

12 February 2019

Hon Robert Brown MLC
Chairman
Legislative Council Public Works Committee
NSW Parliament House
Macquarie Street
Sydney NSW 2000

Dear Mr Brown

Inquiry into the impact of Port of Newcastle sale arrangements

Response to Supplementary Questions

I take this opportunity to provide to the Committee Port of Newcastle's responses to the Supplementary Questions following the public hearing and the corrected transcript (**see attached**).

I would also like to specifically clarify the following:

- Within the first ten years of the project there will be an estimated 479 truck movements per day to move 350,000 TEU per year
- This is in stark contrast to claims made at the hearing, including those by Mr Ken Kanofski, Chief Executive of Roads and Maritime Services, who referred to up to 5,000 truck movements per day
- It is unclear how these numbers have been calculated.

It is important to recognise that the Newcastle Container Terminal will likely be developed in three stages. Stage 1 will handle up to 350,000 TEU (at full capacity) in accordance with the existing Planning Approval over the next ten years. Subsequent stages will grow the terminal capacity to potentially 1.7 million TEU by 2065, which would equate to an estimated 2,328 truck movements per day. This is within the limits of the ultimate stage approved in the 2012 Mayfield Concept Plan Approval.

It should also be noted that there are already large volumes of deconsolidated freight moving north from Sydney by road that would no longer be required, actually reducing current road freight volumes. Furthermore, the majority of truck freight will not move south to Sydney but be evenly distributed to local and regional areas within the catchment area.

Like other Australian ports, the Port of Newcastle will see greater uptake of better utilised trucks or Higher Productivity Freight Vehicles (HPFVs) which can carry four TEU per truck movement. This will equate to even less truck movements.

Port of Newcastle welcomes an open and transparent discussion about the facts and thanks the Committee for the opportunity to participate in the Inquiry.

Should the Committee require further information in relation to this submission please contact me on

Yours sincerely

Tanya McDonald
EXECUTIVE MANAGER CORPORATE AFFAIRS

Enclosures:

- A. Responses to Questions on Notice for the Port of Newcastle.**
- B. Transcript corrections**

Supplementary Questions on Notice for Port of Newcastle

No	Question	Response
1	What modelling has been relied upon by the Port of Newcastle on the long-term outlook for coal?	The Port of Newcastle's long-term outlook for coal is informed by a range of analysis and modelling including publicly available reports, advisory subscription services and tailored advisory reports which are Commercial-in-Confidence.
2.	What planning has been done within Port of Newcastle to determine the future of coal exports from Newcastle?	<p>Please refer to Question 1.</p> <p>In May 2018 Port Waratah Coal Services (PWCS) announced it would not be pursuing the development of a proposed new coal handling facility (located at Terminal 4). PWCS indicated that it had consulted with coal producers and formed a view that expansion was not required, and existing terminals could handle the foreseeable coal export task. (See p 49 Port Master Plan 2040).</p> <p>https://pwcs.com.au/news/latest-news/port-waratah-terminal-4-announcement/ https://www.portofnewcastle.com.au/General/Port-Master-Plan-2040.aspx</p>
3	What specific emissions trajectories or scenarios (for instance, IPCC scenarios) have been used to determine the long-term outlook for coal for the Port?	<p>Please refer to Question 1.</p> <p>The future outlook for coal is uncertain but the merits of a container terminal at Port of Newcastle stand alone.</p>
4	What are the assumptions these scenarios are based on, including trends in global coal demand?	Please refer to Question 3.
5.	What is the projected share of coal tonnage to other commodities at Newcastle Port in 2030 and 2050?	Every cargo type moving through the port is unique and each is projected relative to future supply and demand for that cargo type. Given the many variables affecting each cargo type over the long-term, it is not possible to accurately predict cargo share percentages.

