

REPORT OF PROCEEDINGS BEFORE

STANDING COMMITTEE ON STATE DEVELOPMENT

**INQUIRY INTO PORT INFRASTRUCTURE IN
NEW SOUTH WALES**

At Sydney on Friday 14 May 2004

The Committee met at 9.30 a.m.

PRESENT

The Hon. A.S. Burke (Chair)

The Hon. A. Catanzariti

Mr I. Cohen

The Hon. P. Forsythe

The Hon. M. Pavey

The Hon. C. Robertson

Transcript provided by Spark and Cannon

SAM HADDAD, Deputy Director-General, Department of Infrastructure, Planning and Natural Resources, 20 Lee Street, Sydney, sworn and examined.

STEPHEN DAVID ALCHIN, Executive Director, Transport Planning, Department of Infrastructure, Planning and Natural Resources, 20 Lee Street, Sydney. affirmed and examined.

CHAIR: If I could invite either or both of you to make an opening statement.

Mr HADDAD: If I may, I will start by making a short statement, just to put our discussion into context. If I may start by going through our department, the Department of Infrastructure Planning and Natural Resources. The Department has been established to bring together the range of planning and development control functions of the former Planning New South Wales, the coordination of resources functions of the previous Department of Land and Water Conservation, the Strategic Planning Team from the Transport Ministry and the Infrastructure Coordination Unit formerly part of the Premier Department. The rationale for creating DIPNR, if I may refer to it as DIPNR, is to integrate more effective land use planning and natural resource management decision making, to eliminate duplication and to try to reduce costs, and of relevance to this Committee, to link decisions about infrastructure with place based planning.

Our role is to improve economic performance, environmental sustainability and quality of life for the community through better land use and natural resource management supported by well-timed quality infrastructure. We try to be a strategic, expert and co-ordinating organisation, setting strategic direction, providing advice on policy and strategy to government and the community, co-ordinating infrastructure planning and development involvement assessment regulation and compliance in research, knowledge and education, and in facilitating stakeholder engagements and decision making.

If I try to put in context the Ports Growth Plan and where it fits into DIPNR's priorities, the Committee will be aware that we are actively engaged in the formulation of a metropolitan strategy. As one of our highest priorities, the metropolitan strategy is a strategic planning framework for Sydney and for the greater metropolitan area. It is a set of linked priorities that will set the parameters for new land release areas for ports and freight decisions. It does include the Central Coast, the Hunter and the Illawarra. It will attempt to link transport and infrastructure plans and the strategy will identify a range of initiatives for place outcomes and urban regeneration, network investment, including public transport, capital and maintenance and infrastructure capacity and particularly the management initiatives.

Just briefly, in terms of the Ports Growth Plan, it is a framework which had been announced by the Premier last October. The New South Wales Treasury and the Ministry for Transport developed the plan. DIPNR's role at the time was to review and to comment on the lead-up work, and now that government had made the decision in relation to the plan, to participate and take a leadership in its implementation. In summary, the plan outlines: the overall direction of ports growth in New South Wales; namely, the expansion of Port Botany, subject to environmental assessment and environmental constraints. The Committee will be aware that there is a commission of inquiry into the proposed expansions; secondly, Newcastle has the necessary land to support one million containers and will provide the next stage of capacity. That land needs to be protected now, even though the expansion is not required until the 2020s, but these decisions need relatively long-term lead time; that general cargo and car-handling operations at Sydney Harbour will be relocated to Port Kembla as leases expire in 2012 or 2017. A development application has already been submitted to the Minister to upgrade facilities at Port Kembla.

The rationale for the decision was recognition by government that an overall plan for port expansions was required in order to determine how New South Wales was going to cope with increasing volumes of containerised cargo and where the next tranche of capacity would be made available, to provide clarity and a message to the private sector as to where government would support investments, and to enable identification and preservation of necessary land to service the ports in a timely manner.

Just briefly, in terms of DIPNR's involvement in the implementation of the Ports Growth Plan, we are taking a lead role but working together with other agencies to bring the various elements of

that plan together, particularly emphasising the complementary measure that will be needed in terms of infrastructure and in terms of intermodal and associated facilities through various strategic planning exercises that we have been undertaking. We are planning to set aside the land, which will accommodate growth, and the associated requirements for that. We are involved in advising government through our role in the development assessment process for major development applications, and in the immediate instance, the proposal to expand Port Botany. We have a central role in undertaking environmental impact assessments in that regard. We are engaged in various master planning exercises for redevelopment of state significant lands at Darling Harbour, Glebe Island and White Bay, and we are involved in either sharing or participating in the development of the intermodal freight strategy through various working groups.

The Government remains committed to the working harbour policy for Sydney Harbour. With regard to the Port Jackson area in particular, Glebe Island and White Bay will remain working harbour facilities. Glebe Island will continue to serve the cement, sugar and the bulk grains, and the motor vehicle import trade until at least 2012. The Premier committed to retaining White Bay for working maritime use and there is a task force which is examining the future use in line with that commitment. DIPNR has already begun consulting effectively with the industry and other stakeholders, community stakeholders through a task force established under a master plan.

I will stop it there, to put it into the context and maybe allow us more time for questioning and discussion, I do not think there is a need to any further with any of the written statements.

CHAIR: Mr Alchin, you wanted to—

Mr ALCHIN: No, nothing.

CHAIR: If I could ask you, first of all, in those openings remarks, Mr Haddad, you referred to a task force being involved in developing the plans for White Bay. What is the composition of that task force?

Mr HADDAD: Steve, what do you—

Mr Stephen ALCHIN: The task force is chaired by the Director-General of the Department, Jennifer Westacott, and has representatives from a number of state agencies: Sydney Ports Corporation, Sydney Harbour Foreshore Authority. Forgive me, I am trying to recall the others, but there is a number of state agencies that are basically looking at those lands to make sure that they are most appropriately planned, bearing in mind the parameters that have been set down in the Ports Growth Plan.

CHAIR: Is that task force dealing specifically with White Bay?

Mr ALCHIN: Yes, it is.

CHAIR: Is there a similar method of co-ordination of the different agencies for the Ports Growth Plan as a whole?

Mr ALCHIN: For the Ports Growth Plan as a whole? Work on the Ports Growth Plan, as Sam indicated, was led through the Treasury and through the Ministry of Transport Services, and our role was one of providing review on documents and commentary on the work that was done. At the present time, we are pursuing other things through the intermodal freight planning group to make sure that that is brought together.

CHAIR: How long has the task force on White Bay been in place?

Mr ALCHIN: Since earlier this year.

The Hon. MELINDA PAVEY: After the Premier's announcement.

Mr ALCHIN: After the Premier's announcement.

CHAIR: When did DIPNR first start working on the Ports Growth Plan?

Mr ALCHIN: In the lead-up to the Premier's announcement. It was some months before that period. I could not say precisely. I would have to take that on notice, but it would be something of the order of probably three months, four months before the announcement.

CHAIR: We would appreciate it if you would come back with more information on it.

The Hon. PATRICIA FORSYTHE: Can I ask in relation to that, what was the reason for—you talked about three months before, starting to work on a growth plan. What was the reason for that? Was it strategic discussions at Premier's office level? Why did DIPNR decide to give that a priority?

Mr HADDAD: If I may perhaps answer, the work on the growth plan was led mostly by Treasury and the Department of Transport. Our role was to provide a commentary review and advise on the documentation that was used by those agencies and subsequently in the Government decision on the growth plan.

The Hon. MELINDA PAVEY: You did that three months before the Premier's announcement.

Mr HADDAD: I am not sure about the three months. I would like us to take this on notice, and as I said, to come back, but that was the process, just to give a correct answer if possible, but that was our role. The main work was then led at that time by those agencies.

CHAIR: What are the options that DIPNR is looking at for the future of White Bay and Glebe Island and Darling Harbour areas?

Mr ALCHIN: Again, consistent with the parameters laid down in the Ports Growth Plan, first and foremost for Glebe Island and White Bay to maintain a range of maritime uses. As Sam indicated in his opening statement, that includes maintenance of the bulk trades. This would be grain, soda ash, cement, things of that nature, sugar. It will include other maritime uses: ship repairs, water police, things of that nature. Other urban uses that are consistent with the mix of impacts associated with urban development, that area will be also looked at. As I recall, the Premier's announcement in October indicated that open space would be examined as part of that as well. Regarding Darling Harbour, the announcement was to review those leases when they expire in 2006. The intention would be to look at uses that provide open space but are also complementary to the fact that it is on the fringe of the CBD. So that we are looking at a range of urban uses—residential, commercial, retail—but no decisions have been firmly taken on any of that at this point.

CHAIR: I understand that there was intention that there would be no general cargo at White Bay, but it has been put to us by one of the shipping lines that they were hoping to use roll on-roll-off vessels at White Bay. Is that an option that is under consideration or is that something that is ruled out?

Mr ALCHIN: That is something that I am going to have to take on notice, if I may.

Mr IAN COHEN: Mr Haddad, you mentioned very clearly that general car handling would go to Port Kembla by 2020. Has that decision been made? Is that an absolute? And if that is clear from the point of view of DIPNR, how about the other projections looking at the function of the Hunter and also Port Botany? How clear is your department about the future function of each of those ports.

Mr HADDAD: The growth plan provides for a framework via a set of, in a sense, signals and decisions in it. That basically sets the priority for the expansion of Port Botany first, subject to planning approvals and subject to the commissions of inquiry process and pending all the discussions that are going, but basically doing that, recognising that this is the first port where the emphasis would have to be, to the year roughly 2020. That is the plan. Then the use of container facilities at the port of Newcastle subsequent to that, and the growth plan provides for general cargo and car handling operations at the Sydney Harbour to be relocated to Port Kembla at the time when the leases expire, either 2012 or 2017, depending on the special circumstances. That is basically the growth provisions

of the plan. That is, in a sense, a decision that has been made by government and we are moving into implementing those, subject to these various constraints that are there.

Mr IAN COHEN: The Government mind is already made. This is the project, this is the direction that you are taking.

Mr HADDAD: The Government has set the direction, I mean in terms of—

Mr IAN COHEN: I am just wondering which department has driven this decision. How has it come about? Good to have forward planning, of course, but what is the process that has developed this decision?

Mr HADDAD: The process that was used was based on work led by Treasury and the Ministry of Transport, based on a number of studies which considered relevant factors, including logistics, the requirements for additional growth, requirements of operators, costs implications, economic implications, factors that were fed into that. We had the role in providing advice as to the context of those studies and then Cabinet considered and made those decisions. Steve, do you want to add anything to what I have said?

Mr ALCHIN: No. No, that is correct. Our role was one of reviewing that work and commenting on it and providing that advice through the Minister into the Cabinet process.

CHAIR: Mr Haddad, you stated that DIPNR has formed a task force which has had community consultation for White Bay. Has DIPNR formed a task force for the Botany extension or any other proposed site, even looking at Newcastle and Port Kembla? Is there that sort of public interaction with task force being formed?

Mr HADDAD: There is some work that is being done in the Newcastle area through a concepts plan for Newcastle, a draft concept plan for the port of Newcastle and its surrounds, that went on public exhibition last year. We received submissions and we had a number of public meetings about it and community consultation interactions and forums and we are considering all those submissions now. Essentially the draft concept plan at the time, which was put out by way of a discussion paper had suggested various potential conservation and development areas in the Newcastle area. If you do not mind, I would like to take the Port Kembla one on notice, because I am not aware at what stage the Port Kembla had progressed.

Mr IAN COHEN: And Port Botany, the Port Botany extension?

Mr HADDAD: The Port Botany extension was—as you would be aware, Ian, we went through an environmental impact statement which went on public exhibition and there is a process of a commission of inquiry which was established by the Minister. The commission of inquiry will start shortly. It had called submissions and those submissions will go into the process of the commission of inquiry and that process has already started. That is the Port Botany expansion proposals.

CHAIR: The commission of inquiry, that reports back to Commissioner Knowles?

Mr HADDAD: That is correct. The commission of inquiry is independent. We have an office of the commission of inquiry, which is an office independent of government agencies, of the bureaucracy and government. They report to Minister Knowles in his capacity as Minister for Infrastructure, Planning—yes, as the minister. He is the decision-maker in terms of the expansion of Port Botany, to the proposed expansions.

CHAIR: This inquiry has been referred to us by Minister Costa. Does one minister have primary responsibility for the Ports Growth Plan?

Mr HADDAD: Yes. It is Minister Knowles who is responsible as the decision-maker, as the consent authority for the proposed expansion of Port Botany. As part of his decision-making role, as part of the assessments, he has established the commission of inquiry. The commission of inquiry process is the highest form of independent peer review, public peer review, that we have in the planning system. It is the highest form of public review available before the decision is made. He is

not going to make his decision before he gets the results and the recommendations from that commission of inquiry.

The Hon. PATRICIA FORSYTHE: Mr Haddad, you said earlier that DIPNR was committed to seeing Sydney Harbour as a working harbour.

Mr HADDAD: Yes.

The Hon. PATRICIA FORSYTHE: Have you a time frame on that? Is that something forever?

Mr HADDAD: The process that is going on, there are set parameters that have been set in terms of what I have suggested, in terms of the broad users, which presumably are ongoing, subject to the various master planning processes that are going. But the broad users that have been flagged in terms of the broader context of the Ports Growth Plan and elsewhere is to maintain those activities that are there essentially. In a sense, it does reflect the changing nature or changing emphasis in the economic and other activities of a living harbour, the different activities that are out there, as mentioned before.

The Hon. PATRICIA FORSYTHE: There certainly seems to be some view amongst people we have spoken to with an interest in seeing Sydney Harbour maintained as a working harbour, that the capacity for a working harbour and an urban environment to coexist is not great and that there have been reports, for example, of residents complaining about noise. All of that then comes down to the sort of approvals that planning would give when urban development is approved. What is your view about the capacity of Sydney Harbour as working harbour and as an urban environment to coexist?

Mr HADDAD: I think it is a challenge in the sense that we will have to address it at an early stage of planning, through what is called the master planning process, which is the big picture, on top of addressing these conflicts that exist, land use conflicts. At the end of the day it is a challenge of trying to balance these competing land users and provide a reasonable setting for future developments. Having said that there are obviously pressures in terms of residential amenity. As a community, we will have to sit and make our mind as to whether we would like people to live there and under what sort of amenities. But having said that, the challenge that we have is to maintain this type of activities going as a living harbour, as a different emphasis to it from highly industrialised, to a different type of a living harbour, and at the same time providing for good public access for enjoyment, for open spaces and for a good living environment as well.

The best way of tackling that challenge is to address all these issues up front, at whatever high level of planning. That is what we are trying to do, rather than deferring all these tensions at an individual development application stage, which had been the case in many instances in the past, whereby we struggled to make those balances, rather than starting very high up-front. Certainly that is the thinking. That is what I meant by the strategic context and it is not easy, in a sense, but is a challenge we have as professionals and others who try to address. In doing all that, of course, we cannot do all this behind closed doors. It does not mean anything. We will have to involve communities as well and involve them as early as we can through the process. That is what we are trying to do now.

The Hon. PATRICIA FORSYTHE: In relation to the involvement of the communities, what community consultation has DIPNR had in relation to, say, the expansion of each of the ports: Port Kembla, Port Botany and Newcastle?

Mr HADDAD: In the case of the Port Botany expansion in particular, there is an environmental impact assessment process which starts by the EIS, and before that various consultations, requirements to include community issues into the environmental impact statements which had been on public exhibition. I am happy to provide further details as to the dates and all that, but it has been extended and we have received submissions to this EIS process. But I think the real independent peer review of community submissions and concern really started through this commission of inquiry process, because that is where—what information is needed, what does this mean, and all that is put under an independent examination. When I say all submissions, I am

including our submission as well. Our submission will be challenged. In that regard we have a commissioner and the Minister has also appointed two specialist advisers to sit with that commissioner. This is not something that is usual in the commission of inquiry process. Usually we limit it to a commissioner or maybe two in very seldom circumstances, but in this case we have also two specialist advisers and they will have the analytical and other capabilities to challenge, to ask Sydney Port, to ask government, to ask us to request additional information, more studies, less studies, and then they will combine their report to the Minister.

Mr IAN COHEN: Mr Haddad, just on the Commission of Inquiry, having been involved in some in the past, is there a public record?

Mr HADDAD: Yes.

Mr IAN COHEN: Is it recorded on Hansard type of situation now?

Mr HADDAD: Yes.

Mr IAN COHEN: It has not been in the past.

Mr HADDAD: Yes. There is a public record. I am not sure whether it is by way of recording or writing, but it is all—I think in many cases—

Mr IAN COHEN: All submissions and all discussions, any inquiry will be available.

Mr HADDAD: They are all publicly available. They are publicly available and there is certainly a report at the end of the day which—

Mr IAN COHEN: The report goes to the Minister though, doesn't it?

Mr HADDAD: The report goes to the Minister, but the report must be made publicly available by law. Whatever the Minister's decision is, the report of the commissioner must be made—

The Hon. MELINDA PAVEY: Who staffs the Commission of Inquiry where the offices—

Mr HADDAD: It is an independent office.

The Hon. MELINDA PAVEY: Yes, but where would the staff generally come from?

Mr HADDAD: They work to the office of the Commission of Inquiry. They are appointed by the Governor and they basically are completely independent to government and government agencies, and they have their own staff. They report to a chair and commissioners, and there are full-time commissioners at the moment.

Mr IAN COHEN: Mr Haddad, perhaps you could check on that unless you are absolutely certain about the recording and public access to the public deliberations of the inquiry. Because my experience in the past with the Commission of Inquiry is the commissioner sits and takes the information, but there is no public recording and no access to that. I would really like to know if there is an opportunity for the public to have inspection, similar to Hansard in a parliamentary inquiry, so that there is a record of the material put to the inquiry and that flows through with public access, as you say, by law. The report, however, I think it is important that we find out for sure if there is that opportunity for the public to look at all the verbal submissions.

Mr HADDAD: I will certainly do that, sir.

Mr IAN COHEN: Thank you.

The Hon. MELINDA PAVEY: Mr Haddad, we were expecting the Director-General, Jennifer Westacott, to be here today. In earlier evidence Mr Alchin pointed out that Dr Westacott heads up the Ports Growth Plan for the Department..

Mr ALCHIN: The task force.

The Hon. MELINDA PAVEY: The task force. Why isn't she here today?

Mr HADDAD: She has given earlier notice that she was not able to come today, but I mean I am sitting on the—

The Hon. MELINDA PAVEY: She was available earlier this week, under my understanding. It is really an important issue in terms of the people of New South Wales. She is the Director-General of the Department, and she heads up the task force for the Ports Growth Plan. Why isn't she here today?

Mr HADDAD: If I can clarify, she does not head the task force for the Ports Growth Plan, but she heads the task force for master planning and task force for individual components of that plan.

The Hon. MELINDA PAVEY: She is not responsible for the Ports Growth Plan within the Department?

Mr HADDAD: She is certainly responsible for the strategic planning and for advising the Government on the totality of planning. In that context, she is certainly responsible for the outcome of various planning exercises in different areas, including various components of that port plan.

The Hon. MELINDA PAVEY: Why isn't she here today?

Mr HADDAD: She could not—she had other commitments in that regard, but certainly that is not an indication that she basically thought that we can, on her behalf, give the Committee all the information that is needed and she had advised accordingly.

The Hon. MELINDA PAVEY: I think that is disappointing, and I also cannot quite grasp the concept that Treasury and Transport have driven the Ports Growth Plan, and now Minister Knowles, as head of DIPNR, as Minister for DIPNR, is going to be responsible for the ultimate decisions in this.

Mr ALCHIN: I wonder whether I might clarify. The Ports Growth Plan was—as noted in the Government's submission to the inquiry, a set of broad directions and decisions that were taken in late last year and announced by the Premier in October. There are now a range of follow-on actions that arise from that, some of those fall within the responsibility of the Department of Infrastructure, Planning and Natural Resources; things like the task force overseeing the master planning for the Port Jackson lands, things like the intermodal freight planning group. There are other actions such as the negotiations about the leases to enable the transfer of some of those general cargo functions from Port Jackson onto Port Kembla that appropriately fall within the responsibility for the Minister for Transport Services. The port corporations report through to the Minister for Transport Services, so the implementation of various decisions and clusters of activity fall to different agencies. Ours relate to the master planning in the Port Jackson lands and in particular also on the work on the intermodal freight planning group.

The Hon. MELINDA PAVEY: Just in relation to the intermodal freight planning organising, we had Patricks Corporation, the head of their Sydney port corporations in and he gave evidence that he was disturbed that for three years he had been waiting on a planning decision from DIPNR in relation to a freight model that would see cars that are unloaded at Sydney Harbour taken by train to Ingleburn, and they have been waiting for three years for a decision on that. Can you update the Committee on where that is at.

Mr HADDAD: The development application on this one was originally submitted to the council, and then there were amendments to it and it became what we call state-significant developments whereby then the Minister becomes the consent authority.

The Hon. MELINDA PAVEY: When was that? When did the Minister get it?

Mr HADDAD: Sorry?

The Hon. MELINDA PAVEY: When did the Minister get it?

Mr HADDAD: I am sorry, I will have to take that on notice, but it would be—I will have to check the exact dates and I will do it. Then notwithstanding it went through—it was publicly exhibited and we had concerns expressed by the local community and councils, and the Minister in response established a The Commission of Inquiry , and the Commission of Inquiry was held and the Commission of Inquiry report is, in a sense, pending. My understanding is, you know, it will be made public as soon as possible when it is available. Now, that is the process that it has gone through.

