

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

Organisation: Hunter Environment Lobby Inc.

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Hunter Environment Lobby Inc.

7th 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

Hunter Environment Lobby Inc or HEL 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, as well as lessening the amount of greenhouse gases emitted into the atmosphere of the state of NSW.

HEL is a regional organisation and has been an advocate of environmental sustainability, preservation of habitat as well as ensuring our industries lessen their greenhouse effects by reducing emissions of pollutants.

HEL has made submissions on all major coal mining projects in the Hunter over the last twenty five years, has presented submissions to all major planning reviews that effect the Hunter, and has developed the Hunter LinkRail project. We have presented this project to many major government departments involved in transport both federally and in NSW.

We need to point out that there is a great need for economic diversification in the Hunter Region, as far as exports are concerned, as coal is the major driver at present. Looking to the future, there will need to be a greater diversification of imports and exports and this will bring the much needed new jobs in the Hunter. The 'Just Transition' concept is one we can see needs to happen, a sustainable energy market will help form a sustainable employment market.

Our activities have focussed on the connections between energy, transport, cost benefit to the community, community health and preservation of natural systems. This multi-focus view of development of the built environment depends on the preservation of the natural services our environment does for us, ie clean air, water and healthy sustainable human activity.

We attach our Hunter LinkRail Proposal for your perusal. We continue working to present a business case that will make our proposal clearer in its objectives of promoting a more sustainable and efficient rail connection between the Port of Newcastle and the wider regions.

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, infrastructure and employment. This will have a negative impact on our economic sustainability, with reference to environmental effects.

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 This growth will stretch our environmental sustainability, and we must be aware of these challenges and have strategies well in advance.

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 bear 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.

With the development of the Hunter LinkRail, workers will be able to access the jobs created by the container terminal at the Newcastle Port and freight will leave the Port on a climate change proof line that will link into a wider choice of destinations, at a much lower pollution rate.

In conclusion, HEL 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, and in the process, increase greenhouse gas emissions needlessly.

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

This is a negative driver in an industry and a time that demands answers to the hard questions of how to lower emissions into the atmosphere and create worthwhile jobs at the same time.

If you require further information in relation to this submission please contact Jan Davis on

Yours sincerely,

Jan Davis
President Hunter Environment Lobby Inc.