		<p>Port of Newcastle’s trade forecasts do not currently include container volumes as the project is at preliminary stage of development. The port has enviable channel, road and rail capacity that would enable it to support current and projected coal exports as well as facilitating containership visits to a world-class container terminal in Newcastle.</p> <p>In the absence of diversification, particularly major initiatives such as the container terminal, then coal will remain the source of the majority of the Port of Newcastle revenue base in the future.</p>
6.	<p>What is the projected modal share of road/rail transport accessing the port in 2030 and 2050?</p>	<p>It has long been recognised that rail is the most efficient and environmentally sustainable mode of land freight transport. Given its enviable rail connections and the social, cost and efficiency benefits of this modal choice, Port of Newcastle expects to continue relying on rail to move the bulk of its cargo for many decades. This is an integral part of the Port of Newcastle’s container terminal plans.</p> <p>The Port of Newcastle’s container terminal modal share is geared around an integrated and efficient rail solution.</p> <p>Currently, all coal exports through the port are carried by rail. This is not projected to change between now and 2050. Other cargoes, such as grain and mineral concentrates are also predominantly carried by rail. This is not expected to change in this period.</p> <p>In relation to the Newcastle Container Terminal, Port of Newcastle is targeting 50% of this freight being carried by rail. The design of the container terminal and levels of efficiency are both predicated on rail as the preferred modal choice.</p>
7.	<p>What other economic activity, including landside value-added services, will be stimulated at the Port and surrounding area as a consequence of the container terminal?</p>	<p>The Alpha Beta Report 'Global Gateway for NSW' identifies the overall economic uplift from the container terminal for the Hunter Region and Northern NSW to be in the order of \$6 billion in net present value by 2050.</p> <p>There is significant industrial land both adjacent to and in the vicinity of, the Port, available for the development of complementary and supporting land uses and facilities, such as container unpacking, sorting, warehousing and distribution, temporary container storage and empty container storage parks.</p>

		<p>The Container Terminal will stimulate broader economic and social benefits creating over 4,600 jobs by 2050 diverse industries across the region including transport, manufacturing, agriculture, services and construction.</p> <p>AlphaBeta modelling in conjunction with work undertaken by the University of Newcastle indicated for example that businesses in the Hunter and Northern NSW could save over 40 per cent of their land freight costs, on average. For example, an agri-business at Narrabri could save \$517 per TEU. Case studies were submitted to this inquiry as part of the Port’s submission.</p> <p>In the absence of publicly available objective analysis examining the economic benefits of developing a container terminal at Newcastle, Port of Newcastle decided to commission economic modelling. This modelling, undertaken by Alpha Beta, looks at the economics over a 30-year period. Deloitte Access Economics was also commissioned to undertake analysis in this area.</p>
8.	What is the current health burden on residential populations in the port and rail-side suburbs from the Carrington T1 Coal Terminal?	<p>The Environment Protection Authority operates the Lower Hunter Air Quality Monitoring Network which provides location specific information on air quality. Outputs from the network are publicly available.</p> <p>The Environment Protection Authority regularly consults with the Newcastle Community Consultative Committee on the Environment on policy and program initiatives to improve air quality in the region.</p>
9.	What has been undertaken by the Port of Newcastle to reduce the particulate pollution impacts on the port and rail-side suburbs?	<p>Individual operators are obligated to comply with their relevant approvals and licences to operate to manage particulate emissions from their operations.</p> <p>The Environmental Protection Authority drives improvements through Environment Protection Licences as required for those operations, like Port Waratah Coal Services, holding an Environment Protection Licence.</p>
10.	What would be the expected public health benefits from repurposing the T1 site to the container terminal, especially with regards to impacts on surrounding suburbs?	<p>The Environmental Protection Authority has completed studies to understand the air quality in the Newcastle area. These studies include a particle characterisation study and a dust deposition study. These documents are publicly available.</p>
11.	What is the current export coal capacity of the Port of Newcastle?	<p>The combined coal terminal capacity is 211MTpa, based on Government approvals and licences setting capacity limits for each terminal, as follows:</p>

