

Rev Fred Nile MLC
Special Purpose Standing Committee No.1
Budget Estimates Secretariat
Room 812, Parliament House
Macquarie Street
SYDNEY NSW 2000

Our Ref: G08/02560

Dear Sir / Madam

I refer to my appearance before General Purpose Standing Committee No.1 in relation to the supplementary hearing into Budget Estimates 2008/2009.

As required, following are answers to those questions taken on notice during the hearing as well as additional questions received on notice after the hearing.

If you require any additional information, please contact Cees Anthonissen – Office Manager on 9228 5451.

Yours sincerely

Joe Tripodi
Minister for Finance
Minister for Infrastructure
Minister for Regulatory Reform
Minister for Ports and Waterways

PORTS AND WATERWAYS

Additional Questions received on Notice

Port Botany Expansion

In regards to the Port Botany expansion, the NSW Government said in the mini-budget that they'd spend \$750 million on the Port Botany expansion.

1. Will the new port access road raise concerns as far as putting more trucks on already congested feeder roads, including the M5?

2. Are there any plans to install noise barriers along the routes, in particular next to the Port Botany freight railway and along the northern side of the foreshore road?
 - a. Are there any compensation measures being put in place for nearby residents and businesses that will be affected by the noise?
 - b. Was a dilapidation survey completed prior to the start of construction? If not, why?

3. What are the plans for the M4 East if the truck tunnel doesn't go ahead?

4. What are the plans for the operation of a third stevedore at Port Botany?
 - a. What sort of interest has there been?
 - b. What is the Government looking for in potential operators?
 - c. What role do you think competitiveness will play in the selection process?

ANSWER 1 - 4

1. No

2. Noise barriers will be installed on the northern and eastern sides of the new stevedoring terminal. Noise modelling indicates the most effective placement of barriers is closest to the source of the noise.
 - a. The Environmental Assessment process addressed noise impacts on nearby residences and business. SPC does not anticipate nearby residents and businesses will be affected by noise as a result of the approved mitigation measures described above.

- b. SPC considered the impacts of both noise and vibration on residences and business as part of the Environment Impact Statement (EIS) prepared for the Port Botany Expansion

All modelling, standards and assessment criteria conducted by SPC were assessed by the Department of Planning, as the independent approval authority, and found to be acceptable.

SPC has also developed a "Construction Noise and Vibration Management Sub-Plan" which has been approved by the Director of the Department of Planning. The plan provides details on how the contractor will monitor and manage any noise and vibration issues.

- 3. This is a matter for the NSW Roads and Traffic Authority.
- 4. The procurement of an operator for the third terminal at Port Botany is being conducted in two phases: through an open Expression of Interest process (which has concluded) and a Detailed Request for Proposals (which is currently progressing).
 - a. Strong interest has been received from local and international operators including some of the world's leading international container terminal operators.
 - b-c. The criteria for selecting the operator cannot be revealed for probity reasons. I am advised all tenders will be evaluated against a number of criteria including their ability to increase competition within the container stevedoring segment of the market.

Mooring Fees

As a result of the mini-budget, mooring fees for Sydney Harbour moorings, east of the Sydney Harbour Bridge have increased.

5. Can you explain why this is the case and how this arrangement came about?

6. Can you explain why a boat owner in Birchgrove is being charged 3 times as much for shore side mooring than people with swing mooring for a boat of similar length in the same locality?

- 6a. Do you think this is fair considering swing mooring takes up much more space than shore side mooring?

7. The Government appears to be 'double dipping' by charging a mooring fee based on the value of land rather than the facility in the water. Why is this the case?

8. How does NSW Maritime justify its pricing structure and why there is such a vast difference for boats of similar lengths in the same location?

9. Does NSW Maritime have the authority to charge land rates and taxes in addition to controlling the use of water space?

10. Do you accept NSW Maritime needs to alter its pricing structure?

ANSWER 5 -10

NSW Maritime domestic rentals are based on a formula determined by IPART, which was developed having regard for the relative benefits of a domestic facility compared to other boat storage options. These include ease of access to the vessel at all times and in all conditions, and the general recreational amenity of a jetty or similar structure attached to a private home. Importantly, domestic leases also offer exclusive use of the leased area for terms of up to 20 years.

Swing moorings do not offer the same amenity as a domestic facility, including ease of access to the vessel or general amenity for the householder. Licences are required to be renewed annually, and do not provide exclusive use of the licensed area.

