



Submission to

Inquiry into Port Infrastructure

In

New South Wales

January 2004

Sydney Ports Users Consultative Group

BACKGROUND

The Sydney Ports Users Consultative Group (SPUCG) is a representative body of the senior members of Sydney port community that assembles on a regular basis to address strategic port and related issues. SPUCG is also an industry advisory and consultative body to the Sydney Ports Corporation and includes representatives from the stevedoring companies, port service providers, cargo owners, shipping lines, land transport operators and the State Chamber of Commerce.

INTRODUCTION

The former Minister for Transport identified as a priority the development of a Ports and Freight Strategy for NSW, which was due for release in early 2002. SPUCG is therefore pleased to see the release of the Summary Sheet on the NSW Ports Growth Plan dated 28 November 2003.

While the summary sheet provides a ports framework at a macro level, SPUCG would like to receive advice from Government as to whether it still proposes to release a detailed freight strategy for NSW. The statewide strategy needs to examine the landside movement of freight to and from the NSW ports; interstate; and on a domestic basis.

Infrastructure requirements need to be identified, plans developed and financing arrangements (either through public or private means or a combination of both) put in place. As Sydney is further developed to the west and north-west, land-use planning needs to factor in freight priority rail corridors and road access for increasing volumes of freight including dangerous goods.

STRATEGIC COMMENTS

The Legislative Council Standing Committee on State Development is inquiring into and reporting on port infrastructure in New South Wales. Commentary is provided on items 1 and 4 of the Committee's terms of reference:

1. The NSW Government Ports Growth Plan, including any planned closure of shipping freight facilities in Sydney Harbour.

The NSW Ports Growth Plan identified a number of core directions, including:

- (i) *relocation of containers, general cargo and car stevedoring from Port Jackson to Port Kembla as existing leases expire.*

SPUCG supports the Government decision to maintain Sydney Harbour as a working harbour. It is understood that the motor vehicles and bulk dry material facilities at Glebe Island hold long-term leases, with the longest lease in place until 2020.

The Premier's announcement on 5 October 2003 foreshadowed an intention to relocate the motor vehicle facility to Port Kembla when the current Glebe Island lease expires. Such a move needs to be carefully evaluated as the motor car market lies with the car dealers in the Sydney metropolitan area. Off-loading the cars at Port Kembla for transport by road to the Sydney dealers will add unnecessarily to the transport costs, which are incorporated into the vehicle prices, as well as producing some 100,000 truck movements per year on the roads to and from Sydney by 2012/17 based on predicted volumes. It is suggested that Government re-examines the proposal to relocate motor vehicles to Port Kembla in the context of broader logistics and traffic creation issues.

Recommendation:

The Government to reconsider the plan to relocate motor vehicles from Glebe Island to Port Kembla well in advance of the expiry of the present lease in 2017.

- (ii) *establishment of a Commission of Inquiry to examine Sydney Ports Corporation's Development Application and Environmental Impact Statement to expand container facilities at Port Botany.*

SPUCG supports the expansion of the container facilities at Port Botany. The establishment of the Commission of Inquiry to examine the Development Application and Environmental Impact Statement provides a fair and equitable process and enables all interested parties to provide an input into the Inquiry.

The landside transport links to the proposed development will be an important factor in the success of the expanded role for containers at Port Botany and Government needs to undertake careful planning to achieve a co-ordinated freight logistics network. The early release of a NSW freight strategy would provide certainty and confidence to the NSW freight and trade communities.

Recommendation:

The Government to release within an early timeframe a Freight Strategy addressing road, rail and intermodal facility infrastructure plans.

(iii) ***examination of how to increase the proportion of containers moved by rail between the NSW ports and metropolitan and regional intermodal terminals.***

It is imperative that Government gives a high priority to the improvement in freight rail infrastructure servicing the NSW ports. Growth in international sea trade will see the number of containers being handled at our ports increase by a minimum of five percent per annum.

Rail is an underutilised resource and appropriate planning will be able to increase the rail mode share from the present 25% to over 40%. In order to compete with road transport for an increased share of the container freight market, rail requires system-wide interconnected improvements in operations, rail track and at the intermodal terminals.

SPUCG understands that following the lease of the NSW interstate rail track to the Australian Rail Track Corporation (ARTC), \$870M is available to upgrade freight rail facilities in NSW. Industry hopes that the rail projects are commenced within an early timeframe. The freight priority line between Sefton and Macarthur should be given a high priority as this line would significantly improve the transport of containers between Port Botany and the industrial areas of Campbelltown, Minto and Ingleburn in Sydney's south-west.

The early identification and construction of appropriate intermodal facilities in metropolitan Sydney and the duplication of the final 3 kilometres of the Botany-Enfield freight rail corridor would greatly assist in encouraging a greater use of rail in the transport of containers to and from Port Botany.

The NSW Sea Freight Council has commenced a study into regional intermodal facilities and the findings of this study should greatly assist Government in being able to plan to increase the proportion of containers moved by rail from regional NSW.

Recommendation:

The NSW Government to maintain a pro-active and influential interest in the freight rail system in NSW following the lease of the interstate track to ARTC.

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

This paper has previously discussed the benefit that can be obtained from the early commencement of programs to upgrade freight rail infrastructure, following the release of \$870m of federal and state funding as a result of the ARTC lease agreement.

A further priority is the identification of appropriate locations for the placement of intermodal facilities in metropolitan Sydney.

The Hon Milton Morris identified in his independent review of the proposed Enfield Intermodal Terminal (February 2003) that Sydney needs a small number of well-positioned intermodal yards in Sydney to enable the containers to move by rail to and from the NSW ports. Planning to identify potential sites should be undertaken as soon as possible, to enable appropriate sites to be secured for the long-term. Environmental and traffic issues for the identified sites can then be assessed and addressed.

The planning for the development of the NSW regional ports needs to take into account the upgrade of the road and rail infrastructure linking these ports to Sydney's industrial and distribution centres. Government needs to assess the environmental impact and cost of the transport infrastructure requirements needed to serve Port Kembla and Newcastle.

Recommendation:

The Government's early release of a Freight Strategy detailing land transport infrastructure plans.