

REPORT OF PROCEEDINGS BEFORE

STANDING COMMITTEE ON STATE DEVELOPMENT

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

At Sydney on Wednesday 21 April 2004

The Committee met at 9.30 a.m.

PRESENT

The Hon. Tony Burke (Chair)

The Hon. Tony Catanzariti

Mr Ian Cohen

The Hon. Patricia Forsythe

The Hon. Melinda Pavey

GARY EDWARD BLASCHKE, Botany Bay and Catchment Alliance Inc., affirmed and examined:

ROBERT DANIEL WALSH, Kurnell Regional Environmental Planning Council, sworn and examined:

CHAIR: Welcome to today's hearing of the Standing Committee on State Development. Members of the media, the Standing Committee on State Development has previously resolved that the press and public be admitted to proceedings of the Committee and that the media may broadcast sound and video excerpts of its public proceedings. I point out that, in accordance with the Legislative Council's guidelines for the broadcast of proceedings, only members of the Committee and witnesses may be filmed or recorded. People in the public gallery should not be the primary focus of any filming or photos. In reporting the proceedings of this Committee the media must take responsibility for what they publish or what interpretation is placed on anything that is said before the Committee. Mr Blaschke and Mr Walshe, would you state your occupations, please?

Mr BLASCHKE: I am a signwriter.

Mr WALSH: I have several. Managing editor.

CHAIR: In what official capacity are you appearing before the Committee, as a private individual or as a representative of an organisation or business?

Mr BLASCHKE: I am appearing as a representative of the Botany Bay and Catchment Alliance Inc.

Mr WALSH: As a representative of the Kurnell Regional Environmental Planning Council, which is a council of eight community organisations.

CHAIR: If either of you should consider at any stage during your evidence that certain evidence or documents you may wish to present should be heard or seen in private by the Committee the Committee will consider such a request. However, the Committee or the Legislative Council itself may subsequently published the evidence if they decide it is in the public interest to do so. I invite you to make an opening statement.

Mr BLASCHKE: I do not know about an opening statement; I would like to address the terms of reference.

CHAIR: By all means.

Mr BLASCHKE: The Botany Bay and Catchment Alliance actually represents over 30 NGO groups throughout the Botany Bay catchment, so we do represent a large proportion of the environmental groups. As you know, there are five terms of reference. The first is the New South Wales Government's Ports Growth Plan including any planned closure of shipping freight facilities in Sydney Harbour. This issue was our leading concern in our written submission. In fact, we have continually called for a full and complete copy of the plan, with further details on Cabinet's funding, committee membership, who the community representatives were and how long the committee sat for. Over the past few months we have endeavoured to obtain the full document. The Clayton's document from the Ministry of Transport has statements to the effect, "The plan provides a framework within which the Government, industry and the community will work to ensure further growth and develop port capacity in New South Wales". I would like to ask the question: Where was the community's input into this plan? Is two pages the result of the Government, industry and community working together?

Recently, on Wednesday 7 April at 4.30 p.m., I received a phone call from a top executive within the Port and Freight Division of the Department of Transport clarifying all my wildest concerns that the New South Wales Ports Growth Plan as announced by the Premier on 5 October 2003 was nothing but seven aerial or simulated views of existing ports and two pages of text known as the New South Wales Ports Growth Plan summary sheet. Late last year I completed some seven months—

along with Bob as two community representatives—with the Department of Infrastructure, Planning and Natural Resources committee drafting the Botany Bay strategy. We called for all relevant documents dealing with any issues pertaining to activities within the bay—environmental, developmental and social. At no stage was the New South Wales Government's Ports Growth Plan tabled or discussed by DIPNR, even though it was raised by me, without any satisfaction.

The committee was made up of most major government agencies including the Premier's Department, local government, the Southern Sydney Catchment Management Board, and Waterways, plus several others. Our budget was some \$800,000. There were 19 representatives on the committee, 11 on the project team from DIPNR, and it produced three volumes of the strategy with 166 pages of some substance on Botany Bay alone. This is just Botany Bay, not the catchment. I can personally name and had some input into some dozen documents on proposed Botany Bay management over the past decade. You will see some of these documents sitting in front of me. These documents are fairly recent—over the past five years. Departments have spent millions of dollars of taxpayers' funds over that period in producing these documents. To my knowledge none of them was aware of the New South Wales Ports Growth Plan, including in relation to the Healthy Rivers Commission reports and the subsequent statements of intent.