The Hon. MELINDA PAVEY: The Commission of Inquiry findings have been with the Minister since when?

Mr HADDAD: The Commission of Inquiry report, to my knowledge, I am not sure that it has been with the minister; the Commission of Inquiry report. But I would like to take it on notice and get more information on that, if possible.

The Hon. CHRISTINE ROBERTSON: Following on from issues in relation to transport, I was wondering if you can detail DIPNR's role in the transport planning, not only in relation to the movement of ships, and ports, but particularly the major transport routes. Some of the issues that have come up during this inquiry relate to possibly fairly extensive infrastructure costs and planning required for some of these ports to take on different roles. Can you—apparently you have a transport part in your—can you outline what has happened there, please.

Mr ALCHIN: As indicated in the Government's submission, the Department is chairing an intermodal freight planning group and it is chaired by the Department and it also has representation from the other transport agencies in the Government. Its basic role is to look at a range of options to assess the arguments for and against how we will handle all transport implications of the ports growth that is likely to occur within the Sydney, Newcastle and Wollongong conurbation over the next 10 20 years. In particular, as indicated in the submission, it has been charged with the responsibility of looking at options to increase the proportion of containers that are moved by rail from the roughly, I think it is, 25 per cent or so at the present time to some higher figure, and that work is under way at the present time.

The Hon. ANTONIO CATANZARITI: Mr Haddad, have the three port corporations held discussions with DIPNR to ensure the three expansions are complimentary to one another?

Mr HADDAD: I am unable to answer this question, if I can please put it notice—take it on notice and come back. I am not aware of those discussions.

The Hon. CHRISTINE ROBERTSON: Can I extend this issue about transport. Is there any consideration in your planning of rural produce? We have heard in evidence and from local knowledge that at the moment quite a bit of rural produce is actually going through Melbourne ports and Brisbane ports, and a lot of that is to do with hard-sell by those ports to the primary producers. Has that come across, to your notice in the planning process?

Mr ALCHIN: I would have to take that on notice for a definitive answer, but not in any sort of detailed manner.

The Hon. CHRISTINE ROBERTSON: Thank you.

CHAIR: I would like to go to the issue of land remediation. At each of the ports that the Committee has now visited there is various issues with toxicity in the surrounding soil at each of the ports. First of all, to what extent are those issues handled by DIPNR or what extent are they handled by the Department of Environment?

Mr HADDAD: There is a major regulatory rule by the Department of Environment and it may be more appropriate in terms of the technical details and the regulatory controls that the Department of Environment being asked to comment as to the details. In terms of our involvement, we are primarily involved in giving what we call planning approvals or planning consents for decontaminating the lands, including any of those ports or any other location. That is our main function. We also

administer relevant State Environmental Planning Policy which puts all the statutory requirements for various obligations in terms of the post-remediation activities that can occur.

In relation to the port of Newcastle specifically as an example, when an EIS is prepared for dredging involving a clean-up of soil and the like, then these methods, the way that these methods, the contamination will take place and has to be handled through the EIS process, it is on public exhibition, and our role is to advise governments as to whether these methods are appropriate or not, what are their environmental impacts to people, to health, to the ecology. We do that in liaison with the Department of Environment and with others.

CHAIR: In one sense, how do you actually weigh up when we are looking at relocation of port facilities where it appears on the face of it that we have no good options? We have one port located adjacent to major chemical works that have been there for many years, and two ports contained adjacent to former steelworks. How do you make those strategic decisions when there is essentially no good environmental options?

Mr HADDAD: Essentially the decision starts by a much higher level strategic location of activities. Then within that, there is the balancing of whether these activities will provide benefits generally, as opposed to the disbenefits, which in this case will include the cost of the remediation, the actual outcome of the remediation, whether it can provide a credible outcome to the ecology, to the people, to the environment and all that which translate into the method, whether it is available or not, and what is outweighing, at the end of the day what can be done? We will put the remediation activities to a—I am explaining that in the context of the question how do you start from a strategic position. That is how this is taken into account strategically. You have then to test the strategic outcome at a more detailed level. Sometimes at the strategic level you may be able to come with a red signal whereby there are certain very high constraints at that level. However, in most cases, if not in all cases, this testing is done subsequently. That is the general scenario.

Mr IAN COHEN: If I may—

The Hon. CHRISTINE ROBERTSON: One of us.

Mr IAN COHEN: Just very briefly. I guess that was a very eloquent explanation, but if I could simply put it to you that your Department—for example, in the case of Port Botany where you have in the EIS clearly indicated toxic plumes coming from the Orica site, that former people appearing before this Committee have clearly indicated that they believed that any excavation dredging of the bay for the additional development is going to exacerbate, pull that toxic site—the materials in that plume—down toward the bay even more quickly that what it is travelling at the present time. Mr Haddad, are you not ignoring some of those basic environmental concerns that have been put to your Department time and time again by the community? It is okay to talk about a strategy, but we are talking about really serious environmental issues that are facing the Port Botany development.

Mr HADDAD: I am not disagreeing with what you have said. All what I have said, I was answering the question how do we take into account the addressing those issues at the strategic level. That is how we do it.

Mr IAN COHEN: How are you addressing those issues; that one in particular?

Mr HADDAD: The best thing of what you are doing now is exactly what is happening now. What is happening now, there is a challenging of all these issues, and in particular the impact of the dredging on the plume and other factors through the assessment process. There is a submission that has been put by the Port Authority—Port Botany—people that are saying, "Look, we can do that, and that is how we are going to do it." Now, there is an extensive process of testing those assumptions. We are going right now through the assessment process of saying what will happen if we really look at expanding Port Botany. What will happen to the ground water contamination issues?

Mr IAN COHEN: Does this testing go through peer review, or does it go straight to the Minister for a decision?

Mr HADDAD: No, it is going through an assessment process—as I tried to explain—by us and by the Commission of Inquiry . It will be a key factor of examination by the Commission of Inquiry . In our submission to the Commission of Inquiry , and I am sure in the submission of the Department of Environment and Conservation and others, they will be putting views as to how this is to be addressed. We will be putting views as well. The Commission of Inquiry may be satisfied with that or may not. He may tell us all, "Go away, I want more information." Meanwhile, we are trying to address what you have rightly described as an important issue of historical ground water contamination which should be looked at extremely seriously, and there is a lot of work that has been done to address past deficiencies, if I can call them that way. Certainly, in my submission, the decision on the port expansion will have to take fully into account what will happen to that. This is broadly consistent with what I was trying to describe of taking into account these things. That is why an answer could be, "Go ahead and expand this." But another answer which is more appropriately expanded, but there is a process which is testing the environmental, the ecological, and the impact of contamination in this case. This is happening now.

Mr IAN COHEN: Therefore, Mr Haddad, you could guarantee to the Committee, if the Port Botany expansion does go ahead, that this ground water contamination will be adequately controlled?

Mr HADDAD: I cannot guarantee that, nor can I make a comment on it now, because if it—

Mr IAN COHEN: If it goes ahead.

Mr HADDAD: There is an assessment process.

Mr IAN COHEN: If it goes ahead. I am asking you, if it goes ahead, are you confident that this plume of ground water contamination will be properly controlled if we see a Port Botany expansion going ahead?

Mr HADDAD: I am confident that all recommendations to the Minister and decisions will be made on the basis that the impact of the ground water of the plume can be appropriately managed, and that appropriate monitoring and ongoing management mechanisms will have to be put in place to address that. But before doing this, that will have to be satisfied to a reasonable level of satisfaction of comforts that this issue can be controlled.

Mr IAN COHEN: What redress would be available if you are wrong? If it goes through this process, it goes to the Minister—that I might suggest is not really well equipped to assess this scientifically, because I am still concerned the Commission Inquiry goes direct to the Minister for his decision, as you have said—what form of redress is there for the community if measures are not effective to protect the Penrhyn Estuary and the offshore areas in the bay and the result and environmental impact of this plume if it does escape despite your best efforts?

Mr HADDAD: Starting with the decision, and the Minister will be getting all technical and scientific advice from a number of sources and, as I said, including from specialists in—

Mr IAN COHEN: Yes, what do we say in the future; "We did our best and it did not work, bad luck"?

Mr HADDAD: No, what I am trying to say before the decision is made, the Minister first of all will have to be satisfied that the residual risk that is there, that the residual risk is small and can be managed and it can be correlated in the context of the decision. That is the most important thing; that to the best of all our ability will have to give a credible answer that really we can stop it. Now, we will be put barriers or put something to be able to stop that. Then after that we will need to be satisfied that there are ongoing management and monitoring. There will be mechanisms in place which can give us early warning if things are not working properly or whatever, and then a response to that. On top of that, there are obligations on proponents, on developers through conditions of consent. There is the court process. There is the community overall, and all that is clear and transparent is set.

Beyond that, I do not think that anybody can give a zero-risk guarantee and give you a credible answer by saying there is zero risk. All what we can do is to do all our best to address this in a

professional manner. That is basically the thing. But at the end there will be enough mechanisms to deal with it.

The Hon. PATRICIA FORSYTHE: I wanted to return to the strategic planning issues, in particular in relation to the growth at Newcastle. When Honeysuckle master planning would have been undertaken there would have been an assumption that BHP would have existed as a steel mill. Since Honeysuckle has got under way a lot of things have changed in the city of Newcastle. Has that required any level of change in the strategic plan for Honeysuckle, and is there any issue of potential conflict between what has been approved for all of that area and the growth of a port in that area?

Mr HADDAD: The emphasis of the strategic planning has been, in a sense, to look at how can we reshape the ports and its surrounds, rather than Honeysuckle per se; what can we do now that BHP is gone, we have these lands, we have potential for port-related activities. We have potential for redeveloping land for other activities, and we have also conservation areas that we have an opportunity to look at that. We really looked at it as an opportunity to go a bit higher up and see how we can do a better job in up-front delineating these different areas so that, as I tried to say earlier on, we do not have to struggle at each development application level. The strategic planning that we have been doing is really a major rethink as to what sort of areas we now have to put aside for potential developments; but more particularly also what other areas we should put aside for conservation purposes and what sort of statutory mechanism we should have so that we can control all that. Not only that—and we have not started doing that, but we are planning to do it—as an integral part of this strategic planning is to go beyond that and really start assessing the impacts of various activities so that we can give much more clarity and certainty to the users and to the community; to everybody.

This is basically our thinking in relation to Newcastle. Where we are with this in that process, we have put out a concept plan on public exhibition. We have received submissions and we are doing a bit more work on it. This is a major shift in essence that really is important to notice, and it is a real shift. The reason one would talk about other DAs sitting there for a long time, and all this debate is because this up-front assessment has not been done properly in all cases in the past. In that case, specifically we are saying here is an opportunity to do this up-front assessment at that level and engage and then make decisions. Then try to, accounting for some flexibility, lock in those decisions so there is certainty for as many stakeholders as possible. I am unable to talk about the direct implications to Honeysuckle in that context, but that is what we are doing.

Noise as an instance, as you know, is a major issue of conflict—potential conflict—and in this case we have tried to set the parameters doing that up-front assessment early on as part of our strategic thinking. Contamination will be another area where we will try to do that a bit more. Air is another one; ecology, flora, fauna, threatened species, flooding, hydrology, all these factors, and we are putting a lot of efforts trying to put this assessment framework up front. This is a major shift, which I think hopefully will give better outcome.

The Hon. PATRICIA FORSYTHE: You talked about an assessment up front. What is the time frame we are talking about it?

Mr HADDAD: I know that the time is important. We want to advise Government that it is important when we do these things that we do it, in a sense, properly as well. We do not want to stay forever of course, but I will suspect within the next year or so we should be able to give something that will stand credibly, the testing of different DAs and the rest of it as we progress. That is a broad framework, but we want to go back now to the community and say that is broadly the categorisation of land that we are thinking of, and then move on to do some of the detailed assessment work. Then hopefully at the individuality stage we should be better off.

The Hon. MELINDA PAVEY: Has DIPNR been in regular contact with the Department of Environment and Conservation in regards to the Ports Growth Plan, and have negotiations been formalised across departmental committee or working group? If so, what public bodies are represented on this group? If not, what point would it seek input and want to evaluate the proposal?

Mr HADDAD: That is generally on the plan or the on the Port Botany expansion?

The Hon. MELINDA PAVEY: The Ports Growth Plan.

Mr HADDAD: I am not sure as to the extent of discussions that we had with the Department of Environment and Conservation at the time of the formulation of that plan, but I can take it on notice, if you do not mind, to explain that. But certainly—

The Hon. MELINDA PAVEY: On Port Botany then.

Mr HADDAD: I was about to say, after the plan, certainly we work very closely with the Department of Environment and Conservation in relation to—for instance, the Newcastle issues that I was referring to, in relation to the expansion to Port Botany whereby we are in almost constant discussions incorporating requirements and all the rest of it, and probably more details can be provided when my colleagues from that agency will appear.

CHAIR: A number of committee members would like to keep questioning, so if we could go a little bit beyond the appointed finishing time..

Mr HADDAD: That is fine.

The Hon. CHRISTINE ROBERTSON: Excuse my obsession about all things rural, Australian Wheat Board has put out—I think it has gone past the discussion paper, which proposes to actually take the grain off the rail. They are going to build super silos around the west of the State, off railway lines. I am wondering if there has been any consideration of these sorts of issues by you people, because it will make a difference to the way the ports themselves operate that handle grain. If not, I would be very grateful if it did become part of your considerations.

Mr ALCHIN: I will take that one on notice, if I may. Obviously the capacity of the grain handling facilities at Port Kembla and the like are an important part of the State's infrastructure, but if I may take that on notice.

The Hon. CHRISTINE ROBERTSON: It will become part of your overall—

Mr ALCHIN: Yes, the Department has a broad mandate on transport infrastructure.

The Hon. CHRISTINE ROBERTSON: It is quite likely it has never come through to your Department. I think it is a fairly important issue to be dumped into the planning process.

Mr IAN COHEN: Mr Haddad, you stated that appropriate monitoring must be put in place, when we were discussing the Port Botany issue. Isn't a fact that the EPA have been monitoring for some 13 years now, and have recently given the Orica site a clean-up notice.

Mr HADDAD: I understand so, yes.

Mr IAN COHEN: It took about 13 years to recognise the depth and the difficulty of the situation.

Mr HADDAD: I am really not trying to avoid that sort of question.

Mr IAN COHEN: Of course not.

Mr HADDAD: I am not, seriously. As I said before, this is—it is an unfortunate, and it is historically—an inadequate, inappropriate situation that has developed. There is no question of that.

Mr IAN COHEN: It has been obvious to a lot of people in the community for a very long time.

Mr HADDAD: It may have been. However, to be fair, my colleagues from the EP are more appropriately—they should be given the opportunity to answer all that. I must also say that once all that became apparent, there are a number of measures that have been put in place. For instance, we have now a moratorium on bore water, which in contaminated areas, in this area, and that has been put

by the Department. As you said, there is a notice on Orica. Orica, there is a program of clean-up that has been going on, or has started, and the details can come up later.

Mr IAN COHEN: The bores, that is a bit like saying, "No fishing in Homebush Bay". That is obvious, it recognises the problem. But it has taken 13 years and we are now looking at Port Botany expansion, and the pressure on that is immense, you can appreciate, surely, Mr Haddad, that there is a real insecurity in the community that these issues will be properly addressed within the time frame of the development. It seems like the development first, and then deal with these incredibly important toxic contamination issues second.

Mr HADDAD: I can reiterate and assure you that we will be making sure, as part of the assessment process, that this issue is fully recognised, and that whatever measures need to be taken to avoid, to prevent, an important and significant impact on the expansions will have to be done as part of this assessment process.

Mr IAN COHEN: Given that the toxic plume is a real problem.

Mr HADDAD: Yes.

Mr IAN COHEN: Has your Department looked at cleaning up the on-site HCB problems on the Orica site now at the other end of the plume, to look at slowing down the trajectory of the plume? For example, I understand there was—is there still a carpark capped in a tarmac that covers a mountain of toxic waste on site that is over a rising water table?

Mr HADDAD: Yes, my understanding is that most of the contamination that is there emanated from historical industrial activities at the ICI—the then ICI—

Mr IAN COHEN: Orica, yes.

Mr HADDAD: —plant, Orica, and that these facilities, these industrial processes, are no longer in operation now.

Mr IAN COHEN: But is the material still on site?

Mr HADDAD: Yes, there will be some material on site, and I think it is maybe—

Mr IAN COHEN: Some?

Mr HADDAD: —it is better, maybe, for the EPA to give all this information, if you do not mind. That would be a more credible answer.

Mr IAN COHEN: There are other proposals that have been submitted to us, and I think as well to the Commission of Inquiry, other ways that Port Botany could be expanded. Has DIPNR considered any of those, with any options?

Mr HADDAD: I am aware that there have been other submissions, and I think to go straight, I would encourage any of those submitters to go to the Commission of Inquiry, and to put the case very strongly there, and to put—that is where the test is. Having said that—

Mr IAN COHEN: Some of these are canvassed in the EIS.

Mr HADDAD: Yes, but I was going to come and say that I am aware that the ones that are in—there are in the EIS a number of them—and in the EIS there are the constraints and the pluses and the minuses of doing that. Part of our assessment will be commencing on the various pluses and minuses in terms of our assessment of our evaluation of the information that is in the EIS as to whether one will be better, in terms of environmental impact, accessibility, land availability, all the major criterion. That is part of the assessment process. Just to complete the answer, nevertheless at the end of the day the Minister is required to make a decision on a particular DA that is before us now, and before the community. That is why I am drawing attention to the importance of all these options to be brought before the Commission of Inquiry, so that when they report to the Minister, whether

they believe what the Department is saying or not, they will be able to bring to the Minister's attention any major benefits versus any impossible mitigating impacts from the existing proposals, and that is part of the evaluation.

Mr IAN COHEN: We have some local councils appearing later today.

Mr HADDAD: Yes.

Mr IAN COHEN: What level of consultation has there been with the local councils from DIPNR?

Mr HADDAD: We basically consult as part of the broad EIS process in relation to the port's EIS itself. That is apart from the other planning interactions that we have. In that regard we take into account any requirements that they want the EIS to address. We put it there, and now I suppose we make sure that if there are conditions to be imposed, if there is an intention to approve it, then those conditions are passed in draft for further comments by the council. If the council is proposing—more importantly, we do take very seriously any issues that the council is raising now as part of the assessment process. That is what we are trying to do.

CHAIR: You have taken a number of issues on notice.

Mr HADDAD: Yes.

CHAIR: Because the Committee is trying to get towards the end of gathering all of its information, I was wondering if it might be possible for those questions on notice to come back to us in about 10 days.

Mr HADDAD: Yes, sure, that is no problem.

CHAIR: That would be great. We would appreciate it.

Mr HADDAD: I will try to do it as quickly as possible.

CHAIR: Mr Haddad and Mr Alchin, can I thank you very much for the time you have given to the Committee this morning. The Committee will now adjourn until 11.45, when the representatives from Save Botany Beach will be here.

(The witnesses withdrew)

(Short adjournment)

CHAIR: We have reopened.

JOAN IRENE STAPLES, Campaign Co-ordinator, Save Botany Beach, affirmed and examined:

CHAIR: What is your full name?

Ms STAPLES My full name is Joan Irene Staples.

CHAIR: What is your occupation?

Ms STAPLES I am a casual lecturer in law at the University of New South Wales.

CHAIR: If I could invite you, first of all, to make a brief opening statement.

Ms STAPLES Save Botany Beach was incorporated about two years ago, under the New South Wales Associations Act, specifically for the purpose to oppose the expansion of Port Botany. Our name should not be interpreted as being simply concerned about losing our beach at Botany. We are concerned very much with the big picture, and certainly what has occurred over the last two years is that local people who are concerned about the impact on them have begun to research and

understand much more fully a much wider picture of what the story is in New South Wales in relation to port development.

As a group we have some 300 people who regularly receive our newsletter. We have enormous local support. We meet free of charge in the local bowling club, who fully support us. Every time we have a public meeting the local RSL, free of charge, provides its meeting rooms, its major hall, and all of its facilities. Whenever we have a fundraiser, which is usually a trivia night, the prizes roll in from all the local businesses to support us. We believe we have a mandate within the community, having had a number of large public meetings, that we do have great support in the region to support us on this issue.

I would like to commence by providing, at the core of our summary argument, which I think reflects what I have already stated—that is, that while we are the people who are most going to be affected personally by this proposal, we also have attempted to look at the bigger picture planning for ports in the State. We understand that the State's existing transport and freight infrastructure is seriously under equipped to cope, not only with proposed expansion, but also with the increased volume of freight that will be generated from the already approved project at Patricks Port Botany terminal.

This approved proposal will allow the port to almost double its capacity, and continue operating until 2012 or 2015 without any need for reclamation, according to documents that have been tabled in a number of places. Already the Government has approved an increase which will basically double the size of the port and take it up to 2015. We maintain that with this upgrade at Patricks, Port Botany has more than reached its capacity, given the gross environmental and social impacts that we and other Sydney communities are currently experiencing.

