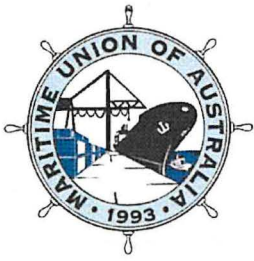


Submission
No 9

**INQUIRY INTO IMPACT OF PORT OF NEWCASTLE SALE
ARRANGEMENTS ON PUBLIC WORKS EXPENDITURE IN
NEW SOUTH WALES**

Organisation: Maritime Union of Australia - Newcastle Branch

Date Received: 8 January 2019



THE MARITIME UNION OF AUSTRALIA

NEWCASTLE BRANCH

GLEN WILLIAMS
BRANCH SECRETARY

DENNIS OUTRAM
HONORARY DEPUTY BRANCH SECRETARY

7 January 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 on public works expenditure in New South Wales

The Maritime Union of Australia Division supports the development of a container terminal at the Port of Newcastle as we believe it will be a major economic driver for our region and for Northern NSW.

The Maritime Union of Australia Division Newcastle Branch is the key union representing port and maritime workers in the Hunter and Northern NSW. Our members interests include stevedoring, bulk loading and discharge, vessel movements and port maintenance.

It is our view that the port sale arrangements have impaired productivity growth and competition in the Hunter region and across the Port of Newcastle's catchment, including growth opportunities in trade and infrastructure.

More specifically, in relation to 1 (c) of the Terms of Reference, it is our view that the container port limitations have created additional costs for businesses within the Port of Newcastle catchment.

Regional NSW comprises close to 40 per cent of the state's population, with the Hunter region making up approximately 9 per cent. It is expected that the population in the Hunter region alone will grow to over 1 million by the mid-2040s.¹

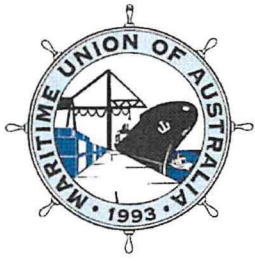
The recently released report by economic consultancy AlphaBeta shows that a container terminal at Newcastle will create a \$6 billion uplift in economic activity.² This is activity the region is currently missing out on. The flow on effects of the container terminal will help create 4,600 jobs across a diverse range of industries, including transport, manufacturing, agri-business, services, and construction. These are jobs desperately needed in regional NSW.

Additionally, the port will introduce lower freight costs as Hunter and Northern NSW exporters will no longer have to wear the cost and supply chain inefficiency of Sydney congestion on both the road and rail network. Instead they will be able to take advantage of the mature Hunter rail network taking freight straight to Port of Newcastle. The lower freight costs will stimulate additional exports and imports into the region. AlphaBeta found the '*driver of export growth in the region will be increased competitiveness from lower freight costs.*'³ Exporters will save \$1.3 billion in freight costs by accessing a less-congested and more efficient port closer to production and equipped with world-class stevedoring capability.

¹ RDA, The Hunter Region <http://rdahunter.org.au/hunter-region/hunter-region>

² AlphaBeta, 'Global Gateway for NSW: the economic impact of a container terminal at the Port of Newcastle, pg 35, 2018

³ IBID, pg 35



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A container terminal in the port of Newcastle will provide secure jobs for maritime workers and related industries which will have a positive impact on the local economy and community,

In conclusion, The Maritime Union of Australia Division appreciates the opportunity to support the development of a container terminal at Newcastle. It is our view that the Port Commitment Deed has increased unnecessary public works expenditure by inhibiting competition in our ports and contributed to higher freight costs for regional businesses in the Hunter and Northern NSW.

If you require further information in relation to this submission, please contact me on _____ or at _____

Yours sincerely,

Glen Williams
Newcastle Branch Secretary
Maritime Union of Australia
A division of the Construction, Forestry, Maritime, Mining and Energy Union