Private mooring fees in eastern Sydney Harbour will increase by an average of \$2.70 per week from 1 March 2009.

The exact fee rise is based on vessel length. The average vessel on a private mooring in eastern Sydney Harbour is 9 metres in length and its owners pay around \$550 a year to moor their boat on public land. From 1 March this will increase to around \$690 a year.

The fee rise will apply to private vessels on swing moorings east of the Sydney Harbour Bridge, but not including Middle Harbour. Commercial mooring fees, and private mooring fees in Middle Harbour or west of the Harbour Bridge are unaffected.

Fees will be used to fund public boating infrastructure such as boat ramps and dinghy racks.

Pasha Bulker

NSW Maritime's Investigation Report into the Grounding of the Pasha Bulker left critical issues unaddressed relating to why radio communications (which may have led to charges against the ship's master) were not recorded.

11. Do we know yet why was this the case?

a. Does NSW Maritime feel this a critical aspect of the report?

The report found one of the reasons the Pasha Bulker ran aground was because it was not ballasted for heavy weather.

12. Can the Department provide any more detail as to why this was the case?

An Australian Government press release in May stated "the substantial ship queue of 57 ships increased the risk in the anchorage and another near grounding, a near collision and a number of close-quarters situations at the time.

13. Why was this not brought to light through investigations by State Government agencies?

The final ATSB Transport Safety Investigation Report said, "Newcastle Vessel Traffic Information Centre did not cancel the scheduling berthing of any ship even after weather conditions had become severe. This may have compounded the confusion of some masters about the appropriate time to leave the anchorage."

14. Should this have also been identified earlier?

ANSWER 11-13

Under the NSW Marine Safety Act 1998, NSW Maritime carries out investigations into Marine Accidents as defined under section 94(1) of the Act. The investigation conducted by NSW Maritime covered the

grounding of the Pasha Bulker. The Sea Confidence and the Betis were also included in the investigation in the interest of preventing future accidents.

The Australian Transport Safety Bureau has a broader brief to conduct safety investigations with the aim of reducing safety-related risk by identifying any human, systemic or organisational factors related to the incident and making safety recommendations to mitigate those issues.

14. The NSW Maritime investigation revealed no evidence that the masters of the ships Pasha Bulker, Sea Confidence or Betis were caused any confusion by the continued scheduled berthing of any ship that morning.

Changes have been approved to the Port Safety Operating Licenses of each of the states major ports detailing their communications requirements . Each port is now be required to keep recording equipment, including backups, for port radio channels and to conduct regular reviews of port communications procedures.

Life Raft Inspections

The issue of life raft inspections for vessels travelling up to 20 miles out to sea is of increasing concern to many operators. Inspections now have to occur every 12 months as opposed to the previous arrangement of two years. The cost to the operator for the annual life raft inspection is \$2,500 per life raft.

15. Can you state why these inspections are required to be carried out annually?

16. Although a price can't be put on safety, can you detail the reasons for the change, given the procedure is of considerable expense to marine charter operators?

ANSWER 15-16

Annual life raft inspections have been required in NSW since the introduction of the national *Uniform Shipping Laws Code* in 1987.

CBS Scheme

You will recall The Australian Competition and Consumer Commission was forced to grant interim authorisation to Port Waratah Coal Services in March last year to immediately reinstate an amended capacity balancing system after a queue of 70 vessels were banked up at Newcastle Port.

You will also recall that last year the ACCC again granted interim authorisation for Newcastle Port to use the capacity balance system until December 31 this year.

In December last year the ACCC very clearly warned that the solution was only a band aid one and that a long term solution was desperately needed to properly address the constrained capacity problem.

The ACCC has now announced it will ban the current CBS allocation scheme from January 1 because it breaches trade practices rules.

17. Are we going to see a repeat of what happened last year because the Government has refused to sign off on the Nick Greiner plan?

18. What concerns did your department have with the Greiner plan?

19. What plans have the department been developing to cover this situation?

ANSWER 17 – 19

17. Port Waratah Coal Services and the Newcastle Coal Infrastructure Group has lodged an application with the ACCC to seek interim authorisation for a short term tonnage allocation system to allow long term protocols to be finalised.

18. The role of NSW Maritime is to implement Government policy in relation to this matter.

19. NSW Maritime will support and facilitate ongoing discussions as required to resolve the issue as quickly as possible.

White Bay/Port Kembla

On the weekend the last car carrier to visit Sydney Harbour delivered its cargo at Glebe Island.