In most cases community input has been tokenistic. Those involved may call genuine concerned residents such as ourselves community activists, birdos, fishos, sports groups, social groups, greenies and in some cases nut cases. I call them environmentalists: a mixture of all the above separated by the rest of the general community because of two things: a concern for the bigger environmental picture and the future health of our communities. In the Government's own document, "planFIRST, Ideas for Community Consultation", from 2001 the executive summary states, "This report represents ideas for achieving better community consultation as a strategic arm of the reform of the plan-making system in New South Wales." It goes on to state that it deals with "the questions of selection of participants in the consultative process where representativeness is important". Both part one and part two of this Government document offer dynamic and flexible opinions for enhancing community consultation in the planning process.

I continue to quote, "The focus is on proposing innovative and dynamic solutions to energise and activate community consultation by government agencies in New South Wales." Well, I am energised, I am activated and I am still waiting for the agencies to conform to these proposals and enhance the community consultation in the planning processes—and still waiting for a full copy and details of the New South Wales Government's Ports Growth Plan, which I believe, unfortunately, does not exist. PlanningNSW's newest document "Community Engagement in the New South Wales Planning System 2003" places further icing over that cracked cake but has done nothing about turning the heat down in the oven.

Part of this inquiry, in term No. 1, is the planned closure of shipping facilities in Sydney Harbour. Because of a conglomeration of individual leases and agreements with stevedores, facility operators and transport groups it is our opinion that the proposed closures are nothing more than a wish list for several groups that could, and probably will, benefit from such closures. It is our opinion that very few closures would be possible within the coming decade, that decade being the window of opportunity we have to get these issues right once and for all. Term No. 2 of the inquiry refers to the economic, social and environmental impact on the State including on the proposed Port Botany upgrade. Arguments, debates, facts and figures can be thrown about and very few departments or individuals would agree on anything. Yet we have to look at the advantages and disadvantages to all groups—the proponent, the community and the environment.

The proponent has a responsibility to ensure its corporation is profitable and that it can carry out its duties as the Government and the community would expect: without undue impact. The community would ask: At what cost? Loss of amenity and ownership, loss of safety and security, loss of the ecology, a continual lifetime of impacts once approved, not just once off or temporary impacts? This is forever, no matter what site is chosen for this invasive industry, 24/7, 365 days a year. And who knows where it will stop? Where do the tentacles of these types of proposals stretch? An entire bay, the entire catchment, the entire south side of Sydney or some other unsuspecting region such as Enfield, Chullora, Villawood, Yennora, Blacktown, Campbelltown—the list just goes on and on? Or would it be a revisited Sydney Harbour, without a doubt the best port available in New South Wales and closest to Sydney Ports figures on container destinations throughout Sydney?

Could it be or should it be Byron Bay, Batemans Bay or Jarvis Bay? Let us look at the economic impacts. All proponents or operators will argue economic advantages for the State's economy and suppress the disadvantages. In other words, let us sacrifice a local region to ensure that the entire State is flushed with funds and prosperity. It would be fantastic if that was all that needed to happen. People's lives, their families, their health, their standard of living, the loss of amenity, the devaluation of their major assets and their loss of recreation areas are all at stake. I said before that this will occur 24 hours a day, seven days a week and 365 days a year—virtually from day one of approval and forever.

Some advantages could be argued. It could generate further trade, direct and indirect jobs and support of associated industries. Some of the social advantages could be support of local community groups—that being sporting and social groups—direct support for and indirect enhancement of local small businesses, the lunch shop, the local pub, et cetera; and supply of extra community amenities, such as cycleways, bird observatories, platforms, access bridges, et cetera. The environmental advantages that will be argued include direct enhancement of the environment, if it works, continual monitoring of the environment until the funds run out, and grants for ongoing projects—icing over that cracked cake. If that were the case, let us bring it on.

I am sure we could fit another dozen ports into Botany Bay. We could expand both Newcastle and Port Kembla and continue trade in Sydney Harbour as well as have a genuine look at Pittwater and Broken Bay, as announced in the current Sydney Port Environmental Impact Statement [EIS]. Alternative sites have been proposed by this committee. Just how genuine were the studies of these three alternatives—Port Botany, Port Kembla and Port Newcastle? At least the Sydney Port EIS—I have with me just one of the 10 volumes of that EIS—looked at Pittwater, Broken Bay, Port Stephens and Jarvis Bay as genuine alternative sites within New South Wales.

Its findings for Pittwater alone included the fact that no flat land was available. We do not need land because at Botany we are taking the ocean away. Another finding was difficult road and rail access. All sites have that. The third finding was no supporting infrastructure because they have not shared any of the load in the past. The fourth finding was that there was reasonable water depth but that it would require dredging. The Botany Bay proposal is nearly entirely dredged. The fifth finding covered major environmental issues, including national parks. That is exactly the same at Botany, but we also have a marine sanctuary, a Ramsar site, and sensitive ecological communities covered by international treaties with Japan and China. So we have a few more things which we should be concerned about.