We also note that in December last year the Australian Rail Track Corporation signed an agreement which will provide \$870 million over five years to New South Wales for rail-port connections, and for improved freight line between Brisbane, Sydney and Melbourne. We believe that the New South Wales Government should therefore use the window of opportunity that is created by this ARTC funding to immediately implement its Ports Growth Plan, which says that when Port Botany reaches capacity, Newcastle will be the State's next major container facility. However, the Ports Growth Plan should also include a significant proportion of the development going to Port Kembla.

In support of this argument, we noted that The Premier has announced that the proposed Port Botany expansion would be the final upgrade for Port Botany, and that this upgrade would suffice to cope with port needs until 2025, as is stated in the EIS that has been developed as well. If the already approved Patricks terminal upgrade will suffice to 2015, this means that the current proposal is for an upgrade that meets Sydney's needs for basically 10 years. You have already approved Patricks, which takes us up to 2012-15. We are spending this hundreds of millions of dollars for this further upgrade that is being proposed, but it is only going to last to 2025. For 10 years is what we are spending this vast amount of money on. At the end of that time, of course, infrastructure is then going to be needed for Newcastle and Port Kembla.

Newcastle and Port Kembla are calling for more port infrastructure, better rail links, and assistance with all their development needs, and obviously you have been hearing from people from those two cities. But constructing more comprehensive port facilities and better transport links to the north and south of greater Sydney now would follow rational planning principles, save government expenditure, and minimise the environmental and social impacts on Sydney's southern and south-west suburbs. Perhaps, with your permission, Chair, I might put those three major points that I have made into a summary statement, which I would like to distribute, if that is possible.

CHAIR: Certainly.

Ms STAPLES I would also like to draw your attention—I wish to go into the major environmental and social impacts that will affect us as the local residents, but also have an impact, I believe, in the quality of life for the greater Sydney region, and certainly for the southern suburbs of Sydney. Before I do that, I would like to draw your attention to, in our submission, it is on page 1, there is a graph which I think demonstrates quite clearly the magnitude of the proposal for Botany. I

do have further copies of that, larger copies of that, if you would like to perhaps distribute those. Looking at this graph, the column on the left-hand side represents the current picture, and you can see, having a look at Botany at the moment, that we have about roughly a million TEUs annually; basically nothing at Port Kembla, and a certain amount at Sydney Harbour, and a little bit in Newcastle. Moving to the far right-hand side is what is proposed under this major port expansion, and you can see the impact on Port Botany. We are going up to approximately three million.

What we are proposing—the proposal that I am putting before you now, that the Government Policy for Port Growth should be implemented now—would be the central column. In other words, the Government has already approved Patricks, and while we are not happy with that—we are very unhappy with it, because my members are not coping at the moment with the enormous impact from trucks and noise, and the impact of the port—but we know it is a fait accompli. We cannot turn this around, it has been approved. Patricks approval will take the terminal up to that column that you see at Botany, in the central column, but the extra, we believe right now, should be going to those other ports, and you can see there the much more even distribution that would result from that. If you would kindly bear with me, I would like to run through some of the major environmental impacts that will be impacting on us.

Beginning very briefly with the estuary and the marine environment, the Penrhyn Estuary is also, you will find, mentioned in our submission. It is right in the centre of the proposal. It is going to have a railway right around it. It is the only viable shore-bird habitat on our side of the bay. It ranks only marginally behind Towra Point, which has been listed on Ramsar, the international convention. It has over 37 shore-bird species, seven of which are migratory waders. We fear for the future of this site. At the moment it is a magnificent peaceful estuary, so close to Sydney, very important and valuable for us as local residents. In the early morning and the evening the peace and beauty of that estuary is quite remarkable. It does face big pollution problems, but pollution needs to be addressed. We have seen things with rivers around the world and estuaries around the world being improved, and we do not wish to see this estuary disappear for us, and also of course for the migratory birds. There are proposals to recreate habitats there, but many of those proposals are untested, and we also understand there is significant evidence that recreating habitats in that manner is untested and not necessarily viable.

My members keep emphasising to me, I really also must talk to you about rise in water table. In our submission you will find a clipping going back some years, to the time of the original building of the port, and it is hard to see what is in the picture from the newspaper clipping, but what it is, it is one of our members in a canoe going out to their clothesline. The previous reclamation resulted in the water table rising to the extent that that was the result. The current water table for the homes in that immediate vicinity is very high. Many of our members dig down less than a foot and there is the water. One of the reasons that the port reconfigured its plans, to look at the way it does now, their original plan was that the port would operate straight out from the beach, going out. But their ground water experts told them, "If you do that you are going to have the same thing happen again."

What happened last time was that these residents—never struck anything like this in their life—took a case to the Land and Environment Court, which ended up being the second longest running case in that court. It was settled outside of court, the terms of which are not available, but those residents are adamant that they are very concerned about this issue. They have experienced it, and seen it happen before. The reason that the port has allowed a channel is apparently that it will make a difference to that water table rising, and the experts hope—and we all know that these technical experts will tell us certain things will happen, but they do not always necessarily follow through—but they hope that by allowing a channel, it will be less likely that the water table will rise in that way in future; but it is a very severe risk from the point of view of our members who have been through it before.

We are concerned about the effect on the marine environment, of course; the seagrass beds—other people have gone into this in detail—also erosion of the bay due to dredging. Most councils adjoining the bays have faced serious erosion problems on the beaches since the reclamation of the port, and millions of dollars have been spent on groynes and reclamation work, and still the work continues. Also, Towra Point was made saline at that time, and there is considerable money being spent at the moment on fixing up that situation.

The acoustic environment is not satisfactory. Our members complain continuously—ringing up the EPA hotline—of noise from the existing port: the dropping of containers, the beeping of cars backing. The proposed expansion will greatly increase the problem, and according to the EIS there will be several audible container handling impacts during any one hour during the night. The EPA sleep disturbance criteria will be exceeded, and our members close to the port can expect up to a five decibels above the EPA night-time noise level criteria, even with noise barriers in place. That is totally unacceptable to us, that we are going to have to have that sort of increase in the noise levels that we have to cope with.

Existing noise sources, particularly on Foreshore Road and Botany Road, all currently result in noise levels exceeding the sleep-disturbance criteria, and that is even without Patricks going ahead. Of course, current trains are a problem. Our local member, the member for Heffron, has had public meetings, because she has received such significant representation from local people who are concerned about current noise levels from trains. The number of trains are going to increase from the current 30, which is causing the problem, to 108.

We think dredging is a problem for the reclamation. Botany has been an area of heavy industry since the early days of European settlement. There are significant amounts of dangerous heavy metals within those sediments that have been laid down over the last 100 years, and increased by some of the activities of Orica during the last part of this last few decades. The best way to handle those sort of contaminants is not to disturb them. Once they are disturbed, and get into the food chain, then you have got your fish and everything else being affected as well, but in terms of water quality, the big issue I have to talk about is the current massive polluted plume of ground water that is moving towards Botany Bay. The representation from Orica's consultants of that underground plume is in your submission on page 9. The main contaminant, we conveniently refer to as EDC. This is chlorinated hydrocarbon, which the New South Wales Health Department advises can cause nervous system disorders, liver and kidney disease, lung effects and possibly cancer. This particular plume, and this particular chemical, is—the accepted drinking water—the accepted marine environment levels are 1.9 milligrams per litre; 1.9. At the centre of that slug, which is coming through the ground water towards the bay, it is 5,000 milligrams; 5,000 milligrams. It is a massive polluting threat, in fact, one of the biggest pollution threats that Sydney has ever faced.

At the moment the EPA has issued a compulsory clean-up notice, and Orica have come up with a clean-up proposal, but the ground water experts are divided, and enormous concern that it is not going to be possible to clean this up, that already it is reaching the bay. The leading edge is at the bay. It is moving at 30 metres a year. Each time we go to an Orica meeting, and are given another diagram, it has moved closer, and already the levels which are reaching the bay are above accepted levels. This particular chemical does evaporate, so what is happening is that as it comes out it is evaporating, and I think that there will also be very quite severe and consequences in relation to workplace health and safety with this particular pollutant hitting the construction area.

The Hon. MELINDA PAVEY Is that what is going happen?

Ms STAPLES That is what is going to happen. The centre of it is—and the way in which we certainly hear Sydney Ports talking, is that it will hit at Penrhyn Estuary; but if you look at the diagrams I have provided from Orica, which are on the back page, you will see that the other plumes are coming down much wider, and the scare that occurred in relation to underground bores occurred because the plume has been moving wider than was expected. That plume, when it eventually reaches, will hit at the beach. That is an issue which I think very seriously needs to be looked at; the workplace health and safety of the workers who will be there as that other plume reaches the actual area.

Moving on to safety issues, the Federal Transport Minister, in recognition of the vulnerability of ports to terrorism, has announced a maritime safety review. We believe it is a first priority of risk management to minimise the effects of an attack, that the obvious thing to do is to spread risk. Port Botany has a conglomeration of targets. We have our major international airport. We have the container terminal; we have the Kurnell Oil Refinery; we have the bulk liquid storage, including gas and oil storage next to the port. As well, there are petrochemical bulk chemical and gas pipelines which traverse the area, including the Moomba to Botany gas pipeline, and five pipelines pass under Botany Bay from the Kurnell Oil Refinery. Any unfortunate activity here—for example, an attack on a large container ship next to Port Botany and the two Botany Bay airport runways—could cripple

Sydney's shipping and air transport, could halt our supply of fuel in one foul swoop, and would have a very serious impact on the economic welfare of this state. The risk assessment should include the need to share risk, and is a very powerful reason, I believe, for considering the development of the other ports.

The other risk, I believe, that needs to be mentioned is, at the moment, the configuration which we have. If you have a copy of the proposal in front of you, as I think you may have with some of your materials, the area between the proposed expansion and the runway will have an exclusion zone next to the runway, but we will have very big boats moving in here. But, at the same time, we would have a boat ramp here at the beach, with small boats competing with the massive liners—of course, as I am sure it has been discussed, the size of boats coming into our ports is increasing massively, so we will have enormous boats coming into this very narrow area, small boats competing with it at the same time, and we believe that is another safety risk as well. Of course, with the upgrade of the airport and the enormous increase in the number of their movements, the possibility of a plane crash is also something people concerned about risk management should not disregard.

If I could now turn to the big issue that our members live with day by day: that they are angry, active, and they are demanding action now to limit the number of container trucks that move through our suburb, particularly on Botany Road and the area near the port. There has been a preferred truck route attempted, around Foreshore Road, but we still have vast numbers of trucks come through our suburb. Currently, Port Botany has an annual throughput of approximately a million TEUs, which results in 225,000 going by rail and 850,000 going by the roads. Those figure translate for us to approximately 3,000 container trucks going past our homes, through our suburb, every working day—3,000 container trucks already. This is without the resulting other extra truck activity that is there because of industry associated with the port, or industry which already exists, or because of the airport.

We are experiencing a population explosion, with the conversion of so many of the old factory sites in Botany into medium and high-density housing. Even with the proposal of putting larger volumes on the rail, we are still going to see a doubling of these number of trucks, even with the large numbers using the maximum capacity of rail. This will go up to something like 7,000 container trucks a working day. I have indicated we certainly think that the infrastructure is not coping now, but, to double it, it is going to be massive, and the impact on us and our lives, we believe, is totally unacceptable—not only on our lives, but on the lives of the increasing numbers of people that are now moving to these parts of Sydney. Of course, I have already indicated the impact of the increase in the number of trains.

CHAIR: Ms Staples, could I encourage you to—

Ms STAPLES: Move along?

CHAIR: —move along, so we do get a chance to question.

Ms STAPLES: Certainly. I will welcome that. We will lose marine recreational opportunities. The main thing I would just like to perhaps conclude with mentioning is the cumulative effects. We are concerned that in the EIS that has been done, the models that have been proposed in relation to a whole lot of impacts, are very questionable, and some of the submissions to the EIS will seriously question those models. The result is that those models being defective, the cumulative impacts are not appropriate, and we are really concerned about the cumulative impacts. We are also concerned about the way in which development seems to be occurring in silos.

A number of representatives of local groups recently went to speak to a representative—a very senior official—at the airport. They had asked to see Maxmore-Wilton, and Maxmore-Wilton invited them to come and meet with a very senior official. When they raised the issue of the impact on the surrounding roads of the airport, they were told, "That is not our concern, that is the concern of the Government." We are concerned that this silo development, the port doing something, the airport doing something—the cumulative effects are the key things, and that is not being adequately presented in the EIS and not being sufficiently presented to you, and certainly it is a major responsibility, we believe, for the Government to take on board.

Just perhaps in summary then, we believe that Newcastle and Port Kembla are calling for more development, and, in the light of all of the many issues that we have been discussing, we believe that the development to the north and south of the greater Sydney region would follow rational planning principles, would save the Government expenditure, and minimise environmental and social impacts on the southern and south-western suburbs. The expansion of Port Botany should be capped at two million TEUs, with the completion of the Patricks upgrade, and advantage should be taken of the ARTC agreement, that I have referred to, to work now on the rail freight access that is going to be needed anyway for Newcastle and Port Kembla.

CHAIR: Yes, thank you very much, Ms Staples. If I could start off by referring to comments you made at the beginning of that opening statement, which, as I understood, were about fast-tracking: being able to get Port Kembla and Newcastle up and running to deal with containers. Given the remediation that is required there, and the issues with heavy metals and toxicity in the soil at former steelworks, would not the same sorts of problems, or perhaps even worse, in terms of the environment of those regions, be hit by fast-tracking of those developments?

Ms STAPLES: The issue of all of the sites are ones that have to be balanced. We put ourselves forward, speaking for the local community to the best of our ability, and it does worry me that, in terms of speaking—I will not go down that track; I will come to that, perhaps, in a minute, about the public interest. The immediate environment that is being addressed at Newcastle, and, I understand, is being addressed by the appropriate experts. What I am trying to draw attention to is the long-term transport impacts, and I think that you need to focus particularly on that. Infrastructure problems are the key ones that need to be addressed. Could I just, perhaps—sorry.

The Hon. PATRICIA FORSYTHE: Yes, you said you understood. What has your committee done to satisfy itself in making a recommendation that you support Newcastle and Port Kembla expansion? What has your committee done to understand the issues in relation to the growth of Newcastle and Port Kembla ports?

Ms STAPLES: We have visited both places. I have, at the invitation of the Mayor of Newcastle, been taken on a tour of the port, by water and on land, to view the site. I have received a briefing from Newcastle Ports Corporation. I have not personally, but our members have been down to Wollongong to speak to people down there, but I have on the phone spoken to—and I have also met and had a briefing from the Mayor of Wollongong on this issue. I have also spoken to the trade unions in both cities, and also met with them. We have endeavoured to inform ourselves and keep abreast of what their concerns are.

CHAIR: Did you meet with the environment groups in those areas?

Ms STAPLES: We have spoken with them; mainly by phone we have spoken with them.

CHAIR: The reason I raise it is, given the sites that we have and given that we are moving towards capacity and there is a need for long-term planning as to where extra containers will go, and given that the alternatives are both former steel works, to completely avoid problems with heavy metals or toxic soil, the only way you can really do that is by whacking a port in a nice, clean beach, because the other sites are all going to have these sorts of problems, aren't they?

Ms STAPLES: Unfortunately, it is not a nice, clean beach. It does have some problems with it, but—

CHAIR: No, I am not describing that as a nice, clean—I am saying that the only place where we would be able to go to find soil that will not have contamination problems would be to reclaim a beach where there is no port facilities at the moment at all. If you go next to a former steel works, or if you go to the current site at Botany, these sorts of environmental problems are going to face us wherever we go, and as a committee we are charged with looking at the overall plan for the State, not just any one site.

Ms STAPLES: I acknowledge that, and being charged with that you would need to address the maximum overall picture that is being presented, and I have attempted to present a range of issues that I believe overwhelmingly suggest that to focus all of the development at Port Botany and this part of

Sydney is detrimental for a whole lot of environmental, social, and planning reasons. It does not make sense to focus and put this whole emphasis on this one place, whereas spreading the risks, spreading the advantage, from a planning point of view, to me, makes far—I have to go back simply to commonsense. It makes so much more sense to go back and look at the overall situation for the greater Sydney region, and I actually alluded to earlier, in terms of talking about the public interest, I think it is a concern that the people putting the public interest are people such as us, who—we survive on a trivia night.

The resources of a trivia night are being used to present the public interest of this state, which is what the Government is elected to look to, and certainly while we are very grateful that you as a Committee have chosen to look at this, because it is the responsibility of yourselves to look at that. But in terms of receiving a detailed case that is made up with great resources that narrow down and look at these issues that you are throwing at me, there is not any party I believe that is presenting that case in sufficient detail. We can only do what we can do with our trivia night resources.

CHAIR: In terms of with or without an expansion of Port Botany, what are the key infrastructure improvements that might be able to alleviate the noise caused by both road traffic and rail for local residents?

Ms STAPLES: In relation to rail, sound barriers certainly would be needed and when the upgrade occurs, the best practice procedure should be used in the type of construction that is developed. I find it hard to believe, but they assure us that they can put down rail lines that do not make as much noise as the current ones do, but obviously you still have metal on metal, so there must be a certain amount of noise. But best practice in terms of the sort of railways that would be built, noise barriers—the council also needs to stop approving residential developments—multi-density developments—hard up against the railway line. There is a very gross example of this right at the moment which is under construction, and just yesterday I had somebody ring me up, who was looking at a residence there. Council needs to not approve further approval such as that.

In relation to the roads, we need to get the big trucks off Botany Road. At the moment there is a preferred truck route to go around Foreshore Road, which is closer to the bay. That is essential that we get the trucks off there because not only is it noise, but it is also a bottleneck for trucks. They line up every day for quite a few kilometres and block the exit from Botany Road into Foreshore Road simply by their weight of numbers. Noise activities in relation to the trains, in relation to the trucks, but also clearly, we need a very sophisticated transport plan to the western suburbs because, as you know, this is where they are all going; to the western suburbs. We have this right to the west, and other parties, who have made representations in relation to intermodal terminals would have given you more detailed proposals, which we certainly support.

The Hon. PATRICIA FORSYTHE: In your submission, you have referred to the amenity of the estuary being destroyed. In the EIS that is provided by Sydney Ports Corporation, they refer to the Penrhyn Estuary Habitat Enhancement Plan. Would you comment on the enhancement plan.

Ms STAPLES: Yes, just let me—one moment—read it. There are plans to transplant and create habitats, but they are untested. We are not confident that they will succeed. It is supported by a wealth of scientific publications and expert opinion, both abroad and in Australia. The other particular problem, I think, there is that there is going to be a railway line circling the estuary. From the point of view of the amenity—our amenity—looking out on a port, as we will be doing, and having a railway line, it is hardly going to be the beautiful environment that we currently look out on. From the point of view of the birds, these are birds that fly from the northern hemisphere. Every time they are disturbed in their feeding, there is a less likelihood that they will make it back. Sound is very important for them. Trains going in that circle around the estuary are going to be disturbing those birds, and I believe what is going to happen is that over a period of years we will gradually decimate them. Each year there will be less and less birds that would be feeding sufficiently because they would be disturbed by that development around the estuary.

The Hon. PATRICIA FORSYTHE: Finally, you referred to public interest; that your organisation was perhaps doing what you think government should do, and that is focus on public interest. How do you answer the criticism that, in fact, it may be self-interest?

Ms STAPLES: It is self-interest, and initially, as I indicated, like so many action groups, our people began because they were concerned of the impact on themselves. It has been fascinating to see the way we have learned and had to become more proficient in understanding planning principles and port planning principles, and we have come to the conclusion that the overall planning principles that need to be looked at are those of sharing the risk and developing it further. I am suggesting that I think it is wrong that we should be the only one that is trying to present the overall picture. There is not an official body that comes and looks at that overall, and presents that overall planning picture. We are trying to our best ability to do so.

The Hon. PATRICIA FORSYTHE: Why do you think the shipping companies and the Ports Corporation support the expansion of Port Botany?

Ms STAPLES: What have they said? Why do they support it?

The Hon. PATRICIA FORSYTHE: Yes.

Ms STAPLES: What have they said?

The Hon. PATRICIA FORSYTHE: I am asking why you believe there would be a case for an expansion.

Ms STAPLES: At the moment this is where they are. I think there is really an enormous problem at the moment that we have three separate port authorities who compete with one another. Again, we do not get that overall concern there. Obviously, this is where—I do not think it is really my place to say why they are doing it. I think you have to go to them. I think it is pretty obviously, and there is a whole lot of underlying economic questions there, to their advantage, and I think that decisions should not necessarily be made in that special interest either. I think that you know that your role is to look at the overall interest for the welfare, not just of those people at Botany, not just of the companies, but also the greater Sydney region.

The Hon. PATRICIA FORSYTHE: But doesn't economic advantage mean efficiency, ease of access?

Ms STAPLES: Economic advantage also means the cost to the Government of having to construct all of the infrastructure that would be necessary in 2025 to go to Newcastle and Port Kembla. That will have to be spent anyway. That will all have to be done.

The Hon. MELINDA PAVEY: Earlier in your submission you talked of the amount of heavy vehicles that are travelling though Port Botany and Foreshore Road. What percentage of the heavy vehicle service in Port Botany would be using local roads as opposed to Foreshore Road?

Ms STAPLES: You would be able to get some of those figures from the RTA, because certainly they have been taking some readings recently. What they found was that a lot of trucks were coming through who had no business in the area. I am sorry, I have not got those figures at my fingertips to give you. I also know because from local knowledge, you know the drivers and you know what is going on. Every time there is a measure taken of how many trucks are not using Foreshore Road, CBs get busy and the word gets out. The figures that come in, I do not think, are actually accurate because everybody knows when it is being done. It is quite obviously. I could get those figures for you, if you would like me to chase those up.

