC 2005

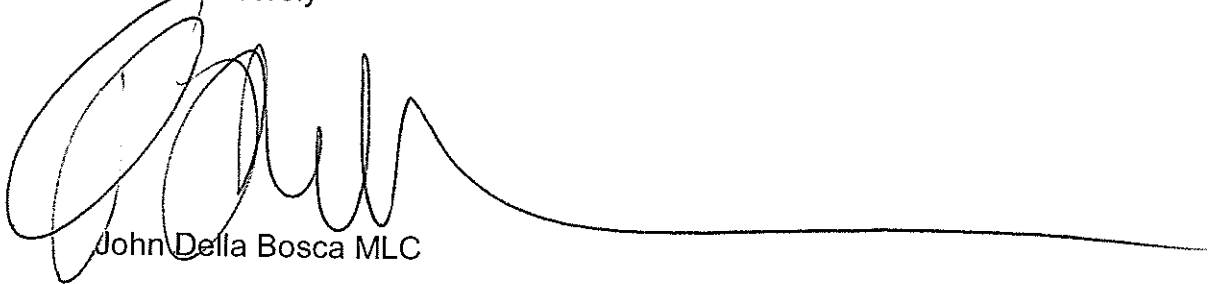
Dear Mr Catanzariti

I refer to Report No. 30 *Inquiry into Ports Infrastructure in New South Wales* by the Legislative Council Standing Committee on State Development.

I am pleased to advise that the Government response to the 16 recommendations contained in the Standing Committee's report have now been finalized. A copy of the response is attached for your information.

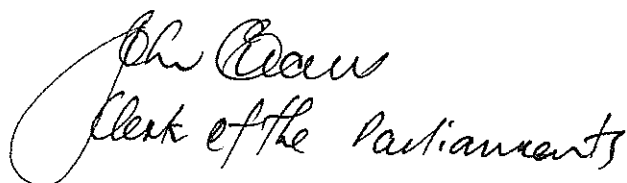
I trust that the Government response will be of assistance to the Committee.

Yours sincerely



John Della Bosca MLC

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and authorized to be published



John Egan
Clerk of the Parliament

NSW Government response to the recommendations of the Legislative Council Standing Committee on State Development Inquiry into Port Infrastructure in New South Wales.

	Committee recommendation	Government response	Additional comment
1.	<p>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.</p>	<p>Agree</p>	<ul style="list-style-type: none"> • The portfolio Minister retains responsibility for the overall policy framework within which the three Port Corporations operate. • While each of the three Port Corporations enjoy specific advantages for certain types of major trades, it needs to be acknowledged that there is an element of service competition between the Ports for some minor trades which provides overall price and efficiency benefits for the relevant port users. As a shareholding Minister for each of the Port Corporations, the Treasurer ensures co-ordination consistent with competition principles, where applicable.
2.	<p>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.</p>	<p>Agree</p>	<ul style="list-style-type: none"> • The Transport Chief Executive Officers cluster is a forum through which coordination is achieved by the relevant NSW Government agencies. • Coordination is also pursued through other structures established from time to time. For example, the Freight Infrastructure Advisory Board (FIAB) included the Chief Executives of the following State Government agencies – Roads and Traffic Authority, Rail Corp, Sydney Ports Corporation, and the Department of Planning. • It should also be acknowledged that at some ports the private sector also has a substantial role in the provision and ownership of port and port related infrastructure.

	Committee recommendation	Government response	Additional comment
3.	<p>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.</p>	Agree	<ul style="list-style-type: none"> • Peak intergovernmental consultation is undertaken through the Standing Committee on Transport and the Australian Transport Council. • The National Logistics Council, Seafreight and Airfreight Councils provide effective consultative forums for Government agencies and industry • Local consultative forums exist at each Port. • Government appointed review Boards such as FIAB undertake industry and community consultation as a matter of standard practice.
4.	<p>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:</p> <ul style="list-style-type: none"> • 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. 	Agree	<ul style="list-style-type: none"> • The FIAB report was released by the Minister for Planning on 14 October, 2005. • Consultation was a feature of the FIAB process. • The FIAB report has now been referred to Professor David Richmond, head of the Premier's Infrastructure Implementation Group to accept submissions and advise the Government on a container freight plan to support an expanded Port Botany. • Professor Richmond will be consulting widely with State and Commonwealth agencies such as the Australian Rail Track Corporation and with the freight and logistics industry.
5.	<p>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.</p>	Noted	<ul style="list-style-type: none"> • On 10 October, 2005 the NSW Premier announced the details and timetable for the transfer of car importation from Glebe Island to Port Kembla. • Planning principles for determining future land-uses at Glebe Island have also been announced.
6.	<p>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.</p>	Agree	<ul style="list-style-type: none"> • A transparent master planning process is in place for redevelopment of the Darling Harbour East precinct. The process is being managed by the Sydney Harbour Foreshore Authority.