	<p>a. What is the current annual rate of utilisation?</p> <p>b. What is the contribution of Carrington on export capacity and utilisation?</p> <p>c. Can the existing coal export facilities at Kooragang accommodate the decrease in capacity from the closure of the Carrington Terminal?</p>	<ul style="list-style-type: none"> • Port Waratah Coal Services (PWCS) T1 - Carrington Coal Terminal: 25MTpa; • Newcastle Coal Infrastructure Group (NCIG) T2 66MTpa; and • Port Waratah Coal Services (PWCS) T3 – Kooragang Coal Terminal: 120MTpa. <p>This capacity may differ from the actual capacity of terminal infrastructure.</p> <p>The Port of Newcastle is not in a position to respond to other parts of this question as per Question 1.</p>
12.	What will be the impact of renewing the T1 Coal Terminal lease on the future opportunities for diversification?	Matters pertaining to the specific arrangements for the Terminal 1 contract are Commercial-in-Confidence.
13.	Is China Merchants Port Holdings Company Limited at 50% shareholder of Port of Newcastle?	<p>The current NSW government sold the Port of Newcastle in 2014 to The Infrastructure Fund (TIF) and China Merchant Group. The port sale received all Australia Government Foreign Investment Review Board approvals.</p> <p>Information relation to Port of Newcastle owners is publicly available on the Port of Newcastle website: https://www.portofnewcastle.com.au/OUR-COMPANY/Shareholders.aspx</p> <p>Further information can be found on Gardior, TIF and China Merchant websites.</p>
14.	Is China Merchants Group the parent company of China Merchants Port Holdings Company Limited?	Information regarding China Merchants Group is available on the China Merchants Group website - http://www.cmport.com.hk/EN/investor/Default.aspx?p=1
15.	Is China Merchants Group a state-owned corporation of People's Republic of China?	Information regarding China Merchants Group is available on the China Merchants Group website - http://www.cmport.com.hk/EN/investor/Default.aspx?p=1
16.	Is China Merchants Group the owner of 85% of Hambantota Port in Sri Lanka?	Information regarding China Merchants Group is available on the China Merchants Group website - http://www.cmport.com.hk/EN/investor/Default.aspx?p=1

17.	Is China Merchants Group a shareholder in the Port of Djibouti?	Information regarding China Merchants Group is available on the China Merchants Group website - http://www.cmport.com.hk/EN/investor/Default.aspx?p=1
18.	You answered that the deed had to be accepted as “people were desperate to buy a port (Transcript Page 7). What would make someone desperate to buy a port irrespective of conditions or price?	The NSW asset sales program was highly contested at the time and is a matter of public record. ‘Busloads of bidders roll through Newcastle port’ (Australian Financial Review - 6 March 2014, https://www.afr.com/business/infrastructure/ports/busloads-of-bidders-roll-through-newcastle-port-20140306-ij89a)
19.	Given GrainCo currently export the majority of its produce through Brisbane, is it permitted within the deed for that volume to be redirected to Newcastle (given it is not taking volume away from Botany)?	This question pertains to matters the subject of legal proceedings by the Australian Competition and Consumer Commission.
20.	Your submission refers to encouraging the ‘allowing container freight into Newcastle’. Do you believe that they should be ‘incentivising’ freight through Newcastle by removing the fee contained in the deed?	This question pertains to matters the subject of legal proceedings by the Australian Competition and Consumer Commission.
21.	In your time as CEO of Port of Newcastle, have you met with Ryan Park (either in person or by telephone)? <ul style="list-style-type: none"> a. If so, what was the date of the meeting? b. What was discussed? c. What did the member say? 	No.

	d. What commitments were made or undertakings given?	
22.	<p>In your time as CEO of Port of Newcastle, have you met with Jodi McKay (either in person or by telephone)?</p> <p>a. If so, what was the date of the meeting?</p> <p>b. What was discussed?</p> <p>c. What did the member say?</p> <p>What commitments were made or undertakings given?</p>	<p>Yes.</p> <p>a) 13 September 2018 at Shipping Australia Luncheon 12 December 2018 - Phone conversation</p> <p>b) Newcastle Container Terminal</p> <p>c) If elected to Government an ALP Government would review the PCD</p>
23.	<p>In your time as CEO of Port of Newcastle, have you met with Clayton Barr (either in person or by telephone)?</p> <p>a. If so, what was the date of the meeting?</p> <p>b. What was discussed?</p> <p>c. What did the member say?</p> <p>What commitments were made or undertakings given?</p>	<p>Yes, see response to Question 28</p>
24.	<p>In your time as CEO of Port of Newcastle, have you met with Luke Foley (either in person or by telephone)?</p> <p>a. If so, what was the date of the meeting?</p> <p>b. What was discussed?</p> <p>c. What did the member say?</p> <p>What commitments were made or undertakings given?</p>	<p>No</p>