CHAIR: Is there a way of that monitoring being done in a way that does not give rise to the CB scare? Is there a way of getting accurate figures?

Ms STAPLES: You would have to ask the RTA.

CHAIR: I thought if you are questioning the RTA's method because it become blatant, I am wondering if there is another method open.

Ms STAPLES: Possibly; there could be.

CHAIR: There is both the issue of access to Foreshore Beach or to Botany Beach, and you have also recommended the pedestrian overpass over the freight rail line. What are the problem at the moment, with the infrastructure that is there in public access to any of the community facilities? Where are the places where better pedestrian access—local access—could make—

Ms STAPLES: The overpass that we are proposing is across Foreshore Road because there is an increasing population, particularly with high density occurring on the other side on the road there, and around the area of the Sir Joseph Banks Park. Of course, the increasing use of Sir Joseph Banks Park is this secret gem that is hidden in Botany; that people do not realise we have 33 hectares of beautiful park there. A lot of people are coming to it. To be able to go from that park to the beach is the problem at the moment with people speeding past at 90 Ks, an overpass across there and certainly some beautification of the beach. We physically get out and clean up the beach ourselves because there is a problem there at the moment, with the jurisdiction, it is not waterways and ports, and it is not council. Ports say, "No, it is not our responsibility." It really deteriorates, and there is an erosion problem there occurring at the moment. That erosion needs to be addressed as well, as well as the clean-up and the improvement of that amenity of the beach.

The Hon. CHRISTINE ROBERTSON: Look, I am sorry about this. The high-density building that you are describing, would you mind getting a pen and drawing it on there, so we can deal with this later on. I am sorry. That is the map of the—

Ms STAPLES: I can draw you high-density places all through the city—of where the development is occurring at the moment.

The Hon. CHRISTINE ROBERTSON: Yes, I am going to ask the council later, thank you, but I would like some—

Ms STAPLES: Could I ask, will you be doing a site inspection, or have you done a site inspection?

CHAIR: We have been out and done a site inspection, it is just you referred to a specific development that was an example of residential dwellings being put somewhere where you thought was appropriate. We have—yes, we have Botany Council, I think. Was that this afternoon?

Ms STAPLES: Right.

CHAIR: And, if we are going to question them about it, in the light of what you said, then they will say to us, "Which development is that?"

Ms STAPLES: It could be very simply described as the Page Street overpass across the railway. Page Street goes across the railway, and hard up against both this very busy road and the railway is a massive development within a few feet of the road and of the railway. It is the Page Street overpass that you need to ask about.

The Hon. CHRISTINE ROBERTSON: On the little map you have, the orange stuff is residential C, the pink stuff is B and the pale yellow stuff is 2A, all residential. If you could give some vague indicator, I would be grateful.

Ms STAPLES: It would be here; I will put a cross. The yellow lines are the railway line. Is that correct?

The Hon. CHRISTINE ROBERTSON: Yes. Just a vague impression, so we know what—

Ms STAPLES: Yes.

The Hon. CHRISTINE ROBERTSON: Sorry to be a bit unorthodox.

Mr IAN COHEN: Ms Staples, you mentioned earlier in discussion of the debate over contamination of the bay and the toxic plume and you did say "a number of environmental experts". I

am wondering whether you could at least let the committee who they were and perhaps the organisations they represent or their qualifications.

Ms STAPLES: Orica has had this continuing ground water problem for so long, so almost every ground water expert in Australia has worked for Orica at some time, so it is not easy to find these people. But I would draw your attention to the appendix where, in appendix 3, I have appended a clipping from the *Sydney Morning Herald* from September last year in which Dr Jerzy Janowski, who was the director of the University of New South Wales Ground Water Centre, indicates that treating the toxic ground water in an almost impossible task, and he refers to the fact that in the US some \$20 billion was used to try and clean up similar sites. Eventually, the US gave up, that these types of sites, it is impossible to clean them up. I would quote Dr Jerzy Janowski as the director of the University of New South Wales Ground Water Centre.

Mr IAN COHEN: Perhaps you would take it on notice, but if you have any other names of experts, that you could furnish the committee so they could make some further inquiries, if appropriate.

Ms STAPLES: Certainly.

Mr IAN COHEN: We talked about sound barriers and the problems with rail. Forgetting for a moment, or setting aside for a moment, the other issues of truck transport and rail infrastructure, and the problems coming out of Botany, for the residents of Botany what is the greatest problem? Is it the truck noise, or is it actually the rail noise?

Ms STAPLES: It is the trucks.

Mr IAN COHEN: The trucks. Just by the sheer volume in continuity of them, is it?

Ms STAPLES: I would say the trucks impact on far more people, and the noise and the volume at the moment is the major impact. Currently we only have 30 trains a day. I cannot under-emphasise the fact that the people who are affected by the trains complain about shaking of cabinets, plates falling off shelves and those sort of things happening, and the noise of the trains in the night in particular. But the trucks are just relentless. Three thousand container trucks plus all the extra is just relentless, and long-term residents cannot believe what they are coping with, and the thought that this is going to double is just unacceptable. It is the trucks that are just hopeless.

Mr IAN COHEN: Is there any curfew at all? Any of those other—it is constant.

Ms STAPLES: No. In fact, we understand that, because the M5 is not coping at the moment, one of the proposals is that it should be 24 hours, and that we are going to have this 24 hours a day. We are not going to have any relief at night. It does quieten down at night.

Mr IAN COHEN: It is not a curfew.

Ms STAPLES: It is not quite as bad at night, with the trucks. The trains seem to be worse at night than the trucks.

The Hon. MELINDA PAVEY: How does the curfew work now?

Ms STAPLES: There is no curfew that I am aware of. No, there is no curfew.

The Hon. MELINDA PAVEY: Yes. The trucks still go through at night.

Ms STAPLES: Yes, they can go through at night, but it depends on the—there will be more activity when a boat is in and unloading is occurring. If there is a big push to get something unloaded.

The Hon. MELINDA PAVEY: But if they all stuck to Foreshore drive, the impact on local communities would—

Ms STAPLES: We are not just concerned about the impact on the local communities. It would certainly help, but the problem is for all of our bay suburbs. We are part of the Botany Bay and Catchment Alliance. We are concerned about the impacts on our colleagues at Enfield. The impacts right across the west, out to the western suburbs, are all there. It is not just us that—we are not speaking just for ourselves in that impact of those trucks.

Mr IAN COHEN: In terms of the issue of—let me harp on it a bit, but the issue of the toxic plume. You describe that as one of the longest running court cases, but how does that compare—there was a question from the chair about there is problems in Port Kembla and problems in Newcastle also, all toxic sites, and we recognise that this is an issue that, whether there is expansion, perhaps it needs to be dealt with in some way. Could you give the committee some indication of the comparable sizes of the problems from your perspective?

Ms STAPLES: I should perhaps differentiate—the court case was about the rising ground water which occurred, which is different from the polluted plume coming through. I am sorry, sir, could you just—

Mr IAN COHEN: I am wondering whether you have any indication of the relative size of the problems and the difficulties of remediation between, say, the Port Botany issues that you are very familiar with, compared to the problems facing Port Kembla or Newcastle.

Ms STAPLES: The pollution of Botany Bay—the waters of Botany Bay by this underground plume, which does not just include one chlorinated hydrocarbon that I have described, but a cocktail of four others, had been described to me by EPA people as being one of the most serious that they had ever faced. The pollution of underground water such as this impacting on a bay is something that has not been faced to this level or this extent before. To that extent, certainly Newcastle and Port Kembla do not face this.

Cleaning up current sites, it is a very sophisticated technology now to cleaning up and remediating sites, as we have seen with the Olympics, but coping with ground water, which is much harder to predict and much harder to control, is a different kettle of fish. I would suggest that this underground pollution coming onto the bay is of a very different nature to remediating industrial sites, which has a very advanced technology in coping with it.

CHAIR: But is there not also the added complication with Botany that the plume is approaching the area where there is talk about dredging? In Newcastle and Kembla the toxicity is immediately adjacent to where the dredging would take place.

Ms STAPLES: The problem with the plume is that it is volatile and it will—

CHAIR: I am not trying to understate the seriousness of it. I am trying—

Ms STAPLES: It is not exactly the same problem as the plume hitting the water. I am sorry, sir, I have forgotten the latter part of your question.

CHAIR: I am looking at the environmental concerns of Kembla or Newcastle, being where the dredging takes place immediately adjacent to the site where there is toxicity and so on. That is all.

The Hon. MELINDA PAVEY: Has your organisation examined the alternatives to the proposal currently being considered by the Port Authority; for example, those canvassed in the EIS? Are any of those expansion proposals, in your opinion, a preferable option?

Ms STAPLES: Which specific proposals?

The Hon. MELINDA PAVEY: The ones that were mentioned in the EIS, that was done by the Ports Corporation, the original EIS.

Ms STAPLES: The one for Patricks?

The Hon. CHRISTINE ROBERTSON: The ones that just have little pieces in different parts. I cannot remember the names of them.

The Hon. MELINDA PAVEY: The Brotherson Docks, north and south, that was one of the proposals. Was that a more acceptable proposal to you, or to your organisation?

Ms STAPLES: Anything which involves reclamation of the bay is of concern to us, and anything that results in a tripling of the current volumes is of concern to us because, as I have been emphasising, this truck movement is the big issue.

The Hon. PATRICIA FORSYTHE: With the potential expansion of Port Kembla and Newcastle, have you looked at the road and rail access issues for containers, in particular—which will be the Newcastle one—to access Sydney? Have you looked at what will be the environmental impact?

Ms STAPLES: I have to fall back again on us as a community group. To the best of our ability we have followed the submissions that have been put to you, we have spoken to people such as Phillip Laird. With your permission I would also like to make available to you a map which I think is very useful from the point of view of the issue that is mentioned. Unfortunately, I do not have enough, I only have three; the Muldoon Donbarton Railway inevitably, as you would expect me to answer. That particular map I think shows very clearly that the current proposal to increase the railway out—there was already proposals—that yellow line will take that rail out past Chullora, and then you can see just how close the other linking line would be if that was followed through. I think that is a very graphic representation of how easy that could be there. Newcastle does need better infrastructure, better transport infrastructure, to access it, and I would come back that I think that is part of the planning that needs to be done for the greater Sydney region. It should be done for a whole lot of other reasons apart from this port.

CHAIR: How many level crossings are involved with the freight line at the moment?

Ms STAPLES: I do not know the answer to that.

CHAIR: There are some near residential areas or—

Ms STAPLES: There is one level crossing at the moment at Mascot. I will be intrigued to see how that is going to be handled. Catching a taxi from the airport the other day, the train came past, one of the 30, and we were stopped. When I told him it was going to be 108, he said he had no idea. This is quite a key crossing there, as you come from the airport, if you are heading down General Holmes Drive, just on your left.

CHAIR: The reason ask was not so much for the traffic concerns, but I understand the trains have to sound their horn as they approach a level crossing. I am just interested in how much residential accommodation there is immediately around that, that is affected by that.

Ms J. STAPLES: That particular level crossing is only a pedestrian level crossing. It is one that has been there for a long time. All of our members want that to stay. It is a very important access for people in the area of Banksia Street. I believe, to put in an overpass for that particular crossing, the cost of it would be minute compared to the cost that is going to be spent on the whole railway line. It would be an immediate assistance to our members to have a pedestrian overpass there, so that those horns were not being blown through the night, right next to people's windows.

Mr IAN COHEN: In terms of the actual projected dredging construction of the project, does your group, or do you have any idea of how long and what sort of impact in terms of truck movements? Because I am presuming here that the port would be continuing in its efforts during that time. I am reminded of what it is like up in Bondi Junction at the moment. It has been going on for years.

Ms J. STAPLES: We understand that the construction noise will exceed the site criteria by up to 15 decibels during most wind conditions. During construction we can also expect an enormous amount of noise, not to mention obviously all the extra movement and activity that is going to be going on there at the time.

Mr IAN COHEN: Do you have any idea of the projection for the length of construction?

Ms J. STAPLES: A number of years, it will be.

Mr IAN COHEN: How does that fit with the traffic conditions at the moment?

Ms J. STAPLES: Exactly. This is more of the cumulative effects that we are expected to cope with.

CHAIR: Ms Staples, can I thank you very much for your time, also acknowledging that the work leading up to both the production of the submission and the information you have been able to provide today has involved a huge voluntary investment of your own time. It is very much appreciated by the Committee for your assistance.

Ms J. STAPLES: I greatly appreciate the in-depth questions that were asked.

(Short adjournment)

COLIN JOSEPH WOODWARD, Executive Director of Operations, Department of Environment and Conservation, sworn and examined.

NIAL ALASTAIR LINDSAY JOHNSTON, Manager, Contaminated Sites Regulatory Unit, Department of Environment and Conservation, sworn and examined.

CHAIR: If I could invite you to make an opening statement.

Mr WOODWARD: I am appearing here today at the request of the Committee to answer questions. I am happy to take questions on board. In essence, any issues that I address today would be in the context of the New South Wales Government submission to this inquiry. The Department does support planned development of ports infrastructure in New South Wales, and we believe that the Ports Growth Strategy provides a good opportunity, an important opportunity, to achieve that planning.

From a departmental perspective there are environmental issues associated with ports facilities. These relate to issues such as noise, dust, smoke, protection of important habitat, flora and fauna habitats, contaminated sediments, and also environmental issues associated with land transport as well, road and rail transport. Our involvement in those issues, particularly during the development planning process, in terms of development applications; and also we have some responsibilities under our legislation—under our various legislation—for issuing permits and approvals and licences relating to some of those activities. I am happy to take questions.

CHAIR: Does the Department of Environment and Conservation support the New South Wales Ports Growth Plan?

Mr WOODWARD: The Department does support the Ports Growth Plan as a strategy for dealing with the ports. We recognise the challenges associated with the ports, and recognise the pressures for increased usage of ports in New South Wales. Therefore, a strategy that addresses the future of those is very important. Our major involvement will be more in the planning of the individual developments associated with those, such as the Port Botany expansion proposal, and other more specific proposals that we have already been involved in, in relation to Newcastle and Port Kembla.

CHAIR: If I could start referring to Port Botany, what can you tell us about contamination in Botany Bay, that would be relevant to any port expansion?

Mr WOODWARD: There is historical contamination from the Botany area—the Botany industrial area—much of which comes from the old ICI, or the now Orica-owned site, and that has dominated a lot of the public interest. But there are several industrial activities around that area that have operated over the last 100 years or more, that have contaminated some of the ground water there.

There is an issue with ground water contamination. There is a contaminated plume that tends to focus from the Orica area and is moving towards the bay. That plume is, as we understand, moving at about 100 metres per year, in terms of its speed, which would suggest that within the next three years, maybe two and a half years, that could reach the bay if nothing were to be done.

Some work has already been done, and much more work is being done now in terms of addressing that plume. The organisation, the Department, has directed Orica to do remediation works to address that plume, and that is on a couple of fronts. One is in relation to hydraulic containment, which is pumping the water from the plume, particularly from the contaminated front of the plume that is moving towards the bay, and to pump and treat that. That is aimed at two things: one is capturing the plume and, as you pump it out, you create a vacuum which stops or slows down the plume travelling towards the bay; and treating it, of course, means that it will then be treated to strict environmental standards which we would require.

The notice that we have on Orica specifies that that has to happen. Orica has already started pumping that out, and is taking some of that effluent away already for treatment at the Lidcombe treatment plant, but more importantly is now developing a process, which will need approval through the planning process, to have a treatment plant on site which will treat the effluent as well. But that is not good enough and we have also required them to have a secondary containment which is closer to the bay, on Foreshore Road, which runs parallel to the bay there, to in essence put in works to stop the plume from that area—the front of the plume—so there is not significant contamination at that area. That is a secondary precaution that we have required, and that work is to be installed by October this year. Those works are going on.

Those works, however, are separate to the port development proposal, because I suppose that the EIS that we have received and assessed in relation to the port development proposal indicates that there will not be a disturbance of that plume or a speeding up of that plume in any sense that would be created by the port development. Our requirements are aimed at ensuring that that significant contamination plume does not reach the bay.

Mr IAN COHEN: Who has actually assessed the effectiveness of containment by these methods? Port Botany, I am presuming here, including dredging, will not have an impact on the volume of this plume.

Mr WOODWARD: In terms of the two issues, one is who has assessed the plume and the remediation works, and the requirements that we have put on Orica. They have been assessed by ourselves. We were concerned at—sorry, we have responded to concerns that have been raised by others about the requirements we have put on Orica to address those issues, and we have had those issues independently assessed by the United States Environmental Protection Agency, who are probably the world experts in contamination, because they have so much there.

Mr IAN COHEN: Was that an on-site assessment?

Mr WOODWARD: No, that was not on site. They were on site in the mid 1990s, at our request. The people are familiar with the site. We have given them all the information, the monitoring, the modelling information, and they have done that, from the US, so we have had that information. So they have not been on site in recent years.

Mr IAN COHEN: You have had that information from the mid 90s, or did it all change?

Mr WOODWARD: The regulatory arm of DEC is still under the name of the EPA in terms of the legislation, but we do respond to both.

Mr WOODWARD: There is a very long history to this issue. In fact, it goes back even before, according to the EPA, back to the State Pollution Control—

CHAIR: I am sorry, if we can interrupt for a moment. There is a recording issue.

Mr IAN COHEN: Do I ask the question again or do you have the general gist of it? Just looking at the fact that we have had some 13 years of monitoring by the EPA, that you have

acknowledged that mid 90s the American EPA were out physically looking at it, and also studying the situation as world experts on the matter, yet there has only been very recently a clean-up order given on the Orica site, I understand. Why so long, and given the movement of this plume which is acknowledged now, why did it take so long to get a clean-up order on the site itself and/or the surrounding areas, and how does that give us confidence in terms of the potential impacts on the bay if dredging is undertaken with the redevelopment?

Mr WOODWARD: I think that is a fair question. There has been a long history with this site, as I was starting to say. The State Pollution Control Commission became aware of the contamination in this area at the end of the 1980s, and commenced an investigation of it with some limited resources and technical capacity at that stage. That did involve having an independent review group, which had various government agencies and experts and non-government people on it; and also a community group as well, to ensure the community was involved in the process. It is true to say that during the 90s was very much a time of investigation to try and get an understanding of the contamination, which is some 12 metres below the surface. It is fair to say that our understanding of the plume and the dynamics of the plume and the contamination was quite limited and developing at that stage, as was our understanding and knowledge of the technical capacity to deal with this sort of plume as well.

We did bring in the US EPA, as I said, in 95 or 96, which gave us a lot more ability to get a much greater assessment of the problem, and there was study after study done on it to try and understand the problem, the extent of it, and how to deal with it. It was probably then more at the end of the 1990s that the first notices or directions were involved in terms of using what was then the Environmentally Hazardous Chemicals Act to require some works to be done. They were more works that were related to surface water drainage that were flowing into Penrhyn Estuary, and works were done at that stage to do some of that. That was overlapping between the start of the Contaminated Land Management Act. It was really the Contaminated Land Management Act that provided for the first time a legislative framework, an ability to be able to deal with this sort of contamination in New South Wales, which was very difficult to do under the old legislation.

The Contaminated Land Management Act, which came into force in 98-99, provides a couple of ways to deal with these issues—in fact, probably three ways. One is through a voluntary remediation agreement, which is a remediation agreement that can be negotiated between the polluter and the Department, and then is statutorily binding; or the Department can issue a direction to do works. Also, there is a separate provision that deals with redevelopment of a site through the planning process.

At the initial stage of the Contaminated Land Management Act coming into force, we did enter into a voluntary remediation agreement with Orica to do that works that I mentioned, about the remediation of the creek, and also some works to try and address the ground water contamination as well, the plume. Then it was by 2002, and more so in 2003, that we became more aware of, again, the extent of the issue through the monitoring that we were getting, and through technology that was available. We decided then in 2003 to issue a direction, an order, on Orica to go down the path which was—

Mr IAN COHEN: What date, Mr Woodward, or what year would your Department have been aware of a plume moving out of the Orica site? You say in 2003 you were aware of the dimensions of it, but what year were you aware of a problem of a toxic plume from the Orica site?

Mr WOODWARD: By 2003 we were more in a position to be able to direct what must be done.

Mr IAN COHEN: I appreciate that. That is not my question. When were you first aware—I am interested—I think it is relevant for the Committee, from my perspective, in terms of understanding the lapsed time now, in terms of impact with any dredging or other actions that might impact on the foreshore area there, what year were you first aware of a toxic plume problem?

Mr JOHNSTON: There were suspicions from the late 80s, but the characterisation and the delineation of the plumes only became evident—and is still not absolutely clear—but it became more evident in the early 1990s.

Mr IAN COHEN: In terms of the plume, have the current processes of containing the plume ever been proven to be successful in Australia or even overseas? Have these methods a precedent where they have worked in a similar situation, or are they essentially now experiments?

Mr JOHNSTON: Yes, there are precedents in Sydney, and there are precedents overseas. The pump-and-treat technology is a fairly routine approach, if not necessarily the most cost effective or efficient in the longer term, and that is the way that we are approaching it here. It is a mechanism to provide a greater period of time in which to more effectively deal with this contaminant plume.