All alternative sites reflect similar issues. There is no land available, there is a need for some dredging and there is a need for better road and rail access. There are also environmental issues. There is nothing different from what would be needed at Botany and, to a lesser degree, at Port Kembla and Newcastle. Botany has no land; it has only ocean that can be reclaimed. It all needs to be re-dredged. An amount of 7.5 million cubic metres of sand needs to be dredged out of Botany Bay to allow this development to go ahead. Botany has all the other issues, plus the need to sink up to 4,000 steel pylons around the Botany aquifer and more. I recently contacted the general manager of Pittwater council to establish that council's interest in becoming partners with me in dredging and developing a container port in Pittwater. The response that I received, on council letterhead and signed by the general manager, states:

I am particularly excited by your proposal to create a major port facility at Pittwater. You may not be aware but I have been a practising coastal engineer for over 30 years and have long dreamed of the opportunity to create a major shipping terminal in the Pittwater waterway. I believe that the opportunity would not only be for ferry services and the ability to distribute containers directly to the north-western suburbs from Pittwater, but also to open up some previously unutilised coal seams in the Gosford-Wyong region.

Some years ago I did carry out a design for this proposal which also reused dredging materials to construct a new dam across the Hawkesbury River between Patonga and Flint and Steel Point, thereby excluding the saltwater intrusion and providing a major benefit to Sydney through significant expansion of Sydney's water storage.

The General Manager, Angus Gordon, signed that letter. Let me go back to the advantages and disadvantages of such a horrific proposal. What the proponents of those advantages will not factor into their equation are the cumulative disadvantages and their long-term and short-term impacts. Economic disadvantages would be the budget already exploding from \$265 million only 18 months ago to \$580 million in 2004—not what was stated in the *Sydney Morning Herald* this morning. It has

actually gone to \$580 million. This is not taking into account the real cost factors, the extra rail infrastructure required, the soundproofing of kilometres of rail passageways heading off to Enfield and Chullora and the purchase of land and further infrastructure for inland ports.

All those things were factored into the overall plan but they were not factored into the overall cost. Other things that were not taken into account include the imposition on neighbouring industry, cumulative impacts on neighbouring industry, traffic congestion, air pollution, general inconvenience, devaluation of neighbouring industry, small business and residential properties, and the cost of accidents or terrorism issues resulting in the shutting down of the port. What alternative ports do we have in Sydney? Major terrorism targets are located close to the entrance of the bay, not some kilometres in from the heads where we have a navy base that can intercept those terrorist activities. The list goes on.

Social disadvantages could be, and most probably would be, the lack of community consultation, imposition of cumulative impacts 24 hours a day, seven days a week and 365 days a year, token trade-offs of compensation for those impacts, community health impacts, general noise, air, light, traffic, and safety. The list goes on. The environmental disadvantages would include the loss of existing habitat and species, potential and real destruction of regional habitat, loss of biodiversity, precedents set for future destruction of habitats and biodiversity, scientific experiments, untested and totally unknown outcomes, unknown cumulative impacts, lack of effective enforcement, and ineffective modelling without guaranteed outcomes, as we did with the third runway. We are now suffering from modelling that did not work.

All these advantages and disadvantages exist in relation to any sites throughout New South Wales. What must be decided through this process is which site has less impact and which sites would best cater for the growth throughout New South Wales. The finer details of all these aspects on our findings will be announced when the Botany Bay and Catchment Alliance addresses the commission of inquiry into Port Botany expansion. The third term of reference relates to employment implications for Sydney, the Hunter and the Illawarra region. I would like to ask a question. When we talk about Sydney are we talking about Sydney Harbour, Botany Bay, or both? No-one has elaborated what it is. I believe that the view of the New South Wales Government in the long term is to reduce port facilities in Sydney Harbour, therefore effectively reducing job opportunities.

I cannot argue the desperately agonising position of unemployment in both the Hunter and the Illawarra regions; I can only reflect on what I have heard and read. I have heard from the Illawarra Alliance, the Lord Mayor, Alex Darling, and others. I can only assume that Hunter representatives expressed the same concerns yesterday. Only last week, on Wednesday 14 April, radio stations stated that Wollongong had the highest rate of unemployment in Australia. I am sure that Newcastle is not far behind. We can only hope that both inquiries into these regions have exposed just how desperate the unemployment situation has become. What dramatic effects and impacts have occurred with the recent and not so recent closures of major industries, with very little excitement about future opportunities in both those regions.