Your Minister Joe Tripodi said;

“Although this is the last car carrier to visit, Sydney Harbour will remain a working port.”

20. Apart from cruise lines ships, how else is Sydney Harbour still going to be a working port?

21. What’s your reaction to claims the move to Port Kembla could result in some imports shifting to ports in other states, while impacting employment in NSW?

22. How many jobs- including stevedores jobs - were lost as a result of moving the car carriers to Port Kembla?

23. Was alternative employment arranged for them? Were they looked after?

24. It's been estimated the relocation would add up to 50,000 truck movements a year to the roads linking Sydney to Wollongong, has your department been working on a plan to ease the impact on the road system?

25. If so when will the plan be implemented?

ANSWER 20-25

20. Sydney Harbour continues to handle the import of materials to support the construction industry including gypsum, cement, gravel and soda ash, as well as sugar and salt.

The Harbour also handles long-term oil imports plus maritime construction, maintenance and repairs, and will remain the cruise shipping hub for Australia's east coast.

All of this commercial activity continues alongside the significant presence of the Royal Australian Navy at Woolloomooloo and continued growth in maritime industrial and commercial activities including cruise ship, commercial, charter and fishing operations, and vessel and wharf repair, storage and maintenance services.

21. NSW Maritime is not aware of any imports shifting to other states as a result of the relocation to Port Kembla.

22.-23. I am advised that no jobs at Sydney Ports Corporation were lost as a result of the relocation of trade to Port Kembla. Staffing numbers at the stevedores are commercial matters for the stevedores.

24. Port Kembla Port Corporation (PKPC), in conjunction with the Federal Chamber of Automotive Industries, Unions, Councils, Department of Planning, Roads and Traffic Authority and transport organisations, has developed a Transport Code of Conduct. A copy of this was made available to all stakeholders as the basis for monitoring transport of vehicles to and from the port.

I am advised over \$14.7 million has been invested in road improvement projects on Picton Road between the Hume Highway and Mount Ousley Road since 2003, including a commitment to spend over \$1.2 million this financial year.

This year work will include:

- road resurfacing at several locations along Picton Road between Mt Ousley Road and Wilton,
- road widening and resurfacing work on the eastbound shoulder, approximately 4.6 kilometres west of Mt Keira Road.

I am advised the RTA is continuing to monitor traffic volumes on Picton Road to ensure the road can serve current and future traffic requirements.

Plans are also being considered to transport cars by rail. Patrick Autocare and Sydney Ports Corporation have signed a 'letter of intent' and are moving forward with an agreement to transport cars by rail from Port Kembla to Enfield. If implemented, this proposal will provide car importers with the option of using rail to transport cars from Port Kembla to Sydney via rail.

25. The Transport Code of Conduct referred to in question 24 has been implemented.

The above mentioned works on Picton and Mt Keira Roads will be carried out this financial year.

Harbour safety patrols

In our last Budget Estimates Hearing the Minister said night - time patrols on Sydney Harbour had increased by 100% and would increase a further 100% at the start of the boating season (Hansard attached).

The Minister did not tell us what the base figure was of patrols increased by 100%.

26. Given we are now in the busy summer boating season and in wake of the harbour tragedy we saw earlier this year where six young people died, do you agree harbour safety is a very important issue?

27. Can you then tell me exactly how many night patrol officers you have on Sydney Harbour?

28. How many do you have during the day?

29. Are the night time patrol staff newly hired or were they taken from the day time shift?

30. There was a 4% funding cut to NSW Maritime in the State Budget funding this year.

31. What impact has the funding cut had on the department? What areas have suffered as a result of the funding cut?

ANSWER 26-31

26.-29. Refer to answers given in the transcript (pages 2-3).

30.-31. In 2007-08 NSW Maritime's operating expenditure totalled \$98 million plus a one-off \$2.4 million payment for soil remediation at Rozelle Bay. The 2008-09 operating expenditure budget for NSW Maritime is \$102 million.

PORTS AND WATERWAYS

Questions taken on Notice during hearing

QUESTION 1

The Hon. DUNCAN GAY: Mr Dunn, my first question is to you. The issue of life raft inspections for vessels travelling up to 20 miles out to sea is of increasing concern to many operators. Inspections now have to occur every 12 months, as opposed to the previous arrangement of every two years. The cost to operators for the annual life raft inspection is \$2,500 per life raft. Can you state why these inspections are now required to be carried out annually and, although a price cannot be put on safety, can you detail the reasons for the change, given the procedure is of considerable expense to the marine charter operators? Will you consider going back to an inspection every two years, if possible?