Mr IAN COHEN: Has there been any assessment, if there is going to be dredging off shore—and quite substantial—obviously substantial building development fill? Have you proving in terms of the impact on the plume and its rate of transmission?

Mr JOHNSTON: Our experts, who have expertise in hydrogeological interpretation and modelling—

Mr IAN COHEN: Who are they, in the Department or external?

Mr JOHNSTON: In the Department, and also within other government departments, and also experts who have been—their work is described to have been—the Port EIS have considered what would happen with the dredging and the impact of that dredging on the mobility of the plume is, if anything, very limited, and that is—

Mr IAN COHEN: If anything very limited, so there is still potential. I am interested in terms of the toxicity of the plume, which we are all agreed is an extremely significant amount—I think we heard from a previous witness, and I probably will not be able to find it now, the levels are perhaps thousands of times over what is the acceptable limit. Given the level of toxicity and given the sensitivity of the potentially accepting environment, do we get a guarantee that these processes will be effective, that we will not have leaching of this material into the bay itself?

Mr JOHNSTON: There are obviously no absolute guarantees and the question there is in two parts, as I see it. There is already material that is entering the bay, in the Penrhyn Estuary, and that is common knowledge and has been known for some time. That is because that is the plume intercepting with surface water drainage and those surface water drains acting as preferential pathways to fast track the material into the estuary. The second part of the question I believe is in relation to the dredging, and to explain that it is probably best to consider that the ground water intercepts with the salt water at the foreshore. There are obviously differences there because you have fresh water and salt water, but that really is the point of interception and what actually progresses under the bay is somewhat more limited. The majority of the ground water is intercepting at that point with the surface water.

Mr IAN COHEN: The previous witness told the committee today that there was a component of volatility in this toxic material that is moving, that it could well have an impact on construction workers on site. Could you comment on that, in terms of that volatility.

Mr JOHNSTON: The contaminants of concern in the plume are chlorinated hydrocarbons. They are, as you say, volatile. That means that when they do enter systems, they do volatilise and dissipate into the air. It is an issue, in terms of not so much—for instance, on the Botany site and areas where the concentrated plume is, that is a real and active consideration of people who undertake work such as digging trenches and they do come across the ground water. They need to take that into account, as part of their safe work site management.

Mr WOODWARD: Can I add on that that the process for assessing the actual Botany Bay expansion, the port expansion, and also the remediation issue, which in essence are two separate issues, do have to go through a planning approval process which takes into account all the related issues and impacts on potential workers and so on. Whilst not something that is under the direct responsibility of our Department, it is an issue that needs to be taken on board as well.

Mr IAN COHEN: Your Department agrees with the New South Wales Ports Growth Plan?

Mr JOHNSTON: Which is a very broad plan indeed, and I did go on to say that our involvement through this is at the next level, which then is where there are specific proposals, development proposals and EISs and so on, and that is where we get involved in a statutory sense.

Mr IAN COHEN: I wonder whether we can have a copy of that.

Mr JOHNSTON: Of our involvement?

Mr IAN COHEN: Yes.

Mr JOHNSTON: There is a commission of inquiry which starts on 31 May, and we will be providing a submission to that inquiry. We will be appearing before that inquiry and my understanding is those submissions to the inquiry are public. They are open to the public during the inquiry hearings.

CHAIR: There is a number of questions on some of the other port facilities, but before we leave Botany I will just ask Patricia.

The Hon. PATRICIA FORSYTHE: Mr Woodward, has the Department evaluated the alternative sites at Port Botany listed in the EIS and do any of these raise fewer environmental issues than the proposed expansion?

Mr WOODWARD: I will need to take that question on notice, if that is all right. My understanding of the question is that you are saying the EIS talks about various proposals and provides for a recommended one, and our assessment has been done on the recommended one and the assessment of the actual—if you are happy with that, I would prefer to be able to take the question on notice, our comments about alternative sites.

CHAIR: With respect to the Sydney Harbour sites, is the Department aware of any contamination of sites currently owned or in use within Sydney Harbour? This is of the Sydney Ports sites.

Mr JOHNSTON: In other areas, yes. The Department is involved in regulating other port sites in Sydney generally and we have licences in relation to Glebe Island, Darling Harbour East and White Bay is currently going through the licensing process as well. We do have the sites within New South Wales that are regulated by the Department under the Contaminated Land Management Act, where we have made declarations about significant risk of harm, remediation sites or investigation sites. They are on a public register that are on the Internet. All those sites are available and there are sites around Sydney. Do you wish to have a list of all the sites, or do you want to talk about any particular one?

CHAIR: For example, say for White Bay, what is the nature of the contamination at White Bay?

Mr JOHNSTON: There was a power station at White Bay in the past. Power stations generally, old power stations, will have quantities of asbestos and also PCBs in them. We were aware of those. We used to regulate that site when it was operating and we had issued clean-up notices dealing with those specific contaminants back during the early 1990s and those were cleaned up. We subsequently issued notices to close off that site because of the clean-up work that was done to meet our licenses, and our understanding is now that that site is not subject to contamination that requires a direction by the Department to require further works. However, if there is then a proposal to redevelop the site, any proposal in New South Wales that goes through a rezoning process has to do an investigation of the current state of any contamination and it has to be assessed in relation to the proposed new zoning. A zoning for a residential development, for example, will have a much higher requirement than a zoning for an industrial development. The planning process also requires an investigation then of the history of the site to be considered and assessed as well. In summary then, our understanding is that the site is not proposing a significant risk of harm at the moment because of the clean-up works that were done, but if it is to go through a redevelopment, then it would have to be looked at to determine the extent to which, if any, it needs to be remediated to meet the future planned use.

CHAIR: Glebe Island?

Mr JOHNSTON: Glebe Island? I am not aware that that is contaminated.

CHAIR: Port Kembla?

Mr JOHNSTON: Port Kembla is not an area that has a contamination order on it, or it is not declared a contamination area. Like all ports in—probably mostly around the world—there is some contamination in the sediments in the port—in Port Kembla—as there are in all sediments, and to the extent there needs to be any dredging of those sediments for any extension works or any development works, they, as they have in the past—need to be assessed and dealt with appropriately. But there are no orders from us on anyone to do any remediation works at Port Kembla port at the moment.

CHAIR: But surely if the port's growth plans, looking at making use of the former steelworks, surely there must have been some investigation by the Department concerning the contaminants that would have to be, I would have thought, at the former steelworks.

Mr WOODWARD: I do not think that does have to be done at a broad concept planning stage because the technology and the knowledge is available to deal with that, and we have a good example at Newcastle, where there is significant contamination of the land—the old BHP Steelworks site there—and also of the sediments, and while that is significant contamination, and it must be dealt with, it is not a constraint to the development of the port that will be able to, and similarly in Port Kembla it is possible to deal with any contamination that may be in the sediments. So it is not a constraint to an overall concept plan, I do not think.

CHAIR: For Newcastle, where the contamination is immediately adjacent to where dredging is required, that is not a significant environmental concern?

Mr WOODWARD: It is a significant environmental issue, but it has been considered and planned. The Premier did announce in February 2003 the Newcastle Port's Environs Concept Plan, and in that we are aware of contamination, both on the old BHP site and also in the sediments itself. There is a requirement to—the contamination there is such that it does need to be cleaned up. In relation to the land side of that, that has already gone through a development application process for a multipurpose berth there. That was granted in April 2001, and part of the approval for that requires remediation of the site, and we have been involved in that and ultimately it would require licensing by the organisation as well. That can occur at any time in terms of the development proposal to go ahead. There is no constraint there, other than that it has to be done. In relation to the sediments, there is contamination there, and that will need to be cleaned up. In November 2003 Waterways Authority submitted an environmental impact statement for major dredging works that would allow expansion of the port facilities in the south arm of the Hunter River, and that development application is in review stage at the moment, and will need to be determined by the Minister for Infrastructure, Planning and Natural Resources.

CHAIR: What sort of time-frame is involved in remediating a site as large as that at Newcastle?

Mr WOODWARD: To some extent that depends on the amount of money you throw at it. I cannot tell you the exact time-frame, other than our requirements are for it to be remediated to levels that were specified. That is locked in the plan, and therefore any proposal to do the development there in the establishment of the port must meet those levels—the environmental levels—that we have specified. I suppose the developer itself would be able to provide more advice on the time-frame it would take to do it.

CHAIR: You cannot give any sort of indication—like, for example, it is something that can be reasonably done within the time frame that they are talking—like 2015?

Mr JOHNSTON: Not being familiar with the specific details, but dredging within that time-frame is certainly a reasonable expectation that that could be completed. It depends on the scale of it, but it seems reasonable.

Mr WOODWARD: The construction of the container terminal is not dependent on remediation of the sediments. It is dependent on remediation of the land side of it, and that is a much quicker job.

The Hon. PATRICIA FORSYTHE: Can I ask in relation to noise; what sort of monitoring does the Department do around Sydney Harbour of issues of noise?

Mr WOODWARD: The Department licenses various port facilities, and as conditions of those licences we require both works to be done where necessary to achieve certain noise levels, and we require monitoring to be carried out. We also then respond to complaints or public reports, and deal with those as well. In each case where there are noise issues, we use those various tools to deal with them.

The Hon. PATRICIA FORSYTHE: One of our witnesses, I think from one of the shipping companies, suggested that as there has been increased urbanisation around the port, so some of the complaints about noise, particularly at certain hours of the night, had increased. It seems to me that since the port was there first, and these people are using facilities, and urbanisation came second, something has got out of balance, and that approvals are given which then require companies engaged in activities to meet standards that would have otherwise been different if they were not adjacent to an urban environment. What is the role of the Department in the approvals process to ensure that existing users are not penalised when there is a change of users in the surrounding areas?

Mr WOODWARD: We spend much of our life dealing with those sorts of issues. In essence, the planning authorities are the ones that make the land-use decisions, and they may be at a State Government level or at a Local Government level. We have input into those processes. We are not the ultimate determining authority for land-use developments. Our legislation tends to deal more with development proposals for the polluting activities, but we do not veto or have a statutory role in terms of planning consents or approvals for residential development; blocks of flats and all that sort of thing. We do not have a role in that, and that is under the legislation a due requirement for the planning authority to take into account those issues about potential land use and so on.

We have developed an industrial noise policy, which has been endorsed by the Government, and it is a State Government industrial noise policy, and that policy aims to address that issue. It recognises that you cannot start with a clean sheet of paper. Where you have people living in an area, an industry living beside it, and that is a result of planning decisions that might have been taken in the past, then we cannot get rid of one. There is a whole series of techniques and methods for dealing with those sorts of things. We do take into account environmental goals for noise. We take into account how far people are out of those goals. If you have people living next to each other, that are in conflict, but it is only just exceeding the goal and there is nothing practical you can do about it, it may well be that the residents end up not having an option but to live with that. If, however, there is a big exceedance at the goal, then we will put pressure on the person that is generating the noise to look at practical measures and we will use our licensing to require practical measures to reduce those noise levels. We do work on a continuous improvement process with those.

The industrial noise policy does, I think in an innovative way, also not just rely totally on the technological fix but also trying to address the social issues with it and sometimes there are more innovative ways in terms of coming to negotiated agreements between polluters and the receptors in terms of noise. We have some good examples of where that has been working as well. I am sorry it is a bit of a long answer but there is no simple answer in relation to that whole noise issue.

The Hon. MELINDA PAVEY: Mr Woodward, going back to your earlier comments about the rezoning of Sydney Harbour foreshore land, that there would be greater requirements on environmental considerations if a rezoning was in place; in particular the White Bay power station. You touched on that one and I understand there is a fairly large asbestos issue there. Could there be prohibitively expensive rehabilitation work there if it was to be rezoned?

Mr WOODWARD: It depends on the definition of prohibitive. That is a relative term when you put it in the context of the land values around Sydney, and what might seem prohibitive to the likes of you and me, maybe when you start comparing the value of the land and the developments. Quite often developers are willing to pay a lot of money to develop contaminated land. I think some of

the bonuses we have probably around Sydney are things like what is happening at Rhodes, where developers are paying a huge amount of money to remediate land that otherwise the Government may have been left with. But it is very large amounts of money, 10s and 10s of millions of dollars quite often for those heavily contaminated sites.

The Hon. MELINDA PAVEY: That may be just an estimate. It could grow even more, because we do not know, do we, for a site like White Bay, the sort of cost involved?

Mr WOODWARD: No, not until it is investigated.

The Hon. MELINDA PAVEY: In relation to Millers Point, any levels of contamination there that you are aware of?

Mr JOHNSTON: We are not aware of any significant issues in Millers Point, apart from there was a former gasworks at Hickson Road which we were not specifically involved in and that has been redeveloped. In the Port area we are not familiar with any significant contamination.

Mr IAN COHEN: Mr Woodward, just back to the toxic plume for a moment. In terms of the pump-and-treat method that is being undertaken, dioxins are a final product of the treatment. Where does it go and how is it dealt with?

Mr WOODWARD: You mean pump and treatment of the plume?

Mr IAN COHEN: Yes.

Mr WOODWARD: Dioxin can be an outcome where you have chlorine molecules in association with the material that is being treated and most often can arise from thermal processes. But the decision as to what the final treatment—we know the treatment will consist of removing the contaminants from the ground water, separating it from the water. The final treatment of that concentrated contaminant has yet to be defined. We are still in the process of the works before that, things like pipelines to move the material. We have not been advised by the proponent, Orica, what that final process will be.

Mr IAN COHEN: It was said before the material would go to the Lidcombe liquid waste plant. Is that not correct?

Mr WOODWARD: The material going to Lidcombe at present is a trial and it is being dealt with in a biological system.

Mr IAN COHEN: At Lidcombe?

Mr WOODWARD: At Lidcombe, yes.

Mr IAN COHEN: Is there any final product that goes, as trade waste, out into our sewerage system at all?

Mr WOODWARD: I am not aware of the detail, but any material that goes to trade waste, Sydney Water has fairly strict requirements on what goes into trade waste and you would have to—

Mr IAN COHEN: Doesn't the EPA have an overview of that type of agreement?

Mr WOODWARD: We do, and we licence the Lidcombe waste facility plant, the liquid plant. That plant went through quite an extensive public process in terms of its original development and construction. It is licensed by us. It does produce both a liquid and a solid waste at the end of the treatment. The treatment is designed and operates to treat those wastes so that they are suitable for final disposal, and the biological process breaks down the chlorinated—

Mr IAN COHEN: What, final disposal via Sydney Water's sewerage system?

Mr WOODWARD: Final disposal involves, in terms of the liquid side of it, through a trade waste agreement, so that is fully monitored. My understanding is every batch is tested before it is released to make sure—

Mr IAN COHEN: Is there dioxin in that material going out as part of the trade waste agreement? Is there dioxin involved?

Mr WOODWARD: My understanding is that there is not an approval for dioxin to be discharged through that process.

Mr IAN COHEN: That means no dioxin is discharged through the system as a result of any of these clean-up processes.

Mr WOODWARD: It is my understanding that that is the case.

Mr IAN COHEN: Perhaps you would like to take it on notice, Mr Woodward, I would really appreciate a detailed answer on that. If you do not mind taking it on notice.

Mr WOODWARD: I am happy to take that on board. That is fine. I am happy to take that on board.

The Hon. PATRICIA FORSYTHE: Mr Woodward, what environmental impacts will the development and operation of the new port facility have on the Hunter River and on the Harbour?

Mr WOODWARD: In terms of the Hunter River, the container facility, as I mentioned before, does not require the dredging and the remediation of the sediments there. That would not have an impact on the Hunter River as such. The clean-up of the actual BHP site will of course reduce the risk of further or future contamination of the Hunter River from any ground water contamination that could come from that site and any further port development in the Hunter River for port expansion which would involve dredging and reclamation of the sediment would indeed improve the quality of the Hunter River.

The Hon. PATRICIA FORSYTHE: Improve the quality?

Mr WOODWARD: Yes.

CHAIR: Can you explain how that works. How it would improve the quality of the Hunter River, in what respects?

Mr WOODWARD: By removing the sediment, the contaminated sediments. You are removing contamination from the river.

CHAIR: The changing in depth will not make—

Mr WOODWARD: My comment is related to the actual contaminated sediments. I thought that was what you were referring to. In relation to the hydrology of the river, I cannot comment on the hydrology of the river.

The Hon. PATRICIA FORSYTHE: I think it is about the hydrology, that there are some concerns and including about issues, such as the fact of it being an area for prawning development and impact on the fishing industry in the area as well. I think that answers that one. Can I ask about noise though, again. Are there different standards for noise levels dependent on whether land is zoned industrial or whether it is zoned for urban use?

Mr WOODWARD: The noise policy does take into account the land use. There are in essence different goals relating to that. I suppose the primary driver for that is because there are higher levels of background noise in those areas. You will have different noise goals in a rural area because the general background noise level is much lower in a rural area but much higher in an urbane, industrial area.

Mr IAN COHEN: Just continuing on noise, we had a previous witness saying that there was significant noise from rail and road around the Botany site that is clearly exceeding the limits. I wonder if you can comment on that in terms of your Department's role in dealing with that, understanding of course it is a major industrial project that is already occurring. Also if you could comment on what I understand to be several years, if construction is to take place to expand that site, how would your Department deal with what would be additional noise, additional truck movements bringing in heavy rock, all sorts of things in to build up the site.

Mr WOODWARD: Noise is a significant potential issue that needs to be addressed with the Port Botany development. Is that the development that you are referring to? Yes. In the early discussions we have had with the proponents in the development of the EIS it is an area that we have signalled and provided advice to them that they need to take those issues very seriously in terms of road and rail noise and construction noise. The submission that we will be making to the Commission of Inquiry will reinforce our desire to make sure that that inquiry and any conditions should the proposal be approved by the Minister do take into account and require those issues to be addressed.

Mr IAN COHEN: The noise levels are being exceeded right now, that we have truck movements right throughout the night. We are getting told of massive truck movements, incredible noise impacts from rail right now, yet what is the role of your Department to control that? Do you have any say in the matter presently? Then there is of course the additional problems. It appears from information the Committee has received is that nothing is being done about the current state of play, yet we have the potential for increased, both in the construction phase and the expanded port facility.

Mr WOODWARD: We will have involvement in the licensing of that when and if it is improved in terms of both construction and operation. In terms of the noise that is occurring now, it is not exceeding statutory levels, but it is exceeding guidelines in the noise policy. That is a case with noise throughout Sydney for many of our rail areas and road areas; that noise is an issue that affects many people across the whole of Sydney. In terms of the rail noise, yes, we are—we do license the rail network under the Protection the Environment Act. We in that licence have requirements on the rail industry, the rail infrastructure corporation, which is obviously going through a change in terms of the new entities there, but the licence will carry through. Yes, we have requirements in the licence in terms of existing rail noise for identifying hot spots or taking action to reduce those by changing ways that they do work.

It is a difficult issue to actually solve because the very nature of freight, whilst in an overview context we are quite supportive of having material go on rail because that is generally more environmentally friendly in a global sense than road, but there are serious noise issues associated with that because, as we know at the moment, because passengers tend to travel during the day, freight of necessity travels quite often at night-time and that is when people want to sleep. That creates a problem, particularly when trains stop and shunt and things like that. There is a lot of requirements that we have in licences to deal with those which does reduce the noise but it does not eliminate it. Once again, part of our licensing requirements is for continual improvement there. I suppose in a sense, yes, recognise it is a noise problem at the moment, addressing it through the licence, but the proposed development gives another opportunity to look at some very serious improvements that might be done to deal with noise issues in a more strategic way through the planning process.

CHAIR: There are some issues which you have taken on notice. The Committee will be grateful if you could return those answers to us within 10 days. Mr Woodward. Mr Johnston, can I thank you very much for your time today and your assistance to the Committee.

(The witnesses withdrew)

SIMON JOHN BARNEY, General Manager, Commerce and Logistics, Sydney Ports Corporation, affirmed and examined.

GREGORY JOSEPH MARTIN, Chief Executive Officer, Sydney Ports Corporation, affirmed and examined.

MARIKA ANNE CALFAS, Manager Environmental Planning, Sydney Ports Corporation, affirmed and examined:

CHAIR: I invite you to make an opening statement.

Mr MARTIN: I did propose to make a short statement, about 10 minutes, on behalf of Sydney Ports Corporation prior to answering any questions and I do have a copy I could leave. The Government's submission to this inquiry into port infrastructure in New South Wales succinctly describes the need for and context for the Ports Growth Plan. That submission addresses the Government's Port Growth Plan announcement made in October 2003. Both the plan and the submission support the strategic direction being pursued by Sydney Ports Corporation on the major issues, and I may use SPC instead of Sydney Ports all the time.

The Government's submission states on page 12 that Port Botany's most efficient next step towards the goal of enhancing the State's container capacity. Of course, the proposed expansion is subject to an environmental impact study and a COI for which the hearings commence at the end of this month. That statement by the Government, however, is of major importance as it publicly announced the finding that the proposed Port Botany expansion, subject to it receiving the necessary approvals, should proceed development of a container terminal at Newcastle. It also stated that the Newcastle container terminal development should occur after Botany Bay ultimately reached its capacity and that Port Kembla should not be considered further as a potential major container terminal. Port planning requires a 20 to 30-year planning horizon and the Port Growth Plan has provided the very important strategic direction that was required and was being demanded by industry from the Government. Prior to the release of the Port Growth Plan, the three port corporations saw themselves in competition for the container trade, and in that context they were providing conflicting and confusing alternatives to the community and industry on the merits of each port developing container capacity to handle the growing trade.