25.	<p>In your time as CEO of Port of Newcastle, have you met with Penny Sharpe (either in person or by telephone)?</p> <ul style="list-style-type: none"> a. If so, what was the date of the meeting? b. What was discussed? c. What did the member say? <p>What commitments were made or undertakings given?</p>	No
26.	<p>In your time as CEO of Port of Newcastle, have you met with Michael Daley (either in person or by telephone)?</p> <ul style="list-style-type: none"> a. If so, what was the date of the meeting? b. What was discussed? c. What did the member say? <p>What commitments were made or undertakings given?</p>	<p>Yes</p> <ul style="list-style-type: none"> a) 29 November 2018 – ALP function b) Newcastle container terminal c) If elected to Government an ALP Government would review the PCD.
27.	<p>In your time as CEO of Port of Newcastle, have you met with Ernest Wong (either in person or by telephone)?</p> <ul style="list-style-type: none"> a. If so, what was the date of the meeting? b. What was discussed? c. What did the member say? <p>What commitments were made or undertakings given?</p>	No
28.	<p>In your time as CEO of Port of Newcastle, have you met with any</p>	Yes

	<p>other members of the NSW Parliamentary Labor Party? If yes, who?</p> <ol style="list-style-type: none"> If so, what was the date of the meeting? What was discussed? What did the member say? <p>What commitments were made or undertakings given?</p>	<ol style="list-style-type: none"> Tim Crakenthorp - meeting <ol style="list-style-type: none"> 2 October 2018 A range of matters relating to the Port of Newcastle and Newcastle in general. If elected to Government an ALP Government would review the PCD. Kate Washington - meeting <ol style="list-style-type: none"> 28 November 2018 Diversification plans of the Port of Newcastle. If elected to Government an ALP Government would review the PCD A joint meeting with Hunter State MP's – Kate Washington, Meryl Swanson, Jodie Harrison, Clayton Barr, Yasmin Catley, Adam Searle and Tim Crakenthorp. <ol style="list-style-type: none"> 15 August 2018 Diversification plans of the Port of Newcastle If elected to Government an ALP Government would review the PCD
<p>29</p>	<p>Additionally, in your time as CEO of Port of Newcastle, have you met with Sam Dastyari (either in person or by telephone)?</p> <ol style="list-style-type: none"> If so, what was the date of the meeting? What was discussed? What did the member say? <p>What commitments were made or undertakings given?</p>	<p>No</p>
<p>30.</p>	<p>Additionally, in your time as CEO of Port of Newcastle, have you met with Rod Sims or any representative of the Australian Competition and Consumer Commission (either in person or by telephone)?</p>	<p>Yes</p> <ol style="list-style-type: none"> 11 October 2018 by telephone. To discuss the Access Dispute Discussion did not relate to the Committee's Terms of Reference

	<ul style="list-style-type: none"> a. If so, what was the date of the meeting? b. What was discussed? c. What did the member say? <p>What commitments were made, or undertakings given?</p>	
31.	<p>In your oral evidence you made reference to securing funding from investors for the development of the port as a container terminal: “The investors are saying, “We are not going to give you \$30 million until we know that you actually can build this thing and not to have to pay an extra \$100 per box” “</p> <ul style="list-style-type: none"> a. Who are these ‘investors’ and ‘new investors’ referred to in your evidence? Please provide. b. Alternatively, what kinds of entities are these ‘investors’ and ‘new investors’? c. What kind of funding arrangements have been discussed? 	Discussions with investors are Commercial-in-Confidence.
32.	<p>Are the monies to be advanced by way of debt funding or equity funding? If by equity funding, please provide details of the terms of such funding. If by debt, please provide advices as to the term of any loan, the anticipated interest rate to apply and the terms of repayment.</p>	Discussions with regards to the funding structures are Commercial-in-Confidence.