Mr DUNN: I am happy to look at that. I do not have the answer to hand.

ANSWER

Annual life raft inspections have been required in NSW since the introduction of the national *Uniform Shipping Laws Code* in 1987.

QUESTION 2

The Hon. DUNCAN GAY: How is the Minister able to tell Parliament and budget estimates hearings that he had increased it by 100 per cent and a further 100 per cent?

Mr DUNN: Because that was the information we gave him, which is based on the patrol plan we were delivering.

The Hon. DUNCAN GAY: But that is not what you are telling me.

Mr DUNN: Perhaps it would be better if I can get the question properly documented. I will give you a written answer. I can guarantee you that the statistics the Minister quoted were spot-on.

The Hon. MARIE FICARRA: Provide the document. We want to have a look at it.

The Hon. DUNCAN GAY: I nearly said that. Mr Dunn, were some of the staff taken from that day-time shift to put on the night-time shift?

Mr DUNN: I am sorry, could I ask you to clarify that?

The Hon. DUNCAN GAY: You increased the night-time patrols. Did you lower the numbers operating in the daytime to be able to get the increased numbers that night?

Mr DUNN: To the best of my knowledge, we have not reduced daytime patrols. If I can explain that: We have boating safety officers that are dedicated to Sydney Harbour, and we have another squad of boating safety officers that operate more broadly in the Sydney region that we are able to

call upon to fill any holes in the patrol roster. To the best of my knowledge, we have not reduced daytime patrols in order to increase night-time patrols.

The Hon. DUNCAN GAY: But you will check and clarify that?

Mr DUNN: I will indeed.

ANSWER

NSW Maritime increased its BSO establishment in the Sydney Region by two to cover additional patrols on Sydney Harbour.

QUESTION 3

The Hon. DUNCAN GAY: I will come back to that. Given that Sydney has only two berthing spaces for cruise ships and that from next year for cruise ships, like the *Millennium* and *Rhapsody of the Seas*, will have to anchor at the Athol Bay Buoy, what is the state of mooring buoys at Athol and at Point Piper? What is the current state of repair, et cetera? Has there been a report done on them recently? What is the situation with that?

Mr DUNN: We will get clarification from the Ports Corporation for you and report back to you on that.

The Hon. DUNCAN GAY: And a copy of the last inspection and when it was?

Mr DUNN: We will get the information from the Ports Corporation for you.

The Hon. DUNCAN GAY: Why do the ships have to anchor at these buoys, and when was the last time these buoys were serviced?

Mr DUNN: We will seek clarification from the Ports Corporation for you.

The Hon. DUNCAN GAY: Is the cruise ship *Aurora* going to anchor at Point Piper early next year?

Mr DUNN: We will seek clarification from the Ports Corporation for you.

ANSWER

Both Athol and Point Piper buoys are subject to routine survey and maintenance. Mooring buoys at Athol and Point Piper were inspected in January 2008 and I am advised the report indicated the mooring chains were in good condition.

Sydney Harbour has two dedicated facilities for berthing cruise vessels, the Overseas Passenger Terminal at Circular Quay and Wharf 8 at Darling Harbour. I am advised these facilities have on average less than 20 percent utilisation over the year.

The cruise ships *Millennium* and *Rhapsody of the Seas* were unable to berth at these terminals as a result of a late booking by the cruise line who had already published their itinerary. Sydney Ports Corporation has arranged for the vessels to be serviced at the large mooring buoy at Athol Bay.

In March next year the cruise ship *Aurora* will anchor temporarily at Point Piper buoy in transit to the Overseas Passenger Terminal.

QUESTION 4

The Hon. DUNCAN GAY: To what extent are hydrographic surveys being conducted on New South Wales ports to ensure they are kept in safe standards, and how many have been done in the last 10 years?

Mr DUNN: There are regular hydrographic surveys of all channels. I could not tell you the exact number, but I can get you some further information.

ANSWER

Over the past 10 years over one thousand hydrographic surveys have been conducted for the ports owned and operated by the NSW Government.

QUESTION 6

The Hon. DUNCAN GAY: Does your department have an idea of how much money each cruise ship contributes to the New South Wales economy, and what planning do we have in place to accommodate these ships in the future?

Mr DUNN: I will take that on notice.

ANSWER

I am advised the average contribution per ship is estimated at \$1.485M.