The acknowledgment in the Government's submission of Port Botany as the site to be pursued in the first instance for major expansion was influenced by the case that this is not a new concept. This whole issue was dealt with in the public arena when the Port Botany development was approved in 1969 and at the subsequent inquiry in 1976. The current proposal at Port Botany is based on its merits and is in effect proceeding with the original concept, although on a smaller scale. However, if approved, this will mark the final stage of port development that was conceived in the 70s. The Port Growth Plan also announced that Port Jackson would cease to be used for the import/export of containers in general cargo, which will be encouraged to move to Port Kembla following P&O's ports decision not to continue operations at berths 3 to 6 White Bay after November 2003 and with Patricks' lease at Darling Harbour due to terminate in February 2006.

In regard to other cargo that could be handled at Port Kembla, the Port Growth Plan stated that motor vehicle imports would be expected to be undertaken in Port Kembla after leases expire in Sydney Harbour, which for motor vehicles is 2012 with an option to 2017. As stated in the Government's submission, any such relocation would be subject to satisfactory commercial negotiations being completed between the lessees and the Port Kembla Corporation. However, parts of the announcement have caused a number of concerns to various parties, and I name two. There was significant public reaction in Sydney that this would mean the end of the working harbour and that the former port land would be sold off for residential unit development, and some shipping lines considered they would be competitively disadvantaged if they have to move to Port Kembla or perhaps even Brisbane or Melbourne while their competitors stay in Sydney.

Dealing firstly with the issue of the future of the working harbour, the public concern regarding the end of the working harbour is unfounded as there will still be some 1,000 ship visits per year, which includes car ships, to Sydney after the Patrick Stevedoring lease at Darling Harbour closes in

2006. The concern regarding the selling off of land for residential units is an emotive one and the future of any land deemed surplus to port uses will be the subject of a full planning process. It has been conceded for some years by Sydney Ports Corporation that most of the Darling Harbour area leased to Patricks would eventually become surplus to the Port Corporations' requirements. Indeed, as far back as 1997, Sydney Ports entered a commercial agreement with Patrick Corporation to grant Patricks an option over 18 hectares of the new area proposed to be developed at Port Botany in exchange for Patricks' agreement to immediately relinquish berth 8 and adjoining terminal lands to enable Sydney Ports Corporation to construct the wharf 8 passenger terminal, which replaced the wharf 10 passenger terminal, and for agreeing to relinquish the balance of the Darling Harbour lease area in the future.

For some years, however, Sydney Ports has pursued the strategy that the Glebe Island/White Bay area should be retained for port-related purposes, and the current master plan supports the use of this area for port and employment purposes. To support the long-term use of Glebe Island/White Bay, Sydney Ports has spent upwards of 20 million on the area since 1996, while the private sector has expended a similar amount on their lease facilities. In addition there are, in Sydney Ports' view, a number of other port planning reasons that support the retention of Glebe Island/White Bay for port purposes, and Sydney Ports believes that great caution needs to be exercised before port land is relinquished as it is irreplaceable in Sydney Harbour. Equally, Sydney Ports accepts that it is the role of government to determine competing uses for public land.

One of the most difficult areas for Sydney Ports to manage since the announcement of the Port Growth Plan has been how to deal with shipping operators using roll-on, roll-off—we will call them RORO vessels. For these shipping companies, and particularly those primarily importing motor vehicles as well as some agricultural equipment and other RORO cargo, they are competing directly in the motor vehicle import market with pure car-carrying vessels who are using or soon will be using the Glebe Island car terminal. However, because of the other cargo they carry, RORO vessel operators need some undercover storage and hence they would either seek to use part of the White Bay facilities, which are now vacant, or use the Glebe Island AAT car terminal on which substantial capital expenditure would be required on buildings and possibly a new berth, or they would have to use another port; Port Kembla, Newcastle, Brisbane or Melbourne.

I am aware the Federal Chamber of Automotive Industries, FCAI, and Wallenias Wilhelmsens have recently submitted to this inquiry that the car import industry for New South Wales is focused on Sydney because of the population concentration here and an operator could not be competitive in this market if using a port other than Sydney. The difficulty for Sydney Ports Corporation is that to handle the RORO vessels carrying cars and other cargo at the AAT terminal at Glebe Island would require additional capital expenditure, may well congest the berths in the terminal storage area and the remaining lease term may be too short to amortise the necessary capital expenditure, as Patricks discussed with this Committee last month.

To handle the RORO vessels at White Bay appears to be contrary to the Port Growth Plan in that while motor vehicle imports would be acceptable on our understanding, the handling of general cargo and the use of the existing storage sheds on the site vacated by P&O may not be acceptable to Government from a policy viewpoint. This dilemma has now become more urgent as Sydney Ports has now received an application from Wallanias Wilhelmsens dated 29 April 2004 to lease the facilities at White Bay 5 and 6. This is a matter Sydney Ports Corporation will now need to discuss with our Government shareholders.

The other significant issue from Sydney Ports viewpoint was that included in the Port Growth Plan announcement was the Government's intention to examine how to increase the proportion of containers moved by rail between the ports and intermodal terminals. Sydney Ports Corporation strongly supports this concern, as rail transport is an integral part of SPC's policy for moving the predicted increased volume of containers through Port Botany in the years ahead. The percentage of containers moved by rail through Port Botany has increased from 13 per cent—79,000 in 1995—to around 25 per cent, which is 255,000 TEUs in 2003. In fact, this year we expect to move 275,000 containers. SPC has established a target of 40 per cent of increased volume within 10 years. Patrick Corporation is on record as targeting 50 per cent plus in the future.

To enable these volumes to be moved by rail some additional intermodal terminals will need to be developed. This issue is being considered currently by the intermodal freight group chaired by DIPNR. However, Sydney Ports has continued to propose that the 60 hectares it owns at Enfield should be considered as one of the future intermodal sites to be developed. Enfield has some special advantages in that this large parcel of land is vacant, is served by a dedicated freight line from Port Botany and White Bay and has direct access to major arterial roads. As would be expected to occur in most areas, there is local opposition to any such development on the site. If this site is recommended by the intermodal freight group as a site for future consideration, obviously a full environmental impact study would need to be undertaken.

Now, in conclusion, with \$45 billion worth of trade or 56 per cent of the total New South Wales international air and sea cargo being moved through Sydney's two ports each year, Port Botany and Sydney Harbour play an extremely important role in the State's economy. It is important to all New South Welshmen that the right long-term decisions are made to ensure that business in New South Wales can compete internationally on an equal footing with other states and to ensure that any development is only undertaken after comprehensive studies show that such development is appropriate and environmentally sustainable.

CHAIR: If I could start off by referring to Port Botany, for the expansion proposal, should it go ahead, which stevedores would be likely to be occupying the various parts of that expansion?

Mr MARTIN: We have currently P&O and Patrick. We have proposed an additional 60 hectares, thereabouts. I mentioned in my opening statement that 18 hectares of that is earmarked for Patricks because of previous commercial agreements. The remaining 40 hectares thereabouts would be put out to public tender. We have never made a definitive statement that we want or need a third operator. We have said we will go to the market and it could then go to either of the existing two, the existing two in combination or a new player. That is some years down the track, subsequent to getting approval if we do.

CHAIR: The area that is already earmarked for Patrick, was that a negotiation that P&O were—was there a tender for that or how had that come about?

Mr MARTIN: As I mentioned in my statement, a commercial agreement was entered into in 1997 based on the fact that there was the cruise terminal in Darling Harbour, it was down at number 10, which it became part of the King Street development. That area was not given to Sydney Ports Corporation when we were corporatised in 1995. To enable the King Street development to go ahead before the Olympics et cetera, an alternative had to be found. The whole of the balance area that we had was leased to Patricks and the only way to negotiate to get them to give us something back was we entered into a commercial agreement on the basis that (1) we wanted a bit back right now for the passenger terminal, and we also had worked on the basis that some time in the foreseeable future we may get Botany approved and we would want them out at Darling Harbour because also, as I said before, we did not believe there was a need to have the Darling Harbour part remaining as port operating land in the future. It was a mechanism to get number 8 back straightaway and to lever them out of the rest in the future after Botany was approved, but it was all conditional, of course, on Botany being approved.

CHAIR: Given that that parcel is already reserved for Patrick, to have the tendering process for the remaining part of the extension, doesn't that put P&O at a huge disadvantage in terms of open competition because, should they be interested in any extra wharf space at Botany, they would be compelled to have a split operation?

Mr MARTIN: Yes, there is no question they would need to be split if they were to be successful, but it is not the only port in the world where one operator has split operations. They can certainly handle certain shipping lines and parts of their business in one terminal, and they can handle completely different services in the other terminal. Of course, they would argue and we will argue that they might need two administration blocks and some of those things might be less efficient, but as I said, many ports in the world have such an arrangement.

CHAIR: It puts them at a disadvantage in terms of economy scale, a scale which would not apply to Patrick.

Mr MARTIN: I suppose that is possible, but we do have to go through the tender process. They may well win the tender. They may end up with more area than Patricks have. If they were to win the whole 40 hectares, they would have more area than Patricks. They would have 80 hectares compared to Patricks' 60.

CHAIR: Yes, but I am talking in terms of the economies of scale, of not having to have a split operation.

Mr MARTIN: The economies of scale, it depends where they kick in. There are terminals that of course are too small to really be viable, but once you go beyond a certain stage, our belief is about a three-berth terminal can be a perfectly viable terminal and can operate as efficiently as a six-berth terminal.

CHAIR: What is realistically the likelihood of there being a third stevedore to emerge?

Mr MARTIN: It is too early to say. That is a fad, I suppose. It was a philosophy that was being pushed very heavily in the mid 90s. I think now it has proven that it is unlikely, because Brisbane now does not appear to have the capacity for a third operator, which they looked like they might have had. Melbourne certainly is heading down the path of only the two operators. The belief in the industry is that unless you have a reasonable chance of having an operation in Melbourne, Sydney and Brisbane, it is unlikely you would be competitive. That is not categoric, but that is the general belief: if you want to get shipping line business, you need to be able to schedule them through from one port to the other. It is desirable to have all three.

CHAIR: In terms of going as far as possible to having a competitive market in stevedoring for the whole logistics chain, what are the difficulties that the Ports Corporation sees with the P&O proposal where there would be two separate extensions?

Mr MARTIN: I suppose it is fair to say we considered—you call it the P&O proposal—we considered that proposal probably—

CHAIR: I refer to it that way because it appears in the amended submission.

Mr MARTIN: It is easy to understand. Yes, I understand. It is one that we considered quite some time ago and we did reject it. We mentioned it in our environmental impact statement as one of the ones we looked at and rejected because it is clearly sub optimal. The first thing you have to do is move the bulk liquids berth, which is about a \$40 million piece of equipment and all the pipe work that goes with it has to be shifted, and even if that is done, adding up all the costs, it is going to be about \$50 million dearer than our proposal. Secondly, or thirdly, you get about two-thirds of the area. Because of the turning circle, the ships going into Brotherson dock, the P&O proposal pushes that—puts pressure on that with regards to the third runway because you cannot move the turning circle for the ships any further to the east because they get in the way of the third runway. It makes the navigation issue a bit more difficult because you would probably be required to have a sharper turn and use tugs more often.

It does not do anything to improve road and rail access because we have to continue to use the current road and rail access that we have there, whereas the new terminal provides the capacity to bring a new line in. It also puts the road access for the new terminal onto Foreshore Road further away from Botany Road. The very strong likelihood is that most trucks coming out of the new terminal would naturally take Foreshore Road rather than turning back and being tempted to go down Botany Road, and just in efficiency terms, some of the berths are corner to corner. The two in the P&O proposal would be corner to corner, a very constricted area, very difficult for the two big port container cranes running into each other. It is a very inefficient solution and our view is you get two-thirds—as I said, two-thirds of the area, more cost and the capacity is probably likely to be less than two-thirds of what our proposal puts forward.

CHAIR: Am I right in saying, just looking at it on map, it would mean that you would reduce some of the dredging and some of the construction in and around Penrhyn Estuary?

Mr MARTIN: Yes, I think that is fair to say, because the P&O option is in very deep water, and that is one of the reason it is expensive. You have to build rock walls in very deep—or walls of some kind in very deep water on three sides. The one on the Patricks side would only—I think it is only proposed to be a two-berth length down the 90-degree angle. Yes, there would be less dredging required down into the—but you would need to do some additional dredging in there as well to find the fill for the P&O site as well. As I said before, in rough figures it is about two-thirds of the area, but because the P&O site is a very deep piece of water, it needs a lot more fill. Maybe at the end of the day the amount of the volume of fill you need to find in the bay might be getting fairly close. I do not know, but it would be more than two-thirds.

CHAIR: What is the difference in the rail infrastructure between the two proposals?

Mr MARTIN: The P&O proposal, as we call it, the best they can do is to extend the rail from across the bottom of the terminal, turn it along the side of the terminal—which they need to do probably anyway and I think they are proposing to do over time—and to keep running that all the way out so they can actually get a rail siding at the back of the terminal rather than down one end. That is really an extra length of the current siding that they expand, whereas the proposal we are talking about provides for two things: it provides for some additional tracks beside the Patricks terminal which could well be used just for a holding yard for trains, or we could have a small multi-modal terminal there; but it also does allow for the other specific track to go around into the third terminal. That means you can actually have trains being loaded in three different places, possibly even four.

CHAIR: I am looking at one of the maps from the EIS of the expansion, the railway line goes into a light grey once it enters the section which has been earmarked for Patricks. I think it is the first map in the collection there.

Mr MARTIN: Yes.

CHAIR: Does that mean that we do not know whether that section of track would be built?

Mr MARTIN: Yes, because what that signifies is that, if Patricks take up the 18-hectare option I was talking about before, then it is more likely that Patricks would extend their rail in the 90-degree angle and go straight across. The new terminal would then only have the part marked in the dark colour, but if Patricks do not take up the option, then we would probably seek to extend that railway line further in the light grey colour.

The Hon. PATRICIA FORSYTHE: Mr Martin, in the information we had our ports inquiry it made reference a \$30 million upgrade on Glebe Island and also the private sector had made a substantial investment at Glebe Island and White Bay. Today I thought you suggested in excess of \$20 million was the figure you used.

Mr MARTIN: I think the numbers I have are in the top of my head anyway, but I know we have spent over \$20 million. We have another 5 or \$6 million.

The Hon. PATRICIA FORSYTHE: I think your annual report uses 30.

Mr MARTIN: Yes, 30 has—it depends how you measure it. We have spent certainly over 20 and we have plans to spend five or six more if we have to put a better rail and road system into White Bay, which of course would now be in jeopardy depending on what happens there. That involves we have bought some land, we have knocked down silos, we have knocked down the rock hill to make the AAT terminal a bigger flat area. But the private sector has also spent a substantial amount of money as well. GRA has spent upwards of \$8 million on their new gypsum facility and Australian Cement has spent more than a couple of million, I understand, on their facility. There has certainly been—probably 35 million I can point to right now, but there is certainly more we would need to spend.

The Hon. PATRICIA FORSYTHE: In the context of the growth plan, would you have expended that money if you were aware of the Government's preferred timeframe on Glebe Island and White Bay?

Mr MARTIN: It is probably a hard one to answer, but I do not think there is anything we consider wasted at the moment. We have knocked down the silos, we are now using that land. We have knocked down the hill which was through the back of the old P & O terminal to make this one big flat 11-hectare site for the AAT terminal, that is all particularly useful. We have not spent the money—I have mentioned that five or six million extra—that is the bit that—if we had spent that, you might argue that is possibly wasted, but we have not spent that yet so that will now wait to see what the future holds.

The Hon. PATRICIA FORSYTHE: In order to justify spending that, what would be the least time that you would require to justify that expenditure at White Bay?

Mr MARTIN: I think it really depends on what we end up being able to do at White Bay. I think one of the real drivers for doing any serious railroad work there would be if Pioneer were to move out of Blackwattle Bay. That is being talked about between the Government agencies, that they move out of Blackwattle Bay and they might come over up in the triangle between the end of Glebe Island and White Bay; and that will incorporate and produce around 50,000 truck movements a year. If that was to happen, then the view is how would they get in, would we go under Victoria Road or bring it round to our road system, and of course the rail may need to be straightened as well. A big project like that would trigger it, whereas small, casual uses of White Bay may not require that.

Mr IAN COHEN: Mr Martin, you mention in your preamble, if I took you correctly, that Port Kembla was not to be considered. You did not think it should be considered. Could you give reasons why on that one.

Mr MARTIN: No, I was quoting that the Government's Ports Growth Plan said that Port Botany should now proceed with an EIS and COI process. Newcastle would be the next port to be developed for container capacity after Botany had reached capacity. But Kembla would be no further considered as a major container terminal. It is certainly, as we all know, being proposed to be used now for general cargo and that would include some containers, but not a major container terminal of the 100, 150, 200 thousand TEU size.

Mr IAN COHEN: Can you give reasoning for that? Is the capacity not there in terms of on-site area and potential berthing facilities?

Mr MARTIN: I can give reasons from my knowledge of the port business. I was not involved in that decision, so I am not sure what their reasons were, but I imagine it would well be that the area is not large enough. If you look in Port Kembla Harbour, they are going to do the multipurpose terminal which will give them something like 400 metres on one side and 200-odd metres around the corner. I do not believe there is a sufficiently big area to develop the area that we are talking about for a container terminal. You need to have at least 400 metres—the full length behind your ship rail, behind the ship face—to make the area viable. I think that was the major consideration, just the land area did not appear to provide enough capacity to develop a really large-scale—like a 500,000 or so TEU capacity terminal. For example, even if you said that Port Kembla could do 250,000, that is the amount that Sydney has grown in the last two years. As I understand it, there was certainly the view that, "Did that help solve the State's problem?" The view was, "No, it does not," because all it is doing is really providing a two-year buffer. What you really have is Sydney growing. Ultimately you will have Newcastle to get involved not Port Kembla. To that small extent, it probably was not justified.

Mr IAN COHEN: There is quite a bit of information given to the Committee about the desire and advantages of Port Kembla. You are saying here that it does not have the area capacity or the harbour facilities to deal with that type of expansion?

Mr MARTIN: Be careful. What I am saying is it does have capacity to do certain cargo. I think the view is that it is not considered to be commercially attractive or possibly even physically able to develop a large-scale container terminal. When I talk about a large-scale container terminal, you are probably looking at something that can ultimately do 500,000 TEUs. What I mentioned before, you should really have a three-berth terminal and sufficient area behind it to make it a viable terminal, if you are going to try to compete with what is in Sydney and what ultimately will be in Newcastle. The view was, I understand but not directly involved, that Kembla could not provide that. It can provide berths and capacity to deal with general cargo and maybe motor vehicles and other

things, but not a major large-scale container terminal that could compete with what we are providing in Sydney.

CHAIR: To provide that capacity of that sort of general cargo and for Kembla to get any significant increase in trade, it really would have to be taking cars and roll-on, roll-off cargo, wouldn't it?

Mr MARTIN: Yes, that is a very hard one to answer. Obviously the issue of why ports succeed and why they do not, I think is really a commercial one. Ships normally go where the cargo is and importers and exporters of cargo will always look for the lowest cost solution, and that lowest cost will be a combination of the shipping cost plus the land side cost. If you can find a port that has big volumes, then it ends up becoming almost a self-fulfilling prophecy. You have bigger ships coming more often and ultimately providing probably a lower average cost. For Port Kembla, it has to be able to offer—and I do not know the answer—but it has to be able to offer a more attractive lower cost solution than Sydney or Newcastle.

Mr IAN COHEN: On that argument, would we not just stay with Sydney?

Mr MARTIN: Do you mean Sydney or Port Botany?

Mr IAN COHEN: Port Botany, even Sydney, but expand the hell out of those areas on that argument, really.

Mr MARTIN: As you probably imagine, I am unashamedly biased. We are being a strong proponent for Port Botany.

Mr IAN COHEN: I am wondering, you know, you get that perspective. There has been some discussion about regional competition, and perhaps you are being a little less than expansive in looking at the overall situation here.

Mr MARTIN: Yes, I think one of the key points that really probably helps—

Mr IAN COHEN: Because one of the key things, as I understand it, with Port Kembla, it would considerably alleviate a lot of the associated costs and social costs that potentially will occur with Port Botany expansion.

Mr MARTIN: I am not sure. I might try and come back to that. I think the strongest possible reason you can give why Port Botany, in our view, was the logical and the right choice, is because 85 per cent of the containers that come through Port Botany only move within 40 kilometres. Let's say we are doing 1.2 million in two years. Say it is a million, which it was a couple of years ago—it makes the numbers easy—that has meant 850,000 containers only moved within 40 kilometres of Port Botany. Of the other 150,000 there was about 50,000, in rough figures, down south near Kembla and south-west in the Griffith area. It was 50,000 out west near Bathurst, Blayney, and 50,000 up near Newcastle and others that we are getting from Moree et cetera. In effect you have 850,000 within 40 kilometres of the port requiring the minimal amount of movement from the port and you have three other batches of 50 coming into Botany, and because that is where the population is and where the population growth is expected to continue.