33.	Have any debt-for-equity swaps been proposed?	Discussions with regards to the funding structures are Commercial-in-Confidence.
34.	You referred to a development cost of \$1.8 billion (Transcript page 3). What will this development cost cover? Does it include the proposed intermodal?	<p>The full development costs of the proposed \$1.8 billion container terminal will be met by private equity. This is a high-level preliminary estimate of the capex required over three stages with a total capacity of 2 million TEU over a period of approximately 45 years.</p> <p>This includes capital for the intermodal facility, all berth and channel dredging, construction (civil, electrical) of wharfs, terminal and transport infrastructure (such as rail sidings, internal roads) and equipment.</p>
35.	<p>In your evidence you gave evidence regarding the possibility of larger container vessels offloading containers at the Port of Newcastle: “If we actually offer a container terminal that can take 10,000 plus, all of a sudden the top eight shipping lines in the world will go, “Right, there might be a reason to go to Australia”...” Transcript page 8</p> <p>a. Which shipping companies have committed to bringing larger container vessels to Australia? What is the capacity of these vessels?</p>	<p>Discussion with specific shipping lines are Commercial-in-Confidence.</p> <p>The Port of Newcastle commissioned a report by HoustonKemp on containerisation trends, as current state and federal policy does not appear to account for shipping trends and the impact on state infrastructure and trade opportunities for our importers and exporters.</p> <p>The HoustonKemp report was submitted to the Committee on the day of hearings. It highlighted the competitive pressures to lower costs amongst international container shipping lines have resulted in container ships growing in size.</p> <p>Current port facilities in Australia’s container ports have infrastructure and physical constraints for larger container vessels, which constrains the scope to obtain lower shipping cost benefits from larger ship sizes as containerised trade continues to grow into the future.</p>
36.	What assessments (if any) have been undertaken as to dredging of the Port of Newcastle that would be needed to accommodate these vessels? If so, please provide details.	<p>A number of vessel simulations and studies to identify the infrastructure requirements for larger vessels has been carried out as part of the preliminary investigation for the Container Terminal.</p> <p>The findings of these investigations indicate that some localised ancillary dredging and widening of the Steelworks Channel and the Horseshoe area are required to accommodate some larger vessels. These costs are included in the preliminary costings and will be privately funded.</p>

37.	What environmental assessments (if any) have been undertaken as to dredging of the Port of Newcastle that would be needed to accommodate these vessels? If so, please provide details.	Refer to Question 36.
38.	What do you estimate the costs of these dredging and remediation works to be? Who will pay for them?	Refer to Question 36.
39.	Which Stevedores have been approached to operate at Port of Newcastle?	Discussions with stevedores are Commercial-in-Confidence.
40.	Can you confirm DP World has already rejected the opportunity to be involved at the Port of Newcastle?	<p>Then DP World Australia CEO Paul Scurrah, as quoted by Daily Cargo News, said: “But for the port commitment deed, Newcastle would be an attractive option. It’s hard to see it working with that handbrake.” (INFRASTRUCTURE ACCESS CHARGES ESSENTIAL, SAYS SCURRAH, Daily Cargo News, 29 August 2018, https://www.thedcn.com.au/infrastructure-access-charges-essential-says-scurrah/)</p> <p>Mr Scurrah’s comments were further reported by the Newcastle Herald on 11 September 2018, https://www.theherald.com.au/story/5636310/newcastle-container-restrictions-challenged-cap-a-major-factor/)</p>
41.	Have you had discussions with any Chinese or Hong Kong based companies regarding prospective operation of the port?	Discussion with potential operators are Commercial-in-Confidence.
42.	Which shipping lines have been approached to operate at the Port of Newcastle?	Discussion with shipping companies are Commercial-in-Confidence.
43.	Which shipping lines have indicated that they are prepared to bring	Discussion with shipping companies are Commercial-in-Confidence.

	18,500TEU vessel to the Port of Newcastle?	
44.	Has the Newcastle harbour Master confirmed that vessels up to 18,500TEU can access Port of Newcastle safely without impacting on adjoining vessel berth?	The Port of Newcastle will continue to work with the Harbour Master and all relevant stakeholders to undertake all appropriate studies and investigations as the project evolves.
45.	What is the attraction for a shipping line to call at Newcastle? What modelling have you done to estimate the volume of imports that a shipping line would deliver to Newcastle and where those importers are destined?	<p>The Port of Newcastle has surplus channel capacity, a large greenfield site and road and rail with latent potential to support the development of an efficient, highly automated container terminal.</p> <p>A new container terminal at Newcastle can be designed with appropriately scaled wharf (quay cranes, berths, channel) and landside infrastructure (automated container stacking and transport operations) to optimise productivity and avoid unacceptable levels of congestion both at port and landside transport networks.</p> <p>This is an attractive proposition for shipping lines.</p> <p>The modelling is Commercial-in-Confidence.</p>
46.	Some of the submissions highlight that grain producers could save approximately \$20 per tonne on their exported grains. How many tonnes are in the standard shipping container? Therefore what is the total saving per container? If producers were making those savings, wouldn't they be happy to have the amount indicated in the deed passed on in order to receive those freight savings?	This question pertains to matters the subject of legal proceedings by the Australian Consumer and Competition Commission.
47.	In your evidence (Transcript page 8), you say the developed Port of Newcastle will be the first port in	The proposed intermodal facility will be wholly contained within the Port of Newcastle's lease area.