Sydney Ports Corporation owns and manages two international-standard cruise passenger terminals – Overseas Passenger Terminal (OPT) in Circular Quay and Wharf No 8 Passenger Terminal (Wharf 8) at Darling Harbour. These facilities are usually booked by cruise lines two years ahead of visits. Berth occupancy at these berths is currently less than 20% a year.

QUESTION 7

The Hon. DUNCAN GAY: The Australian Consumer and Competition Council has now announced that it will ban the current CBS allocation scheme from 1 January because it breaches trade practices rules. As I indicated, the Minister has refused to sign off on the Greiner plan for sharing capacity because of the so-called new investors. What concerns does your department have with the Greiner plan?

Mr DUNN: I might take that on notice.

ANSWER

The role of NSW Maritime is to implement Government policy in relation to this matter.

QUESTION 8

Ms LEE RHIANNON: With regard to this current development, considering the total number of Sydney moorings is reduced from 172 to 102 and the total capacity of both marinas of 219 vessels is lower than at present, is that a matter that you will take up?

Mr DUNN: We would be supportive of our proposal in this instance.

Ms LEE RHIANNON: So you would be supportive of the new marina proposal even though it reduces the number of boats that will have access to that area?

Mr DUNN: I will take the specifics on notice, if you do not mind.

ANSWER

NSW Maritime supports the provision of world-class boating infrastructure and improved boat storage options, within appropriate environmental and planning controls. The number and configuration of berths proposed in any commercial marina development application are a matter for the proponent and subsequently, the relevant consent authority.

QUESTION 9

Ms LEE RHIANNON: Could you take on notice what your seven definitions are of public access?

ANSWER

Public access to the waterways for recreational boaters is provided in various forms. These include: boat ramps; private swing moorings utilising some commercial services; private swing moorings with dinghy access and facilities provided by waterfront clubs and commercial marinas. Commercial marinas may provide access through either berths or moorings or in some instance dry storage. In appropriate locations, smaller and passive craft may also be able to access the waterway without the need for significant maritime infrastructure.

The availability of charter and commuter ferry facilities also provides opportunities for the public to access the waterways via NSW's commercial vessel fleet.

Appropriate foreshore infrastructure and the application of various planning instruments and policies also provide opportunities for general public access along and to the waterway.

QUESTION 10

Mr DUNN: Can I just clarify it? My understanding, and I will check this and come back to you if I am wrong, is that the change in the number of moorings

associated with the Rose Bay marina proposal relates to commercial moorings not private moorings and that those moorings are an amalgamation by the marinas of their commercial moorings into marina berth space. This is not public access.

Ms LEE RHIANNON: How many community meetings have your representatives participated in over these two marina proposals associated with Rose Bay?

Mr DUNN: I am not sure.

Ms LEE RHIANNON: Could you take that on notice please?

Mr DUNN: Of course.

ANSWER

The Rose Bay marina proposal relates to the conversion of commercial moorings to commercial berths.

Two community meetings were arranged by NSW Maritime to discuss marina developments in Rose Bay, in addition to meetings organised by the consent authority and/or third parties and community organisations.

QUESTION 11

Ms LEE RHIANNON: When we were at estimates last time I asked Mr Tripodi about the contract for Port Botany. I asked if it was a fixed-price contract and he said he understood it is but then stated, "but obviously there are some issues where the risk may be borne by Sydney Ports Corporation". A further question he took on notice. I must admit I did not find his answer that informative and I was wondering if you could expand on it. The answer that came back from the question on notice states, "I am advised that this contract mitigates the exposure to risk for Sydney Ports Corporation and includes standard provisions regarding costs for variations and contingencies". Could you explain in detail how the contract mitigates the exposure to risk for Sydney Ports Corporation, because there is a clear interpretation that can be taken from that statement that Sydney Ports Corporation still bears the risk?

Mr DUNN: I will take that on notice.

Ms LEE RHIANNON: Can you also either answer this now or take it on notice: On the second aspect of that response, which is about the standard provisions regarding costs for variations and contingencies, could you provide details of what those variations and contingencies are?

Mr DUNN: I will take it on notice.

ANSWER

The contract for the Port Botany Expansion is a fixed price contract between SPC and Baulderstone Hornibrook-Jan du Nul (BH-JDN). A fixed price contract mitigates risk because the majority of construction work is carried out under conditions of the contract that are not subject to variation.

The details of variations and contingencies form part of the contract between SPC and BH-JDN and as such are commercial in confidence.

