

**Submission from Maritime Union of  
Australia SNSW Branch**

**To**

**New South Wales Legislative Council  
Standing Committee on State Development**

**Inquiry into Port Infrastructure in  
NSW**

## **Terms of Reference**

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

**(1) the NSW Government Ports Growth Plan, including any planned closure of shipping freight facilities in Sydney Harbour,**

**(2) the economic, social and environmental impact on the State, including on the proposed Port Botany upgrade,**

**(3) the employment implications for Sydney, the Hunter and the Illawarra regions,**

**(4) current and future infrastructure needs and social impacts including with respect to the adequacy of existing road and rail infrastructure, and**

**(5) the future of public land at Millers Point, Glebe Island and White Bay on which shipping freight operations are currently located.**

## **Summary**

The Southern NSW Branch of the Maritime Union of Australia for sometime now has been working through the SCLC with the Australian Industry Group (AIG Illawarra), Illawarra Business Chamber and Wollongong City Council in what is for this area a rather unique alliance. The common bond uniting this alliance was working towards the mutually beneficial goal of increasing the through-put of shipping trade importing into and exporting from Port Kembla Harbour.

The Maritime Union of Australia SNSW Branch focus was centred on the increasing volume of container trade into Port Botany Container terminals, which is increasing at around 8%, equating to nearly 100,000 containers annually. With Port Botany expected to reach its capacity of 1.6 million containers by 2010 and projections of 3 million containers by 2020 coming into Sydney and taking in account the hostile opposition to any expansion of Port Botany's existing facilities by the Local councils and community groups the alliance logically sees Port Kembla Harbour as the answer to many of Port Botany's problems not the least of which is traffic congestion.

Port Kembla is ideally situated to handle a 100,000 to 200,000 T.E.U. annually container terminal, with its existing rail and road infrastructure and an extension to the Multi Purpose Berth already put out to tender through Port Kembla Ports Corporation with 14 million dollars allocated by the NSW Government.

The Maritime Union of Australia SNSW Branch is confident the submission forwarded from Wollongong City Council/Alliance will deal with the various studies commissioned by members of the Alliance, Port Kembla Ports Corporation and the Port Kembla Container Terminal Task Force. We wish to commend them on the work they have all done and will not attempt to go over the same statistics, but may present a slightly more cautious evaluation.

From the Maritime Union of Australia SNSW Branch perspective Premier Carr's announcement on the closure of Port Jackson from February 2006 put us in somewhat of a dilemma, while we have been lobbying for more trade through Port Kembla harbour we had envisaged that trade coming from projected increases in containers from Port Botany, this would not have endangered the jobs of our fellow Maritime Union of Australia members in Sydney. While we would gladly accept any increase in the through-put of cargoes at Port Kembla Harbour we are firmly committed to support our Sydney comrades and sincerely hope any recommendations/resolutions coming out of this enquiry go some way towards addressing the concerns we will raise as we proceed through the terms of reference.

Before going through the terms of reference however we will take this opportunity to express our extreme disappointment that at no time prior to Premier Carr's announcement was there any discussions or even an indication of the pending announcement to the Maritime Union of Australia, as the relevant voice of the maritime labourers directly affected by this NSW Government Ports Growth Plan.

That the two major stevedoring companies were consulted and obviously had some input into formulating this plan while the relevant union was ignored by this State Labor Government both astounds and appals us.

## Addressing the Terms of Reference

### 1. The NSW Governments Ports Growth Plan, including any plan closure of shipping freight in Sydney Harbour.

The Ports Growth Plan basically proposes that Port Kembla be allocated the existing cargoes currently handled through Darling Harbour, with the White Bay operations already relocating to this facility, as of February 2006 with the Car operations due to follow on completion of the existing lease arrangements at Glebe Island in 2012.

The Plan further proposed an extension of the existing facilities at Port Botany and the establishment of a container terminal facility at Newcastle to eventually handle 700,000 to 1 million T.E.U.'s annually.

Dealing with Port Kembla first, the initial figures quoted from Premier Carr's office were of 1 million tonnes of bulk and general cargo and 50,000 containers with eventually 300,000 cars annually to come through Port Kembla Harbour. Leaving aside the cars with their 2012 timeframe, the figures quoted could easily be handled in Port Kembla on the completion of the extension to the Multi Purpose Berth. Some importers have already shown an interest in moving their freight through Port Kembla earlier than anticipated with 5 shipments of timber packs usually done in Darling Harbour discharged in Port Kembla since the announcement. However the figure of 50,000 containers concerns us. Work done by the Port Kembla Container Terminal Task Force identified the ability of Port Kembla to handle a container terminal facility of 100,000 to 200,000 T.E.U.'s annually. If the 50,000 containers quoted was taken as a starting point with room for increase in numbers it would be very encouraging but based on figures supplied from Sydney Ports Corporation the indications are that container numbers may actually decrease:

Containerised In T.E.U.'s	Botany	(Increase)	Sydney	(Decrease)
2000 to 2001	876,290		114,195	
2001 to 2002	917,479	41,189	91,797	22,398
2002 to 2003	1,094,793	177,314	66,599	25,198
<b>Total</b>		<b>218,503</b>		<b>47,596</b>

These figures supplied are from 2000 to 2003 and indicate a 47,596 container decrease through Port Jackson during this period and coming into 2004 we are quoted 50,000 containers which represents a further decrease, if this trend was to continue Port Kembla would be left with a diminishing number of containers and the additional 1 million tonne of bulk and general cargoes, which we feel under utilises our potential.