	<p>Australia to have a distribution warehousing intermodal inside the port boundary. Is this proposed intermodal to be located on land already owned by the Port of Newcastle? Does further land have to be acquired to accommodate it? If that land is to be acquired from whom? What is the likely purchase price of such land? Please provide details.</p>	
<p>48.</p>	<p>It is intended that Newcastle Ports would operate the facility? If not, what discussions have taken place with potential operators? Please provide details. Please identify whom discussions have taken place.</p>	<p>The operation of and any discussions with potential operators of the facility is Commercial-in-Confidence.</p>
<p>49.</p>	<p>What modelling has been undertaken with respect to the operation of the intermodal facility? Who has undertaken such modelling? Please provide a copy of such modelling?</p>	<p>The operation of and any discussions with potential operators of the facility is Commercial-in-Confidence.</p>
<p>50.</p>	<p>In your evidence (Transcript page 9) you referred to the possibility of the transshipment of containers landed at Newcastle. What modelling has been undertaken with respect to the transshipment of containers? Who has undertaken such modelling? Please provide a copy of such modelling?</p>	<p>The HoustonKemp Report identified the opportunity for an Australian Port with facilities to accommodate large container ships, as also having the potential to create a substantive transshipment hub, in the same way the Port of Tauranga has done for New Zealand and facilitate greater use of coastal shipping within Australia.</p> <p>Transshipment is the use of large container ships (i.e. 14,000+ TEU) used on long distance east-west routes between transshipment ports, as the hub in a global hub and spoke network. Australia is currently being served by a north-south route that connects Australian ports to global transshipment hubs in Singapore, Shanghai, Hong Kong, and with East Asian countries on a relay pattern.</p>

		<p>Transshipment is not currently being used in Australia, as current port facilities in Australia’s container ports have infrastructure and physical constraints for larger container vessels.</p> <p>Modelling is Commercial-in-Confidence.</p>
51.	<p>In your evidence you asserted that containers would be moved from the Port in a 50/50 road/rail split: “I think 50:50 would be right” (Transcript page 8)</p> <p>How was the split arrived at? What modelling has been undertaken with respect to this 50/50 split? Who has undertaken such modelling? When was such modelling undertaken? Please provide a copy of such modelling?</p>	<p>The Port of Newcastle Port Masterplan 2040 targets 50:50 road/rail split.</p> <p>The reference by Mr Kahn to an 80-20 road-rail modal split was an assumption used to develop the Concept Plan Approval (09_0096 MOD2), which was issued by the NSW Department of Planning and Environment on 16th July 2012 while the port was owned by the NSW Government.</p> <p>The EIS for the Mayfield Concept Plan estimated that the container terminal would use up to 3 x 1,300 length trains each day.</p> <p>Port of Newcastle is now targeting 1.5km trains as an integral component of operating the most efficient and rail-reliant container terminal in Australia. These plans are based on current and future infrastructure capacity and utilisation rates.</p> <p>The Port of Newcastle’s container terminal modal share is geared around an integrated and efficient rail solution.</p> <p>As a result, Port of Newcastle is targeting 50% of this freight being carried by rail. The design of the container terminal and levels of efficiency are both predicated on rail as the preferred modal choice.</p> <p>Modelling is Commercial-in-Confidence.</p>
52.	<p>Based on a 50/50 split of rail/road movements, during each stage of the proposed development, how many freight movements are anticipated each day to and from the container port?</p>	<p>As per answer to Question 6.</p> <p>Within the first ten years of the project there will be an estimated 479 truck movement per day to move 350,000 TEU per year based on the targeted 50/50 split of road/rail.</p> <p>This is in stark contrast to claims made at the hearing, including those by Mr Ken Kanofski, Chief Executive of Roads and Maritime Services, who referred to up to 5,000 truck movements per day.</p>