QUESTION 12

Ms LEE RHIANNON: Could you explain the division between Lands and Ports and Waterways please?

Mr DUNN: It is complicated. I will give you a written answer to that. But the statement that you made was wrong. The arrangement is complicated, so rather than risk making an error I will give it to you in a written response.

ANSWER

NSW Maritime owns the seabed of Sydney Harbour and its tributaries, Port Kembla Harbour and Newcastle Harbour. In general, the seabed of other waterways is Crown Land vested in the NSW Department of Lands. Regardless of the land ownership, under the State Environmental Planning Policy (Major Projects) 2005 the consent authority for development applications for commercial marinas is either the local council or the NSW Department of Planning.

QUESTION 13

Ms LEE RHIANNON: You acknowledge that sometimes these studies and investigations are carried out. Have they ever identified land that you believe would be, in your judgement, best used as marinas?

Mr DUNN: Not that I am aware of. I will go away and check.

Ms LEE RHIANNON: Can you take that on notice?

Mr DUNN: Yes, I will.

ANSWER

The Sydney Harbour REP identifies specific zones in Sydney Harbour within which applications for commercial maritime activities may be considered. Where a masterplan has been completed for any specific site, that plan may identify potential for marina development within the planning controls in effect at that location. The REP and any approved masterplans for specific Sydney Harbour locations are public documents.

QUESTION 14

CHAIR: The Stockton coastal processors project has been deferred. What exactly is that project?

Mr DUNN: I will take that on notice if that is okay.

CHAIR: It sounds as if it is referring to the actual coast itself, some improvement but you are not sure.

Mr DUNN: I am not sure. I will take it on notice.

CHAIR: If you could find out what it is and what impact that deferral could have. With all those deferrals, can you advise the Committee when it is anticipated that those actions will be reinstated?

Mr DUNN: Yes.

ANSWER

The NSW mini budget announced on 11 November cut \$6 million of uncommitted expenditure related to potential dredging and channel improvement projects within the port and near the port entrance.

I am advised channel capacity at the Port of Newcastle more than meets the demand and industry had clearly communicated channel improvement projects were not a priority at this time.

QUESTION 15

The Hon. DUNCAN GAY: Are you aware of the significant delays, as recently as last Friday, being experienced by truck drivers, who are waiting an average of four hours at Port Botany? The performance figures for the week ending 2 November show the maximum wait at terminal A, Penrhyn Road, was six hours 45 minutes whereas at terminal B, Friendship Road, the maximum wait was three hours 15 minutes. Why is there such a significant difference between the two terminals?

Mr DUNN: The answer is, yes, we are aware but it is a matter for the terminal operators. We can contact them for you and ask them for an explanation.

The Hon. DUNCAN GAY: Terminal A was six hours 45 minutes which is double terminal B at three hours 15 minutes. Will you provide an explanation of why such delays are occurring? Will you provide a detailed explanation as to the steps needed to overcome such ongoing delays? The queue extends as far back as Botany Road, as it often does, when trucks are forced to break the law and run the risk of incurring a \$189 fine and because of regulations get problems with their logbooks.

Mr DUNN: We will take that on notice.

The Hon. DUNCAN GAY: What action is being taken to prevent the dangers associated with that? A spokesman for one of the large transport companies has counted 25 significant disruptions at Port Botany in the 60 days from the middle of September until now. By "significant" they mean a delay of more than two hours for their vehicles. Do you believe that is acceptable?

Mr DUNN: No, obviously it is not acceptable. I will take the detail of the question on notice and also give you advice on what steps are being taken to resolve the issue.

ANSWER

The performance of landside operations at Port Botany stevedores is the responsibility of the two private operators DP World and Patrick.

The NSW Government has introduced a number of amendments to *the Ports and Maritime Administration Act 1995* to provide the Port Corporations with a greater role in fostering competition among port service providers and to improve coordination of landside operations.

Road and Rail Taskforces have been established as part of the NSW Government response to the IPART review of landside operations at Port Botany. The NSW Government response to the IPART review includes measures to improve reporting and accountability. New performance standards have been endorsed along with penalties and incentives to achieve greater alignment of the supply chain.

In the event that industry proves unwilling or unable to develop a workable outcome through a co-operative approach, provisions introduced through the *Ports and Maritime Administration Amendment (Port Competition and Co-ordination) Bill 2008* enable Government to act to achieve efficiency increases.