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7.	<p>That the NSW Government remain committed to the preservation of Millers Point as open space.</p>	Noted	<ul style="list-style-type: none"> The Government has announced that it will preserve at least 50% of the Darling Harbour East precinct for open space. The final configuration of the site will be determined after the architectural competition has concluded.
8.	<p>That the NSW Government before any future expansion of Port Botany ensures there is</p> <ul style="list-style-type: none"> 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. 	Agree	<ul style="list-style-type: none"> These matters have been addressed in the EIS and in the development assessment process and are included in the development consent conditions.
9.	<p>That the NSW Government ensure, in relation to the Orica plan designed to clean up Botany Bay:</p> <ul style="list-style-type: none"> 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. 	Agree	<ul style="list-style-type: none"> This issue is the subject of a detailed and transparent process that is being managed by the Department of Environment and Conservation. There is a legal direction on Orica to clean up the contaminated ground water. Strict limits will protect the community and Botany Bay and there will be independent auditing, public reports and a community committee to oversee all of this. Orica also has to provide a financial assurance for the project by 30 November 2006.
10.	<p>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.</p>	Agree	<ul style="list-style-type: none"> The environmental and social impacts of the construction and operation of the Port have been thoroughly assessed via the EIS and Commission of Inquiry processes, and are further safeguarded by the conditions of consent for the Port expansion.

	Committee recommendation	Government response	Additional comment
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.	Agree	<ul style="list-style-type: none"> The Government has investigated and assessed rail infrastructure requirements. Road infrastructure impacts are influenced by broader precinct developments and general growth in traffic and are subject to ongoing assessment by the RTA and Department of Planning. In April 2005 the Commonwealth Minister for Transport approved the development of an extended car park and commercial facilities at Sydney Airport. This development will have an impact on local traffic flows. However, the NSW Government does not have jurisdiction over developments on airport land.
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.	Agree	<ul style="list-style-type: none"> These matters were considered as part of the EIS for development of expanded general cargo handling facilities at Port Kembla and in the subsequent development consent.
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.	Noted	<ul style="list-style-type: none"> The Government will take this into consideration. However, it should be noted that a commercially viable business case for completion of the Maldon/Dombarton rail link has not been established.
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.	Noted	<ul style="list-style-type: none"> This will be further considered in future stages of the NSW Government's freight strategy. It should also be noted that progressive capacity upgrading is being undertaken on the F3 and preliminary planning has been undertaken for improvements to the strategic road link between the F3 and the M2. In addition, the NSW Government and the Commonwealth have agreed on \$110 million of AusLink expenditure to upgrade rail freight capacity in the Hornsby to Strathfield corridor.

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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.	Noted	<ul style="list-style-type: none"> The NSW Government is no longer responsible for the Hunter rail corridor. The corridor is leased by the Australian Rail Track Corporation (ARTC). ARTC is responsible for addressing infrastructure capacity for bulk haulage in the Hunter and it has a strong capital investment program underway which is being funded by users on a commercial basis. The Government also notes that the Prime Minister's Infrastructure Taskforce recently observed that the Hunter Valley Coal Chain process provides a model for efficient infrastructure planning and co-ordination.
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.	Agree	<ul style="list-style-type: none"> Ongoing oversight of regional port requirements is being undertaken by Maritime NSW (for the Ports of Yamba and Eden), and by the Department of Lands for other minor regional ports. These identified requirements are being linked to the regional strategies under development by the Department of Planning.