So to move that cargo to other ports, then they have to really have a natural capacity to attract enough cargo to justify a regular ship visit. As I said before, it all builds on itself. The more you have, the more the big ships come, the more regular they are, the better service you are giving to importers/exporters. I think it is very hard therefore for a small port to break into that sort of scenario, and that is why on a world scene—and we do have to consider we are dealing in an international business—that is the trend around the world: that the big container ports are getting bigger—more efficient, bigger ships—and the smaller container ports—in places like England it happened and New Zealand—have effectively dropped away to enable the bigger ports to just keep getting bigger.

Mr IAN COHEN: On that point, if bigger ports get bigger, re-funding for port developments and associated freight transport in terms of that infrastructure, Newcastle has been required by the Government to finance its multipurpose terminal port by private money, going out to tender. Why is

the cost of the expansion of the 60-hectare reclamation and transport links being funded by the taxpayers' money? Isn't this a classic case of big get bigger and the other options shrivel on the vine?

Mr MARTIN: Yes, I think that is a little misleading summary of the situation though. Newcastle already has the land where they are proposing to put the terminal. Their money has to be spent to cap it for contamination reasons. In Port Botany the proposal is that the Port Corporation, out of money that the Port Corporation has earned from the importers and exporters, not from the public purse per se, not from the consolidated revenue fund but from money that is generated by the importers and exporters, we propose to pay for the reclamation, which will be about half, which in rough figures let's say it is \$300 million. Pick a number. It is in that order. Then the area above that, to pave it and equip it as a stevedore would have to do, is about \$300 million again. In effect it is a public sector organisation creating the land and it is a private sector organisation creating the terminal above that. There is a substantial amount of private sector money involved. Even on our existing facilities, you have Patricks, for example, who you may be aware are going through a rejigging of their terminal. They are going to spend over \$100 million in the next couple of years rejigging their existing terminal. So there is substantial private expenditure that goes into the ports that we operate.

CHAIR: When we visited Kembla, we were told about the sort of capacity that they were looking at eventually getting to there. I think 50,000 TEU was what was quoted to us. Given your point about the big operators will want to go to the big port, you then go to the smaller operators which are currently at Darling Harbour. They no longer constitute 50,000 TEU. I think it is down to 37,000 or something like that, and if the trend continues, that will continue to drop, but there will be some competitive advantage for them to go to Kembla on the basis that they are likely to have more trouble getting berths at Botany. To actually make up to a reasonable level of capacity for the hope that is out there at Kembla, I do not see how you get there without the RORO cargo ultimately going to Kembla. I wonder, given the comments you have made about the request that has come from Wilhelmsen with respect to White Bay, I do not see any way of reconciling that with providing a satisfactory outcome for the people in the Illawarra.

Mr MARTIN: Yes, that again might be a little simplistic. I think there are some shipping lines that do carry some containers and other break-bulk cargo, and I could name two, Swire and ANZDL. No-one knows where they are going to go yet. I think they are obviously still considering their situation. The reality is though that those shipping lines per se, if they continue to operate that service with the mixture of cargo, they would not be dealt with at Port Botany because the big container stevedores, they only want to deal with pure container ships. If they were to continue in service doing what they are doing, with some containers and some other general cargo, Port Kembla may well be the option. I imagine those shipping lines would also consider Newcastle. I do not know but I imagine that is their option.

The RORO cargo, that is getting into a different—if you are talking about Wilhelmsens, you are getting into a different category again. You are getting into a shipping line which is carrying about two-thirds motor vehicles, vehicles of one kind or another, and a smaller amount of cargo that is on trailers. It is only about 20,000 containers a year—sorry, 20,000 tonnes a year. It is probably equal to about 1,000 containers. The amount that is carried by someone like Wilhelmsens is, in the overall equation, very small, in their non-motor vehicle side of things, and it is declining. I think the Wilhelmsen argument, as I read that they put it to you, is that they need to stay in Sydney because their prime business is competing in motor vehicles. Their argument, as I understand, is that they cannot do that from Kembla. That really becomes a very difficult commercial issue, because most of their cargo is motor vehicles, they are competing in a motor vehicle market and therefore they wish to stay here. But the other sort of shipping you are talking—

CHAIR: Sorry, but that is a motor vehicle market that was also made clear that, until recently, was sending the vehicles all to Minto where they would be fitted, which in terms of distance—

Mr MARTIN: I am sorry, I missed that again.

CHAIR: Is it Minto, Ingleburn, out there, where they were fitting the cars until not that long ago.

Mr MARTIN: That used to be the method of importing motor vehicles, that most of the motor vehicles would come in onto the wharf and they would get a pre-delivery plate, compliance plate put on, on the wharf and they would be whisked away to some inland place so they could sit and wait until someone ordered one. Then they would be sent to the dealer and delivered. The motor vehicle industry, like a lot of others, has tried to reduce the amount of money sitting in inventory, waiting for someone to buy it. A lot of importers now are working on the basis and moving towards the method of a specific order for, "That colour car, that colour upholstery, of that make, for you." It will be ordered and it will be put on a ship somewhere from Singapore or elsewhere where it is being manufactured.

It may have been consolidated via Singapore, brought into the port and then on the wharf it will be given a very quick clean and compliance plate put on and presumably then go straight to the dealer. It does not then do the transport leg all the way out to Minto, wait for it to be ordered, then brought all the way back again. It comes into the port, as I said gets a compliance plate fairly quickly, and then goes straight to the dealer for the buyer who knows that that ship that came in yesterday has his car on it. The industry is moving more towards that, with the percentage growing. Simon knows better than I, but I think it used to be almost 100 per cent the other way, and I think it has gone past 25 per cent the way I am describing and the intention is to go towards 70 per cent. There is a lot of work to get there yet but they are on the way and the most efficient operators will do that, and that is why—far be it from me to do anything to diminish Port Kembla's ambitions—but the industry and the market is moving more away from the concept of going to a place like Minto. It might have been possible for them, whereas I think that concept is now, as I said, falling away.

CHAIR: How recently has that change taken place?

Mr MARTIN: It has probably been on the move for the last four or five years. Simon? Yes, effectively, as my colleague, Mr Barney, has said it was really one of the main concepts for AAT forming up. You can have the stevedore and the pre-delivery operator on the berth at the one place, so you do not have to take them away from the port to get PDI'd or whatever. You actually do it all on the berth and get rid of it quickly. That AAT thing, we negotiated that about—probably over the last two to three years..

The Hon. ANTONIO CATANZARITI: Mr Martin, the SPC EIS states that the forecast trading volumes assume that the proposed new terminal at Port Botany will have sufficient access connecting to the Port terminal. Has the SPC held discussions at a sufficient level with RIC and RailCorp on this issue?

Mr MARTIN: I think it is fair to say, yes, we have had discussions on an ongoing basis with our colleagues in rail and they have already spent a considerable amount of money doing things to improve the connection between Port Botany and Enfield. There is more to be spent there when the volume grows but a lot has already been spent. I think my colleague from RailCorp is presenting here next week but, yes, I think we are quite satisfied that the rail people share our view, that the more we can get on rail the better and there is a lot of capacity on the dedicated freight line between Port Botany and Enfield. Beyond there, of course, is subject to the ARTC arrangement, where they will try to get an improved freight access down to places like Minto, Ingleburn and further south. But at least as far as from Botany to Enfield and thereabouts is a dedicated freight line and, for a moderate amount of money, if we ever need to—and we will one day, if the capacity goes the way we hope—duplicate the line. The corridors are there. It is a moderate amount of money and it has been well worked through with our colleagues in RailCorp.

CHAIR: We have had some evidence—which we have asked the other ports corporations to comment on, so you go too—about the benefits or otherwise of having a single ports corporation for New South Wales instead of three.

Mr MARTIN: Did they answer it? That is a matter of Government policy and I think it would be very easy to deflect it on that basis.

CHAIR: I think everyone supported it so long as they were it.

Mr MARTIN: Yes. I am probably silly enough to have a go to suggest there is no question in my mind that Newcastle must remain a separate port corporation. It is 160 kilometres away with a

very different type of trade. Virtually one of the biggest, the biggest or the second-biggest coal port in the world. I do not think there is any question it is a port doing its thing. There are mixed opinions about Sydney and Port Kembla, whether we could well be one. I guess I will not choose to venture a judgment because it might be seen to be too biased. There are different opinions on that. There are certainly people who suggest that those two could be one port authority. That is about as close as I can get to it.

The Hon. PATRICIA FORSYTHE: The dredging of Port Botany is one of the more controversial elements of this inquiry. What is the long-term view? Will it require additional dredging at some time in the future?

Mr MARTIN: We are very confident that it will not. It has been a remarkable project in the fact it was dredged in the 70s for the existing facility. It has the depth to handle the very big ships that are now coming. As you are probably aware, places like Melbourne and others do not. We have more than the 15 metres we need. We have never had to do any maintenance dredging. That was all modelled back at the time when that development was done. That part of it has been very successful in the fact that there is no—we are very confident going forward with the new hole that we have to dredge to provide the spoil for the new facility, that it will not require it.

The Hon. PATRICIA FORSYTHE: If the proposed rail infrastructure enhancements were to proceed at Port Botany, but the proposed new terminal did not, when would the current P&O and Patrick terminals reach rail capacity?

Mr MARTIN: I might defer to Mr Barney. Although I think there is a view that the current terminals can handle about 600,000 TEUs with the existing alignments and arrangements they have, but I might ask Mr Barney to elaborate a little.

Mr BARNEY: Yes, those are the sort of numbers we are working with at the moment. Mr Martin suggested we expect this year about 275,000 TEUs to move by rail, which remains at the 25 per cent. That somewhat masks the big growth in rail within the metropolitan region. Unfortunately, the last couple of years there has obviously been a fairly major reduction in regional exports. When those kick in in the next 12 months—and that is expected now, and we expect the percentage to grow again, but the facilities that exist now, I would put between 500 and 600 thousand TEUs and that does not include the already approved and under way Patrick enhancement. We see the capacity of their new facility at probably about 1.3 million, 1.2 million TEUs. Maybe there is about 500,000 in their terminal and 200 to 300 thousand at the P&O terminal. P&O have yet to work through their proposed enhancements of the facility. The two existing terminals can meet the 40 per cent within their own rights. Any new terminal development—its intent is that it can also achieve a 40 per cent on rail, so that each terminal is meeting its own needs.

Mr IAN COHEN: Mr Martin, you are aware there has been significant environmental claims by a number of concerned community groups. The EIS claims that any adverse environmental impacts are manageable. We have had a fair bit of discussion on this matter of whether it is manageable, whether the toxic plume, for example, is solvable, the impact of dredging again for this expansion. Can you confidentially state, from your perspective, that all these issues are indeed manageable and that we are not going to see the downgrading of the environment values in this surrounding area?

Mr MARTIN: Yes, I believe I can. I think we have all heard the previous discussion from our environmental colleagues about the plume and those other issues. I do not chose to go there. My expert here, Ms Calfas, could, but I do not think we should because those issues I think have been covered fairly well. But on the other issues, we have done model studies. This will all be assessed as part of the Commission of Inquiry process. We have had a look at waves, currents and tides. The model studies show that there is no deleterious impact with regard to any sediment movement and erosion et cetera. The same answer because the wave movement is not going to cause any increase in wave height et cetera. There could even, if anything, be a—we suggest there could even be a minor improvement in the rate of erosion on Towra Beach, Towra Spit. The ground water issues, that has been modelled very closely because that is obviously an issue that was mentioned earlier and we know as a matter of some sensitivity. Our understanding is that under the worse scenario it would increase the ground water height by somewhere between one centimetre and four centimetres in a natural variation of water table level of between one and five metres. It is a minuscule increase, if it occurs. If

you look at all the things we have assessed, we are very confident that we can satisfy the environmental concerns.

Mr IAN COHEN: The company, URS, is both advising Orica on how to clean up and also assessing the effectiveness of their own clean up proposals for Sydney Ports in the EIS. Do you think this is an appropriate role to be playing here?

Mr MARTIN: One would assume they have the appropriate Chinese walls. I think I might ask my colleague, Ms Calfas, to answer that one.

Ms CALFAS: URS undertook the ecotoxicology study which is appropriate because it required knowledge of the Orica work. But we had many independent experts to assess all other aspects of the proposal who have not undertaken that consultation work with Orica. We feel that they are sufficiently independent to provide us with that advice.

Mr IAN COHEN: You are saying other groups or other companies undertook the effectiveness of the clean-up proposals, given you advice on that as well, in addition to URS, is that it?

Ms CALFAS: No. We have used the Orica work. We have not reassessed Orica's work in terms of the assessment of the clean up. We have factored in two aspects of their work. Obviously we would like the clean-up prevention notice to work and the plumes not to reach the bay. But our assessments have included a worse case event where the plumes do hit the bay. We have incorporated both into the proposal.

Mr IAN COHEN: But this is hardly a process where we are seeing a stand apart from the actual interests in promoting the interests of Orica here. Isn't that the case?

Ms CALFAS: No, I do not think we are promoting Orica at all.

Mr IAN COHEN: The same company is being used.

Mr MARTIN: URS is our consultant which is acting as the overall consultant, putting together the report based on the components done by a number of different consultants, quite a few. I think it is important to get on the record, I think from our point of view, that these two issues should definitely be seen to be separate. The Orica issue is an issue that has been dealt with and our colleagues previous to us went through that in great detail. The view is that one would, as Marika said, hope that that matter is cleaned up before we even get to start any work. The reality is it is very separate to us and if we did not do anything, that same—

Mr IAN COHEN: So you are in no way responsible—

Mr MARTIN: No.

Mr IAN COHEN: —in terms of clean up or lack of or further pollution or escape, then Sydney Ports is not responsible. You have no role to play there?

Mr MARTIN: That is our view, that we have no role. It is there. We did not create it. It should be cleaned up by others. If we did nothing, it would still keep proceeding towards the bay.

Mr IAN COHEN: I appreciate that, yes.

Mr MARTIN: There is only one area, I would say that, as we do some improvement of the habitat for wading birds, which is something we proposed to do in the—

Mr IAN COHEN: Is this compensatory habitat or you are saying improving the existing habitat?

Mr MARTIN: It is additional habitat for a bigger—

Mr IAN COHEN: Compensatory, like in other areas. Is that correct?

Ms CALFAS: No, it is within the Penrhyn Estuary area. It is a habitat enhancement plan that we have to improve the existing area for the shorebirds that use the area.

Mr MARTIN: The only thing about that is if we do that—and we propose to do it—it would mean that if the plume was still advancing at the time we started work, it might bring forward the time that it reaches the saltwater. I guess (1) we are confident it will be fixed up, as our colleague said earlier. Secondly, if it is not fixed up, we may not proceed with that part of the work until it is.

Mr IAN COHEN: Your corporation really is the responsible body in terms of potential impacts from the dredging that will be an essential part of this development. Would you not agree that dredging offshore could in fact have an impact on the flow of the plume; that it will change the hydrology quite significantly. Any one of us has seen, you dig a hole and area water will fill it if it is near a water table. The hydrology would mean that it could have an impact. That does it not, put your corporation into a position of responsibility with this type of major dredging operation offshore there.

Mr MARTIN: I could try to answer but I think it is once again better to defer to Ms Calfas.

Ms CALFAS: As the previous Department of Environment and Conservation stated, our EIS assesses all of the impacts that are expected as a result of the proposed development. That does include assessing the potential impact of dredging on the flow and the concentrations of the contaminated plumes. The studies that we have had done by expert assessors have shown that the dredging and the reclamation will create no change to the concentration of the plumes, their rate of progress or the location at which those plumes are going to discharge. As was stated by the Department of Environment and Conservation, the reasons for that are that the plumes will discharge at or very close to the shoreline because of the saltwater interface with the less saline ground water. Because our dredging is not impacting on that interface and there is very little ground water, if any, that flows under the bed of the bay, the dredging will not have the impact on the ground water plumes that have been stated.

Mr IAN COHEN: Yes, I appreciate that. If it did, who is responsible.

Mr MARTIN: I think we would take that on notice, but we clearly do not believe that will be the case.

Mr IAN COHEN: I appreciate that.

Mr MARTIN: It is a hypothetical question at this stage, but, yes, it is fair to say—

Mr IAN COHEN: Perhaps you could let the committee know. I would be very interested to know where the responsibility would lie. You might appreciate that there are a lot of hypotheticals in this whole process; not only my question, but rate of plume and effectiveness of the engineering solution of putting down barriers and such like, there is a lot of debate about the effectiveness of that. Given the level of debate and concern and danger, particularly to local residents and the environment, fair call to take on notice" who ultimately would be responsible.

Mr MARTIN: I am happy to take it on and add if I can, but I think our colleagues did say, earlier, and we fully expect to be the case, that, if we get approval, we would have to get an environmental licence from the EPA and that licence would come with conditions. It may well be, if they perceive this is an issue, that certainly is one of the conditions and things that they would require us to satisfy. But if I can add to that in subsequent answers, I will.

The Hon. PATRICIA FORSYTHE: Mr Martin, we have heard from some of the residents in the area concern about some of the approvals for medium and high-rise developments in the region, probably adjacent to some of the infrastructure, particularly some of the rail lines. When development applications are lodged with Botany Council, is it normal for the Ports Corporation to make any comments, to lodge a submission in relation to those sort of developments?

Mr MARTIN: Just to get the question clear, for something that is well away from the port but because it happens to be near the railway line and someone applies to build some units, and concern is about the noise from the train line,. No, Sydney Ports, I think it is fair to say, have not got involved with that. That is probably more a matter for RailCorp. My colleague might add to that.

Ms CALFAS: We do receive development applications from councils where they perceive that the developments may have an impact on the port or the port may impact on those developments. The nature of those vary from council to council. We rarely get anything along the rail line, however.

The Hon. PATRICIA FORSYTHE: And in relation, therefore, say, for example, around the port of Sydney, would you as a consequence make submissions to those development applications?

Ms CALFAS: Yes, we do. Very good examples of that are from Leichhardt Council. We often receive development applications for residential modifications to developments adjacent to the port and we make submissions appropriate to the level of the development.

Mr IAN COHEN: Just one more perhaps, Ms Calfas. It has been suggested that the diffusion zone under Penrhyn Estuary is larger than the EIS states. Would you say that the testing conducted for the EIS was rigorous or standard in terms of assessing this?

Ms CALFAS: The assessment done for the EIS was undertaken by Dr Noel Merrick and Professor Michael Knight of Access UTS. We understand that they are eminent experts in their field and have undertaken ground water modelling for other major infrastructure developments in the area, and have a model of the Botany Sands Aquifer. We have no reason to believe that the advice that they are giving us is not solid advice.

Mr IAN COHEN: Does that mean rigorous?

Ms CALFAS: As far as I am aware, the modelling that they have done has been verified from other infrastructure projects.

Mr IAN COHEN: But not rigorous.

Ms CALFAS: I cannot answer that, because they have done the modelling work and they are eminent experts in their field and very well respected. I would believe that their advice is correct.

CHAIR: Can I thank each of you—Mr Martin, Mr Barney and Ms Calfas—both for your time today, and I would also extend the thanks to the committee to Sydney Ports Corporation for the assistance in the site visit we were a part of. It has been very much appreciated. Do we have the representatives from Botany Council, please.

(Short adjournment)

MELISSA IRENE GIBBS, Executive Director, Southern Sydney Regional Organisation of Councils, and

PAUL STEPHEN SHEPHERD, Director of Technical and Regulatory Services, City of Botany Bay, affirmed and examined.

PETER ANTHONY FITZGERALD, General Manager, Botany Bay City Council, and

CATHERINE MARIE McMAHON, Manager of City Planning, City of Botany Bay, sworn and examined.

CHAIR: If I could invite you to make an opening statement.

Mr FITZGERALD: Botany Bay City Council's position, in relation to this whole matter, is that it recognised that there is a need for an expanded capacity for import and export, particularly of containers, but we say that the current proposal at Botany Bay is inappropriate, and it is inappropriate for a number of reasons. But particularly, and more simply, is there is a significant number of

alternates. These alternates are that there are other ports which should be considered, and I am sure you have had sufficient evidence in relation to both Port Kembla and Newcastle in relation to that. But there is also the question of efficiencies. The port currently at Botany Bay, as I understand it, deals with about one million TEUs a year, and with proposals that we currently have before us from both Patricks and P&O, that will increase to about 1.8 million.

But that is contingent upon the whole of the activities that are proposed are undertaken, and the real key to it is the land side ability to be able to remove the containers from the wharf. It is very easy, and the technology is very simple to be able to get a boat to come and disgorge itself of its containers, and use the straddles and put them somewhere. Now mostly, but not all of them, go on the back of a truck, and then you have all of the difficulties of the trucks. It is our view that if there is to be expansion, it should all be by rail. Then they would need to go to an intermodal terminal, and where that terminal is is a matter for others. I know there are proposals that are currently on foot, but it is farcical to expect that the people of ours and adjoining cities will put up with an increase of more than 4,000 truck movements a day through our city; the dangers, the pollution, the noise, and all of the other things that go with it.

We also have some difficulties about—and I suppose I would say that the current proposal that is for Port Botany—and I will come to the other alternates, but we will stay at Port Botany at the present moment—is the culmination of the conspiracy that was bred with the dredging of this site when the third runway winnings were made to create the third runway. Exactly where this proposal is, they dredged to 20 metres. Everywhere else was dredged to eight metres, and if you have a look at the third runway EIS and overlay this proposal, it is exactly the place where they wanted to do it. That was some nearly 10 years ago that they did that, and it has never stopped.