QUESTION 16

The Hon. DUNCAN GAY: I am sure we are all aware of the view of Paul Keating that the overseas passenger terminal at Circular Quay has become infested with bog-standard Sydney restaurateurs and should be partially demolished to open up views of the historic buildings on George Street. Leaving those silly comments to one side, what plans are there to cover the inability of providores to service ships that berth at the overseas passenger terminal because of the large number of restaurants now inhabiting that building?

Mr DUNN: I will take that on notice and provide an answer.

ANSWER

I am advised all but one passenger ship providores whilst berthing at the Overseas Passenger Terminal and the restaurants have no impact on the ability of providores to service cruise ships at the OPT.

QUESTION 17

The Hon. DUNCAN GAY: How many jobs, including stevedoring jobs, were lost as a result of moving these carriers to Port Kembla?

Mr DUNN: I can take that on notice and supply an answer.

The Hon. DUNCAN GAY: Also, what alternative employment was arranged for them? It has been estimated the relocation would add up to 50,000 truck movements a year to the roads linking Sydney to Wollongong. Has your department been working on a plan to ease the impact on the road system?

Mr DUNN: I will look at that for you.

ANSWER

Refer to question 22 of *Additional Questions received on Notice* attached.

QUESTION 18

Ms LEE RHIANNON: With regard to BHP Billiton's requirements, it is listed on your web site that they will be undertaking a public consultation process. Will you tell me what that involves?

Mr DUNN: I will take that on notice.

Ms LEE RHIANNON: I am still surprised how you are saying the cancellation of these dredging operations will not only not have an impact on the coal loader, but in response to earlier questions I got the impression it is not going to have an impact on anything. You are left with the question why were you doing it in the first place?

Mr DUNN: There was planned dredging to deal with future development activities associated with the port but not associated with the coal loaders. Dredging associated with the coal loaders is being undertaken directly by those companies.

Ms LEE RHIANNON: With regard to the dredging that has been cancelled, then—

Mr DUNN: Deferred.

Ms LEE RHIANNON: —deferred, how long is it deferred for?

Mr DUNN: We have already been through that.

The Hon. DUNCAN GAY: One year, according to the budget papers.

Ms LEE RHIANNON: I apologise. What developments is that dredging into?

Mr DUNN: Just future potential developments of the port. I do not think there is any specific development.

Ms LEE RHIANNON: No specific development?

Mr DUNN: That is my understanding. I can clarify that for you.

Ms LEE RHIANNON: You will take that on notice?

Mr DUNN: I will take that on notice.

ANSWER

BHP Billiton has established a community hotline, website and community engagement program.

Dredging plans by Newcastle Port Corporation were deferred by a year as part of the NSW Mini-Budget process. This strategic dredging was to support potential new development at Mayfield and Walsh Point. This is unrelated to dredging works being carried out by BHP Billiton.

QUESTION 19

Ms LEE RHIANNON: So you have two different bodies, one looking at road and one looking at rail?

Mr MIDDLETON: That is right.

Ms LEE RHIANNON: Who is on those bodies?

Mr MIDDLETON: The Sydney Ports Corporation has convened both bodies. The rail group is chaired by somebody from the Office of the Coordinator General and has representatives from Sydney Ports and other industry players, but I do not have those details in front of me. The road group is chaired by an executive from Sydney Ports Corporation and there are representatives from the road industry and from the terminals on that group as well.

Ms LEE RHIANNON: Could you take on notice who are the representatives on those two bodies and what are the terms of reference for those two committees?

Mr MIDDLETON: Yes.

ANSWER

These project groups have been established to deliver the objectives of the Government's response to IPART.

The Port Road Taskforce is chaired by Sydney Ports and comprises representatives from:

- DP World
- Patrick Terminals
- Australian Trucking Association NSW
- Australian Container Freight Services
- JJ Robertson & Sons Pty Ltd
- Customs brokers & Forwarders Council of Australia
- 1-Stop Connections Pty Ltd.

The Port Botany Rail Logistics team is chaired by an officer from the Department of Premier and Cabinet and comprises representatives from:

- Rail Operators (Independent Rail, Patrick Port Link)
- Stevedores (DP World Patrick)
- Rail Access Providers (ARTC)
- Border Control (Customs)
- Information Systems/Technology Platforms (1-Stop)
- Sydney Ports Corporation.

QUESTION 20

CHAIR: I think Mr Middleton said there was an assessment made that this would have no impact on road traffic?

Mr MIDDLETON: I think what I said was that when planning was taking place Port Kembla Port Corporation commissioned some work and identified that there was minimal impact.