Looking at the Ports Growth Plan in relation to the extensions at Port Botany from a union point of view this may well go towards being part of the answer to the impact the closure of Port Jackson will have on the stevedoring employees whose jobs are under threat, provided the local transport and environmental issues can be addressed during the Port Botany Commission of Enquiry. The size of this proposed extension with a

potential to service 3 panamax size vessels must however cast some doubts on the projected T.E.U.'s for Newcastle's proposed facility.

## **2. The economic, social and environmental impact on the State, including on the proposed Port Botany upgrade.**

The NSW Branch of the Maritime Union of Australia has some obvious concerns relating to the economic and social impact the closure of Port Jackson to Container, Break Bulk and General Cargo vessels will have on the stevedoring and various port related workers (tugs, linesman, pilotage etc) displaced or endangered of losing their jobs. We do not see in direct employment terms in the maritime sector the jobs potentially lost in Sydney being effectively replaced across the board in Port Kembla and we will address that in the next terms of reference.

Environmentally there is no down side to increasing trade through Port Kembla that we can see. Locally the wharf areas are located in an entirely industrial area with no residential or commercial properties anyway that can be impacted adversely.

The key road and rail infrastructure required already exists and there is 40 hectares of level land ideally suited and currently utilised for receipt and delivery operations with ample area for shed constructions, all adjacent to wharf areas with deep harbour access. The related lessening of truck traffic from the Darling Harbour/city environment and possibly Botany with any increases in containers numbers coming to Port Kembla from that area in the future must be of an environmental benefit for Sydney/Botany.

Economically the Illawarra Region has suffered significant manual labouring job losses across all sections of industry over the past 15 to 20 years with a direct result of this area having the highest youth unemployment figures in the country. Any significant increase in employment resulting from the increase in trade directly or indirectly through ancillary companies setting up in the region will proportionately raise not only the economic profile in the area but also go towards elevating the social structure and self respect of the area in general but particularly of the youth in the region.

## **3. The employment implications for Sydney, the Hunter and Illawarra Regions.**

Maritime Union of Australia NSW Branch cannot see the amount of jobs jeopardised in Sydney directly related to stevedoring, tugs, linesman, Port Corporation, commercial divers etc being matched by newly employed positions in Port Kembla due to the fact that many of these positions are replicated in both ports. In Stevedoring as an example where in total there is some 275 permanent and part time stevedoring labour currently employed in Port Jackson the equivalent number currently employed in Port Kembla is around 250 permanent and part time. This would indicate some room for direct stevedore employment but the major benefit to the existing employees should be a flow on effect of an increase in permanent employment and a more consistent level of work for all employees resulting in increased earnings and a levelling out of the traditional peak and trough situation that has always existed in shipping in this port.

Again we reiterate our hope that some expansion of Port Botany can pick up the majority of those whose jobs are endangered and that anyone wishing to transfer into Port Kembla from positions in Sydney be accommodated.

Having said that we acknowledge the studies undertaken that indicated a large number of indirect jobs, up to 2000 in one Port Kembla Ports Corp estimate. This would include all the related service industries, transport and construction workers. We do however take note that the majority of the studies were based on a fully functioning container terminal. If 50,000 T.E.U.'s annually can sustained such a terminal all for the good but we caution that this would be an absolute minimum number required and would need to be sustained or hopefully increased to successfully attract the ancillary service industries required to generate the high employment figures quoted.

Any employment opportunities that result from the increase in trade would be extremely beneficial to this region.

#### **4. Current and future infrastructure needs and social impacts including with the respect to the adequacy of existing road and rail infrastructure.**

Upon completion of the extension to the Multi Purpose Berth Port Kembla will have the ability to easily handle the projected tonnage with ample potential for further increases in freight amounts.

With existing deep water access, ample level land available road and rail systems that do not face anywhere near the congestion of the Sydney/Botany systems and stevedoring companies with cranes and cargo handling equipment available there is no impediments to Port Kembla handling any increased tonnage.

Any social impacts of an increase in trade through Port Kembla could only be beneficial.

It must be noted however that Port Kembla Ports Corporation has plans drawn up to upgrade the old ANL terminal berth. This area is currently unusable and looking to the future we strongly encourage the State Government to fund the required upgrade of this facility to handle panamax size vessels. It is worth stating that the completed Multi Purpose Berth would only equal the size of the proposed extension to the Port Botany facility. To us it is a logical situation to have another working area to cover unforeseen circumstances as there are limitations on the use of No.6 Jetty as an alternate.

#### **5. The future of public land at Millers Point, Glebe Island and White Bay on which shipping freight operations are currently located.**

Sydney Harbour is a national treasure and it is encouraging to see that submissions on the future of some of the most outstanding land on the harbour foreshore are not being left to those in the immediately vicinity.

The Maritime Union of Australia would strongly oppose any new plan to sell off waterfront land to developers or other profiteers and believe that if the land is to be

released, as a result of the removal of stevedoring operations, it should be rezoned for public access or use.

One thing that is not canvassed in these terms of reference was any industrial impact.

Maritime Union of Australia NSW Branch has some serious concerns regarding any encroachment on areas traditionally covered by us in the vicinity of the Multi Purpose Berth particularly with regards to receipt and delivery in the levelled area behind the berth.

It was encouraging to us to note the smooth transition of operations from White Bay to Darling Harbour recently. All of the Maritime Union of Australia areas of coverage were respected by all parties concerned and co-operation and consultation between the Central NSW Branch of the Maritime Union of Australia and the stevedoring companies involved resulted in a transfer of operations free of any delays or industrial problems.

The Maritime Union of Australia NSW Branch sincerely wishes for an equally mutual beneficial transition with regards to any future transfers of operations from Darling Harbour to Port Kembla's Multi Purpose Berth.

To this end we will be seeking some guarantees on our areas of coverage from all concerned parties through discussions with our National Office.