Not only have we had the bay destroyed, but we have now the building of this development. It will also interfere with both the Penrhyn Estuary, which is fed by two major drains, which are Floodvale and Springvale drains, and you have all of the difficulties—that I notice you mentioned in relation to the people who appeared before us—that relate to the Orica or ICI plume, which is now making its way south and in towards the bay. All of this will be exacerbated by this development. There is our general—we also say that the people in the southern part of our city—in the Botany end of our city—will be significantly impacted by both air noise, pollution, as well as light, and they will subject to significantly greater risk than they are now.

We have had the DIPNR, over the last few years, do a reassessment of the Botany risk hazard analysis, and because of the changed activities within ICI they have reduced that. But the risk in relation to this is, it is going to bring dangerous goods and dangerous chemicals to an area next to a huge underground cavern storage of LPG gas, and if it goes up, you would feel it in here. I cannot understand why we do not spend significantly more time with the alternates. Now, we do not want to say "not in our backyard, but someone else can have it", but there are cities, such as Newcastle and Wollongong, where both the public, the community, the political leaders, want this development. What we say is, it has been inadequately assessed, and not due regard had to it. Basically, I will leave that as our opening statement.

CHAIR: That is for the group? Yes?

Ms GIBBS: I am representing the Southern Sydney Regional Organisation of Councils, which is an association of 10 local government areas, where almost one million people reside. The constituent councils of that organisation have had a long and quite proud history of co-operation around Botany Bay matters, so it is not surprising that these councils and their communities have a number of deep concerns about the proposal to expand Port Botany. The key issues of concern are outlined in our statement, but some further issues have been raised through the work that we have been doing in response to the EIS and the commission or inquiry. At the time your terms of reference were advertised, we really did not have the full details of the Port Botany proposal, but we do now.

But, first and foremost, we really feel that an independent freight transport strategy for New South Wales is needed, as distinct from just a Ports Growth Plan. We also feel that the freight planning strategy should be a key component of the metropolitan strategy which is currently in preparation. We also strongly believe that the Port Botany proposal should not be allowed to direct metropolitan planning in this state, but it really should be seen as part of a broader framework that the

State should be responsible for developing, and this brings us to timing. Sydney Ports Corporation envisages completion of the new facility by 2010, by which time the existing facilities are expected to be operating at full capacity, and this suggests that we do have time to get it right.

The Government is already working on a new metropolitan strategy, and completion of that strategy will provide a robust framework for decisions on port infrastructure, and a premature decision of Port Botany will really prejudice the Government's ability to produce a long-term strategy for the metropolitan region. We do have a window of opportunity. We also strongly believe that Botany Bay must be considered as a total catchment, and this has been accepted by the Director-General in the Director-General's requirements for the EIS for the proposed port expansion, and by the actions of DIPNR in preparing a Botany Bay strategy which we believe is currently before the Minister. This champions a whole of bay approach.

There are a number of key areas that we particularly want to draw to your attention. Firstly, there appears to be agreement from most of the people who have spoken so far as part of this inquiry, particularly from the maritime industry, that first and foremost, we need to have port efficiency. Following on from this there appears to be acceptance that port efficiency is severely limited unless the appropriate supporting infrastructure is in place and operating well. Therefore, we would argue that there seems to be little point in adding more cranes, or more storage areas, or additional dock lengths or adding additional berths at Port Botany if the shore-side terminal operations are presenting a bottleneck, as they currently are. We almost run the risk of putting the cart before the horse if that infrastructure is not in place, and we know that the current bottlenecks are limiting port performance. We know that Port Botany is not operating at optimum capacity, and really, unless those shore-side facilities are in place, as Peter Fitzgerald has suggested, we run the risk of building a white elephant. There is no point in building an extra port capacity if, as Mr Fitzgerald said, the containers are stacking up at Port Botany. This belief is consistent with the Premier's recent announcements in relation to the metropolitan strategy, that he is committed to seeing infrastructure in place before new areas are developed, particularly in the new land release areas, and we believe that that same principle should apply to port expansion proposals. That is all I should say at the moment, thanks.

CHAIR: First question,—and questions will be general and you can work out who is the most appropriate person to answer them—how do we get the trucks off Botany Road?

Mr FITZGERALD: Rail.

CHAIR: Simply by providing the infrastructure, or do you see that there should be barriers? If that is the conclusion, how do we get to that conclusion?

Mr FITZGERALD: It is possible to make it a development consent condition that the containers that leave the port go by rail. We have 3,000 movements, and about a third of those go up Botany Road now, so that is nearly 1,000 truck movements a day, which will increase to well over 2,000 per day. It is all right to say that the people can go—they can go up Foreshore Drive and up the M5, but not all of the containers need to go to western Sydney, they go to other parts. Certainly, to go to the direct north, the numbers are quite low, and as I understand it around about 5 per cent, but there are other places, like Marrickville, Alexandria and those places, that, whilst north of the port, are not necessarily north of Sydney, and may need to go up to Botany Road.

The only way to make this work, and to make any port there work, of the capacity that they are contemplating in excess of two million units a year, is to put the vast majority—maybe you cannot do 100 per cent, but you can certainly do the vast majority, maybe 90-95 per cent—to go to a proper intermodal unit. Because, look, these containers—and you have the information before you from others who are far more expert than us as to where they go, but most of them go to western Sydney, or they go to other places west of Sydney, or south of western Sydney, some go to the country areas, and putting them on a truck in Botany, and hauling it all through the suburbs of Sydney, is ridiculous.

CHAIR: Sorry, can I continue to follow that up. With rail, do you—yes, you are ready now—with rail, do you see that as being made possible through the use of an inland port at Enfield?

Mr FITZGERALD: Whether Enfield is the right place, or whether another place is the right place. But we have a bit of a Mexican stand off at the present moment. The Rail Infrastructure

Corporation was duplicating the line from Botany to another place. It may well have been to Enfield, but our concerns are only to the extremities of our city, and it is all but complete, as I understand it. Significant works have been done. A second bridge has been built—second rail bridge has been built over Botany Road, and they have doubled the track, and they are not passenger tracks, these are freight-only lines, and they are duplicating that track. It would be significantly more efficient to take it to another intermodal site. Wherever it is, that is a matter for proper and appropriate assessment, and I understand there is the Morris Report that makes recommendations that relate to Enfield, but if you do not have the other end you cannot do the start. There is no point in taking containers off a ship if you do not have the land-side development, and in my view, and in my council's view, it is obscene to fill historic Botany Bay to create more space to stack 20-foot container units.

Mr IAN COHEN: Just on the matter of the road infrastructure, because I think whatever is going to happen, if there is expansion, be it even if rail—even any extra corridors achieved—my suspicion, I think, what we are hearing, is there will still be as much if not more volume of trucks at the same time that any expansion might occur. That is the concern. How many of these roads, Foreshore Drive, Botany Drive, and the other access roads, how many of them are a cost to the local councils in terms of maintenance?

Mr FITZGERALD: It depends which costs. Are we talking about economic cost of putting more asphalt down, or are we talking about the economic cost of living there?

Mr IAN COHEN: Yes, maintenance. Let's look at both. But the very basic maintenance of these transport routes that are used by trucks that are often quoted to be seen to have many thousands times more impact on the road surface than say passenger cars.

Mr FITZGERALD: Yes, both. There are only two roads out and that is Foreshore Road and Botany Road. There are no other roads out that are convenient, and they are both State roads, State or regional roads, but I mean it is not just the cost of putting the asphalt on there; people live in these areas. There are homes. There are none on Foreshore Road, and Foreshore Road was a purpose-built road to take freight in and out of the port, but it only takes two-thirds of the current number. As I said to you, people live on Botany Road, and there are many, you know, and within the area you have the noise, the vibration, and the other solids pollutions, and the air pollution, and all the rest of those issues, so the cost is not asphaltic concrete.

Mr IAN COHEN: Sure, agreed. What role has Botany Bay Council, and other relevant Local Government bodies, had in the preparation and planning of the proposed Port Botany expansion?

Mr FITZGERALD: Other than some consultation and being told what they are doing, not much.

Mr IAN COHEN: Notification.

Mr FITZGERALD: Notification, effectively.

Mr IAN COHEN: And no active role in the decision making of the projection?

Mr SHEPHERD: From the outset we have been invited to participate in the consultation process, which we have done, but that is a consultation process rather than a decision-making process. We have given our views on a whole range of issues throughout the development of the EIS, some of which have been accepted in the EIS, and some of which have not. We have talked, for instance, about the establishment of a truck terminus on Foreshore Drive to try to attract the trucks to go along Foreshore Drive rather than up Botany Road. There is a certain amount of anecdotal evidence that many of the trucks that use Botany Road, for instance, do so because they want to stop up there to buy a sandwich before they head off on their trip et cetera. Putting a terminus where they can stop and get fuel and a sandwich somewhere on the Foreshore Drive, seemed to us at the time to be a good way of accomplishing getting some vehicles off Botany Road. That view was not shared by the people from SPC, and has not been included in their document.

CHAIR: Can I ask you to try to flesh some of that out. That was the reason I asked the question about trying to get the trucks off Botany Road. There is going to be some trucks leaving, no

matter what, and if there are specific recommendations and paths that this Committee can consider which will assist in that process, then we are very happy to hear it.

Mr SHEPHERD: Appreciate that, and I am happy to discuss that. One of our criticisms of the EIS, and particularly the traffic part of the EIS, was the fact that it was very insular in its outlook. Effectively, it stopped at the end of Foreshore Drive, for instance. It did not go further than Wentworth Avenue to the north. It did not take into account the wider effect that the traffic that is being generated from the port will do. A point that I keep bringing up on numerous occasions—and I suppose it is because I use the road—is the M5 East tunnel. The M5 East tunnel for vehicles travelling from the west to the east, you invariably see, based upon two out of three trips where you use that tunnel, a sign come up saying, "Over-high vehicle please take next exit" and that invariably is a container truck which I assume is heading for Port Botany. That vehicle takes off at the next available exit, which is the Princes Highway, and hence finds its way to the Port via effectively our local roads again. It comes off the M5 East and the General Holmes drive. That amazes me, that that should happen.

CHAIR: On that exact spot, if the over-height vehicles—I do not know where the tunnel shrinks or whatever—but if the over-height vehicles, instead of getting off at the Princes Highway got off at the next exit, which is the airport—

Mr SHEPHERD: It is the airport, Marsh Street.

CHAIR: —they would then end up on Foreshore Road, wouldn't they?

Mr SHEPHERD: They would have to go through twice—

CHAIR: Is that one exit later?

Mr SHEPHERD: You are right. They go off at Qantas Drive—Joyce Drive, I should say—and follow round the airport that way.

CHAIR: That is right. Then they would not end up on Botany Road.

Mr SHEPHERD: They would go—

CHAIR: But those lights tell them to get off at the Princes Highway exist at the moment.

Mr SHEPHERD: They do effectively, yes. I do not understand why there is nothing that shows that to the east, for instance; in other words, vehicles travelling to the west. Yet travelling the other way, that is the problem. This is why our argument has often been, we need to have a whole of government approach to it. The RTA needs to be involved in this. We have consistently asked the RTA to look at a more direct link onto the Eastern Distributor from Foreshore Drive, rather than going through Millpond Road and through several sets of lights, that they currently have to do, by the use of an overpass. And of course the argument always put back to us, "It's too expensive." It may be on a stand-alone issue, but when you are looking at 300 or 400 million dollars plus for the expansion of that, then maybe 10, \$20 million for the overpass is not out of the question. The same thing applies with the exit from one of our main port areas, which is Hale Street. A number of the vehicles that use Botany Road do so because they wish to enter into the Hale Street end area, which is an industrial area, some of which obviously needs containers et cetera.

Mr IAN COHEN: Does this mean that the M5 East road is higher on one side than the other? Why are they—

Mr SHEPHERD: I have no idea why that tunnel wing does not work. I have never had a satisfactory answer from my point of view. It was explained to me by the ports people that a container comes in varying heights. I honestly did not realise that there were containers in different heights, but there obviously is. I suppose if you are putting a 10-foot high container on a truck that is only meant to take an eight-foot one, then that is the way it is. But again, it is all part of this involvement with more than one authority. If we need to control the height of containers that come in and out of Port Botany or that use the trucks or the types of trucks that are used, then we should be using this

opportunity to do so and we should be insisting on all diesel trucks or whatever to try and reduce the pollution. It is a good opportunity for us to do that.

CHAIR: Is there available land along Foreshore Road which would be able to provide the sort of fuel/food facilities, where that could be easily be dealt with; and secondly, if there is, who is the consent authority?

Mr SHEPHERD: Yes, there is. To the best of my knowledge, probably the most desirable spot would be SACAL land. SACAL owns a strip of land along Foreshore Drive, effectively adjacent to the third runway, and that I would think would probably be the most appropriate spot. If our other suggestion gets up regarding the access to and from Hale Street and an overpass pass over the Sydney Water SWOOS, which runs parallel to Foreshore Drive at that particular place, to again allow access into that industrial area from Foreshore Drive rather than from Botany Road, for instance, if that gets up then it may affect where that facility would be located. But, yes, in my view there is certainly ample room there.

CHAIR: Who is the consent authority around there? Is that taken over by the Airports Corporation or how does the consent work there on that land?

Mr FITZGERALD: It is unzoned land, as I understand it, and it would be the subject for the Government. The Government are the owners of the land, the State Government. There is adequate—there is land vested, not in the ports but I think it is called the Minister, a single corporation.

The Hon. PATRICIA FORSYTHE: Ms Gibbs, what is the basis for your conclusion that Port Botany is not an efficient port, given that the SPC, the shipping lines and the stevedores all favour an expansion of the port?

Ms GIBBS: They favour an expansion of the port but I am sure they all agree that Port Botany is not at optimum capacity. It is not operating to its optimum performance.

The Hon. PATRICIA FORSYTHE: You said you were sure they all agree. Do you have a basis for that conclusion?

Ms GIBBS: I understand they said that in earlier hearings to this inquiry. I got that from the *Hansard*.

Mr FITZGERALD: Maybe, Mr Chair, if I could add to that. Currently in Port Botany there are two operators. There are P & O and there are Patricks. Both of them believe that, on their current lease areas, they can double their capacity. That would indicate to you—and that is Patricks today, not Patricks of five years ago, when they had other methods of doubling their capacity, but this is on their existing methods. So that is their belief. It therefore follows itself, doesn't it? If you can double it, you are obviously increasing efficiencies. If you are increasing efficiencies, you are not efficient.

The Hon. PATRICIA FORSYTHE: I do not think that is a conclusion I need to agree with you upon.

The Hon. CHRISTINE ROBERTSON: I will be the devil's advocate here. You people have inherited an industrial centre. Have your demographics changed? Originally Botany was an industrial community and industrial centre. I went to school at Rosebery.

Mr FITZGERALD: The answer to that question is yes. It was and is an industrial centre, but the smokestack industries that were in Botany when I was a lot younger—and I was not in Botany at the time, but when I was a lot younger—are industries that are not there any more. It is the greatest concentration of the petrochemical industry in the southern hemisphere, in that general Matraville area. But the industries that have gone are the tanneries, the boiling-down works, the tallow works—

The Hon. CHRISTINE ROBERTSON: And the gelatine factory.

Mr FITZGERALD: Yes, and the gelatine factory. It was known, O'Riordan Street, as the street of 1,000 smells. Now people will pay half a million dollars for a home unit in the same street.

Yes, it has changed. It has changed dramatically but it is very proud of its industrial heritage, and whilst we might have inherited something, it does not really mean that every time that there is something that the community needs, Botany cops it and that is what happens now. If there is a place for a waste transfer station because this city in here needs to get rid of its rubbish, you do not have to stick in Botany, and that is the story. Whilst we may well have inherited an industrial smokestack industry which has dramatically changed over the years, we are a huge employment generator but with different natures and different types of employment at the present moment. Just because we currently have a port, it does not mean that we have to have a port that has a huge land-side impact. We will accept the port if you put them on rail.

The Hon. CHRISTINE ROBERTSON: We have a nice little picture here that describes the residential areas surrounding the port area.

Mr FITZGERALD: I do not know—

The Hon. CHRISTINE ROBERTSON: It is out of the EIS. The other thing I would like to know is, most of the residential area, I would accept, has probably been there for over 50 years, but how much—figure 9.1—of the residential area has there been approval for more development that is affected by traffic movement and the port works in recent times? The railway is also apparently a problem. In recent times, so that they are noise affected or—over the last 10 years maybe. How much of it is new and how much of it has been there for decades?

Mr FITZGERALD: The area of the greatest affectation would be those areas that are the older areas. There has been—and I do not know where you mean. If you are talking about the pink area on the plan.

The Hon. CHRISTINE ROBERTSON: The bright pink stuff is industrial.

Mr FITZGERALD: Yes.

The Hon. CHRISTINE ROBERTSON: The bone stuff is 2A residential. The orange stuff is residential C and residential B is that medium pink stuff there. See at the top here you have pale orange and medium orange under Botany Council.

Mr FITZGERALD: Yes, they are residential A and B, yes.

The Hon. CHRISTINE ROBERTSON: It is those areas that are now—which you would know better than me—are the residential areas. They are the areas surrounded by the roads and the railway line that are having all these gross problems with noise and extra pollution and stuff. How much of the residential development is new? I am not discounting these people are effected.

Mr FITZGERALD: I really can not give an adequate answer to the question, as much as I would like to. If you take all of the traffic that currently goes up Foreshore Drive, it is bounded by the airport on one side and green on the other, Sir Joseph Banks Park that runs all the way along there. Then if you take that yellow road which is immediately north of there which is—

The Hon. CHRISTINE ROBERTSON: That is Botany, yes.

Mr FITZGERALD: That is Botany Road. All of that south of Botany Road has existed and it existed for 100 years.

The Hon. CHRISTINE ROBERTSON: That is right.

Mr FITZGERALD: That part that is say east of the blue patch, next to the hatched area, that is existing. We have some proposal to reduce that pink area and put some residential in there. We have a deferred—that hatched area is a deferred LEP.

The Hon. CHRISTINE ROBERTSON: Yes, that is what it says down the bottom, "deferred area".

Mr FITZGERALD: I am advised that there may have been a complaint this morning about rail and the noise from the rail line. But it is certainly not council's view that the noise or the affectation of the railway line is anywhere near a serious effect as the trucks. There is very limited residential development along the railway line. If you have a look at the railway line, it runs up by the side of the airport. It runs basically parallel, nearly parallel to Foreshore Road, it is a bit hard to see on a map of that scale to show you. But certainly the operation of the railway—it may be difficult for individual people but it is certainly nowhere near as severe as trucks.

CHAIR: Has there been any significant increase in the density of the residential dwellings in and around Botany Road? Is it now high-density accommodation?

Mr FITZGERALD: No, it is not. If you would have a look at it, you would see there are some beautiful workmen's cottages there. What used to happen—we did an exhibition last year of the fishing village of Botany—and it is not very much—it is in living memory of when there were great wide open spaces down there. People used to live near those big smoke stack industries of either the paper mills, ICI and the chemical works or the various tanneries that were around there. There are lots and lots of workmen's cottages around there. There are areas that have redeveloped, but they will not be significantly impacted by certainly rail development.

CHAIR: For the area that you are talking about rezoning that is currently industrial, I think you referred to rezoning some of that as residential. What level of density is proposed there?

Mr FITZGERALD: One to one or less, which is not high density.

The Hon. CHRISTINE ROBERTSON: I have one more, can I ask it? Who is the "they" who did the dredging when they were doing the runway that extended right through to where they wanted the new terminal area?

Mr FITZGERALD: I do not know who did the dredging, but it was done on behalf of the then Federal Airports Corporation.

The Hon. CHRISTINE ROBERTSON: When did we get the new runway, 94?

Mr FITZGERALD: 94, 10 years ago.

CHAIR: Further questions?

Mr IAN COHEN: We have had various submissions about the potential problems of concentrating. You mentioned in terms of the LPG, was it, you mentioned about the LPG—

Mr FITZGERALD: The LPG gas cavern, yes.

Mr IAN COHEN: —submerged tanks. We have heard pipes under the harbour. There is the—I remember—

Mr FITZGERALD: Jet A1 pipes.

Mr IAN COHEN: The Sydney gas pipe, et cetera, the airport, of course. Could you give the Committee an assessment of the potential dangers of this area in terms of any accident or attack that might happen?

Mr FITZGERALD: No, I am not competent to do that. But I can tell you what is there, but I certainly have no idea of what would happen. The LPG is not in a tank, it is in a cavern. It is in a naturally occurring cavern. It is just stuck in a hole in the ground.

Mr SHEPHERD: Mr Chairman, if I may, we would like to table a copy of our submission to the commission of inquiry into the port expansion. In that our consultant, Dryden Consulting, who was a risk and hazard consultant, has made some comments not particularly relating to the cavern, I have to say, but to the movement of dangerous goods particularly in the effect that that will have on

the proposed area on some of our existing residential sites which are obviously a concern to us. But there is some detail in our submission on that matter.

Ms GIBBS: I have some additional information on that as well. As part of the submission to the EIS my organisation commissioned a security assessment for the proposed expansion. I would be happy to make that available to the Committee.

CHAIR: We would appreciate that. Has anything been taken on notice? Nothing has been taken on notice? No. Any further questions? Can I thank you very much for your time and for all the evidence that is of great assistance to the committee.

(The Committee adjourned at 4.37 p.m.)