CHAIR: It seems to me strange to say minimal impact because the majority of the vehicles would have to be transported to car dealers in Sydney. There are

a huge number of car dealers located in Sydney. Would that not involve a large number of transport vehicles transporting cars to Sydney?

Mr MIDDLETON: A comparison was done based on current usage of the road going up Mount Ousley and the advice we have been given is that there is only a very small percentage increase of traffic resulting from the relocation of the cars.

CHAIR: Could you on notice provide some background material from the assessment that was made and how that conclusion was arrived at?

Mr MIDDLETON: Yes.

ANSWER

Traffic studies conducted by engineering consultants Sinclair Knight Merz (SKM) in September 2004 found the road between Port Kembla and Sydney has sufficient capacity to handle the volume of road traffic generated by the relocation.

SKM predicted that overall traffic between Port Kembla and Sydney would increase by 1% as a result of the relocation of motor vehicles to Port Kembla.

QUESTION 21

The Hon. DUNCAN GAY: Mr Middleton, you mentioned with Port Botany some sort of auction process. What do you mean by that?

Mr MIDDLETON: I think the Minister has said that if phase 1 does not work his preference is that the prices for roadside access at the port should be determined by a market-based mechanism, but he has also said that one of the options that could be considered is a capped auction type process again with congestion for the peak hour period—

The Hon. DUNCAN GAY: But not a Dutch auction?

Mr MIDDLETON: No.

The Hon. DUNCAN GAY: This month the chief executive officer of Port Kembla Port Corporation said:

It will be inevitable that there will be more traffic on the road, but we are working very closely with one particular proponent to look at the movement of cars by rail in the medium term. There is a fair bit of work underway, but unfortunately that won't be ready for a couple of years.

What alternatives are available during that time?

Mr DUNN: I am not familiar with those comments. Would you like us to follow up on that for you?

The Hon. DUNCAN GAY: Yes, thank you.

ANSWER

Refer to Answer 24-25 in the Additional Questions Received on Notice attached.

QUESTION 22

The Hon. MARIE FICARRA: Returning to questions on Walsh Bay that never seem to be answered, in May my colleague Jonathan O'Dea put to the

Minister a series of questions in regard to Walsh Bay and was told to consult the NSW Maritime annual report. He asked a second time and again the Minister referred Jonathan O'Dea to the annual report. During the estimates hearings in October I put the member's questions and Minister Tripodi responded by saying:

NSW Maritime's profit share from the Walsh Bay project was agreed when final project costs and income were quantified in 2006, subject to goods and services tax and associated costs. The profit share paid to NSW Maritime was made in accordance with that agreement.

I asked further questions and he said:

Apart from the elements of that agreement that are commercial in confidence, I am advised there is nothing unusual about that settlement, to the best of my knowledge.

I ask questions again to get a more detailed answer—and you can answer verbally or take the questions on notice—in relation to the Walsh Bay development. First, what was the original estimated amount of profit share to be received by the Government relating to the major redevelopment of Walsh Bay over the past decade? Second, how much was ultimately paid to the Government to settle the profit share arrangements? Third, what were the components of this payment? Fourth, on what dates was payment made and how was it made? Fifth, exactly how was the revenue accounted for in NSW Maritime accounts? Sixth, did the accounting process followed involve special or unusual arrangements and, if so, what were they? Seven, were any amounts of the original agreed profit share to be paid forgiven or reduced by either NSW Maritime or the New South Wales Government? I know they are detailed and I do not expect you—

Mr DUNN: I am more than happy to give you answers to those questions but I can tell you that the answer to the final question is no.

The Hon. MARIE FICARRA: That is good. If you could answer questions 1 to 6—

Mr DUNN: I can tell you in answer to the final part of the question that nothing was forgiven, either by Maritime or the Government.

The Hon. MARIE FICARRA: There should not be any problems then in answering questions 1 to 6.

Mr DUNN: I will take those on notice.

ANSWER

1. NSW Maritime's profit share from the Walsh Bay project was agreed when final project costs and income were quantified in 2006, subject to Goods and Services tax and associated costs. The profit share paid to NSW Maritime was in accordance with this agreement.
- 2-3. \$3.211M was paid to the Government to settle the profit share excluding payments to the Australian Tax Office and associated costs which amounted to \$1.789M
- 4-5. Payment was made in the 2007-08 financial year by cheque. This amount is contained in the 2007-08 Annual Report under grants and contributions in the Income Statement.
6. No.
7. No.