

Supplementary Question 1

Port of Newcastle indicate that Port Botany or Kembla cannot move forward and increase throughput without significant public expenditure, can you confirm if this is the case? Please provide any relevant details.

NSW Ports Response

The majority of government funded projects that have been identified by the Port of Newcastle as being critical to Port Botany 'moving forward and increasing throughput' do not have container traffic as a central or vital component to their cost benefit – the assertion by the Port of Newcastle is ill-informed.

Additional capacity across the Sydney transport system will continue to be required, as has occurred in the past, as the wider freight and transport tasks for Sydney grow and change. Sustained investment in the transport network – including freight infrastructure – lowers consumer costs and increases the competitiveness of NSW exports.

The need to invest in supporting transport infrastructure would be a requirement for any container terminal, especially one at the Port of Newcastle due to its distance from the main container cargo destinations, with these costs recovered either from the freight market or from taxpayers.

Port Botany

80% of containers arriving at Port Botany are delivered to warehouses and businesses within 40 kilometres of Port Botany's gate. The goods are unpacked and distributed, mainly to the Sydney market where 60% of NSW's population lives.

Optimising utilisation of existing freight infrastructure (for instance, through the duplication of the Port Botany Rail Line in an existing and dedicated freight rail corridor) that has been developed over decades to connect the port, makes economic sense.

If these containers were to arrive at a port in Newcastle they would need to be delivered back into Sydney travelling 160-200km instead of 40km. Less than two per cent of containers arriving at Port Botany (1 in every 50 containers) are destined for the Hunter, Newcastle or Central Coast areas.

A container terminal at Newcastle would require billions of dollars of extra public expenditure in road and rail infrastructure to connect the port to the destination of much of the cargo – the greater Sydney region.

Port Kembla

Port Kembla has better existing and planned transport connections to the population and employment growth areas in Sydney's south-west and west. These connections are substantially less costly than similar connections to a port at Newcastle.

With time, additional infrastructure would be required to improve the reliability of freight flows to and from Port Kembla. Road and rail improvements are likely to be triggered by other demands, including urban development and non-port related traffic growth between the Illawarra and Sydney / south-western Sydney.

Potential works would revolve around developing the Maldon-Dombarton Rail Line, along with potential improvements to the M1 Princes Motorway, Picton Road and Appin Road.

Port of Newcastle

Of the two potential locations for the next container port, the Port of Newcastle would likely be the first to trigger a requirement for more infrastructure, as it is furthest from the Metropolitan Sydney area, which is the primary destination of imported containerised cargo. Newcastle's road and rail links to Sydney are also the most constrained. The rail line has limited freight path availability and the road corridor suffers from increasing levels of commuter congestion.

Works requirements triggered by a container terminal development would likely include:

- A potential need for a dedicated rail alignment between Hexham and Fassifern
- Augmentation of existing rail capacity on the Main North Line between Strathfield and Newcastle and / or separation of passenger and freight rail
- Potential new rail initiatives / infrastructure to provide onward connections to Western Sydney and potentially a new rail alignment between Western Sydney and the Central Coast
- Changes to the configuration of existing intermodal terminals in the Sydney region to accommodate longer trains that may serve Port of Newcastle
- Various road improvements around the Port of Newcastle to accommodate container trucks through the area

The additional volumes of container trucks on the F3 between Newcastle and Sydney would also need to be accommodated.