		<p>It is unclear how these numbers have been calculated. It is important to recognise that the Newcastle Container Terminal will likely be developed in three stages. Stage 1 will handle up to 350,000 TEU (at full capacity) in accordance with the existing Planning Approval over the next ten years.</p> <p>Subsequent stages will grow the terminal capacity to potentially 1.7 million TEU by 2065 which would equate to an estimated 2,328 truck movements per day which is within the limits of the ultimate stage approved in the 2012 Mayfield Concept Plan Approval already approved.</p> <p>The assumption of 479 is based on two TEU per truck, allows for the range of truck configurations likely to access the Port in Stage 1. A truck movement is one way only i.e. a truck entering the Port is one movement, the same truck then exiting the Port is two movements.</p> <p>This would be further reduced by using B-doubles, which can carry three TEU per truck.</p> <p>Additionally, there is already large volumes of deconsolidated freight moving north from Sydney by road that would no longer be required, actually reducing current road freight volumes. Furthermore, the majority of truck freight will not move south to Sydney but be evenly distributed to local and regional areas within the catchment area.</p> <p>These truck movements are 80% less than what NSW Ports claim will be added to Newcastle roads in the near term. In comparison, in 2015 Port Botany generated 3,900 trucks per day, with volumes forecast to increase to 6,300 and 6,900 per day by 2045.¹</p> <p>Like other Australian ports the Port of Newcastle will see greater uptake of better utilised trucks or Higher Productivity Freight vehicles (HPFVs) which can carry four TEU per truck movement. This will equate to even less truck movements.</p> <p><i>1. NSW Ports Master Plan Navigating the Future. 2015.</i></p>
53.	How many of these movements would pass through the Central Coast?	The allocation of rail paths between Newcastle and Sydney via the Sydney Metropolitan Network are the responsibility of Transport for New South Wales.

54.	In the Port of Newcastle 2040 Masterplan, it is suggested that there would be 80/20 split of rail/road movements. Based on this split or rail/road movements, during each stage of the proposed development, how many freight train movements are anticipated each day to and from the container port?	<p>The 80/20 split reference to rail/road movements is from the Mayfield Concept Plan Approval (09_0096 MOD2) which was issued by the NSW Department of Planning and Environment on 16th July 2012 while owned by the NSW Government.</p> <p>The Port Master Plan <i>references</i> this plan for historical purposes - <i>“The Mayfield Site presents a unique opportunity to design and build the most efficient rail terminal for the loading and unloading of container trains, and the management of train cycles. This is an aspiration of the approved [Mayfield] Concept Plan for the site which is designed to support, at minimum, an 80:20 road rail modal split for containers.”</i></p> <p>The EIS for the Mayfield Concept Plan estimated that the container terminal would use up to 3 x 1,300 length trains each day.</p> <p>However, Port of Newcastle is targeting 1.5km trains as an integral component of operating the most efficient and rail-reliant container terminal in Australia. These plans are based on current and future infrastructure capacity and utilisation rates.</p>
55.	How many of these Rail movements would pass through the Central Coast?	The allocation of rail paths between Newcastle and Sydney via the Sydney Metropolitan Network are the responsibility of Transport for New South Wales.
56.	Who, if anyone, has undertaken modelling on behalf of Port of Newcastle? When was modelling undertaken? Please provide a copy of this modelling?	<p>Modelling of specific projections are Commercial-in-Confidence.</p> <p>Report findings have been made publicly available on the Port of Newcastle website.</p>
57.	What do you estimate to be the appropriate upgrades required to the existing road and rail infrastructure? What modelling (if any) has been done on the cost of these upgrades? In the Port of Newcastle’s view, who is to meet the costs of these upgrades?	<p>Only minor local infrastructure improvements, as identified by the Mayfield Concept Plan approved in 2012, will be needed.</p> <p>A copy of the Mayfield Concept Plan Approval is available on the NSW Department of Planning and Environment’s website: http://majorprojects.planning.nsw.gov.au/index.pl?action=view_job&job_id=6325</p> <p>All of these improvements have been costed as part of the preliminary \$1.8 billion dollar total project cost estimate, which will be privately funded.</p>

58.	In a future freight ideal scenario, what percentage of containerised freight do you see going in and out of Port of Newcastle?	<p>The HoustonKemp Report identified containerised trade as the fastest growing component of all seaborne trade.</p> <p>Containerised freight is likely to become a significant percentage of the Port's trade volume for both exports and imports over the next 90 years.</p>
59.	Mr Minifie referred to the social cost in terms of pollution and congestion of trucks travelling across Sydney. How have you measured the social costs of heavy vehicles in and out of the Port of Newcastle?	<p>All port and infrastructure development projects in NSW are subject to the state's Environmental Planning and Assessment Act which considers social, economic and environmental impacts.</p> <p>Port of Newcastle has an existing planning approval for a container terminal handling up to 350,000 TEU per annum, issued by the NSW Government, which included an assessment of heavy vehicles.</p>
60.	In your oral evidence you referred to transshipment. To what extent is it currently being used in Australia? Why isn't it used more prominently in Australia?	Refer Question 50.