I refer to employment at Port Botany. I am of the belief that the Patrick Corporation has been granted permission to expand or double its capacity. Millers Point will undergo major changes, Greens Square, as announced in this EIS, will be a massive job opportunity, and several jobs have been created just in trying to clean up the toxic plume on the Orica site adjoining the Botany proposal. The Environment Protection Authority said that that could take up to 100 years. If we are genuine in our assessment of just one issue—unemployment—we must see the blatant and obvious need for major expansion into both these regions, not just this tokenism of 50,000 TEUs every year, or a few dollars being tossed to these regions to keep the Indians from becoming restless.

We need genuine planning for the greater metropolitan region, genuine planning for New South Wales, environmentally sensitive development and precautionary principles, and genuine community engagement in all planning processes as per this document—Community Engagement 2003. The third term of reference relates to current and future infrastructure needs and social impacts, including the adequacy of existing road and rail infrastructure. I would like to ask another question. Does current infrastructure adequately address the needs of the three major sites, or any of the greenfield sites? The answer to that question is obviously not. We would need a substantial input of

millions, if not billions, of dollars if all infrastructure today and into the future were calculated and factored into the equation.

Very few inland ports exist to cater for the explosion of trade that has been indicated in all of Sydney Port's calculations. Enfield inland port has been hit on the head by Minister Scully—for good reason or is it just a sleeping giant? There are limitations on crossing commuter lines to and from Port Botany and limited major road connections without using local roads. Volatile and explosive materials are still being delivered through the streets of Rockdale, Bexley and beyond as they are not allowed through the M5 tunnel—the tunnel being one of those issues that has been conveniently left out of the bigger picture in the ports EIS. Exactly what does the word "infrastructure" mean? The Macquarie dictionary states:

the basic framework or underlying foundation; the roads, railways, schools, and other capital equipment which comprise such an underlying system within a country or region; the buildings or permanent installations associated with any organisation, operation, etc.

It is pretty obvious that the original \$265 million project grew to \$580 million overnight. Where did it come from? Exactly what is it for? We know that it does not include the cost of road and rail expansions now and into the future, and it definitely does not include any inland terminal. Page 217, volume 1 of the EIS states:

Sydney Ports Corporation is specifically promoting the creation of a new intermodal terminal at Enfield which would be linked to Port Botany by the existing dedicated freight line. The development of intermodal terminals is independent of the proposed Port Botany expansion.

There are proposed expansions of dedicated freight lines such as the New South Wales Government's approved Macarthur to Chullora line. An amount of \$180 million has already been allocated for that, but who knows about it? The proposed expansion involves the entire community along the rail line from Campbelltown and beyond. I do not think that will occur. Those people who are currently purchasing home units under the disguise of urban consolidation to be close to the railway stations do not know about that. Those who have recently purchased homes throughout the entire western corridor certainly do not know about it.

I can understand the proposed Macarthur expansion, because that is a growth area. Most intermodals already exist in that area. The orbital road is about to be completed, but what about Chullora? I have grave doubts about what is at the end of Chullora. We have nothing but a small intermodal called Pacific National with a limited capability for expansion. It is landlocked by housing estates on the old Lidcombe hospital site, already restricted by overloaded arterial roads, and located next door to the RSPCA dog shelter and the newly established Freshwater Creek wetlands. Yet, only one kilometre away lies Enfield—2½ kilometres long, half a kilometre wide—linked to Port Botany, owned by the Sydney Ports Corporation, with Enfield marshalling yards adjoining and the proposal half completed. As announced by the *Bankstown Express* last week:

Manway Logistics regards their new Villawood site as the jewel of the Crown. A dedicated freight line runs directly from the site to Port Botany allowing for easy import and export movement.

What does the community not know about that? I live up the road from that site and I knew nothing about it. You can call me the activist of the region. If I do not know about it, the general community certainly does not. All proposals, these documents and findings, of each alternative port ignore the adjoining, major environmental issues; experiment with the technological and biodiversity of the region; look at their future needs in total isolation; and treat the community like mushrooms, particularly understating the health issues. There is no concern for the cumulative impacts and nothing but inaccurate and inconclusive data. Social impacts on the Enfield region alone are well identified and documented by the Milton Morris inquiry, which condemned that proposal—noise and traffic congestion of some 1,650 semitrailers per day, air pollution and health issues in an already heavily polluted catchment, as per the findings of Green Games Watch during the Sydney Olympics. There are safety issues on the local roads, and the list goes on.

The Sydney Ports' EIS study area for roads alone—not regional, and I argue it is not even local—the core road study area takes in some three to four square kilometres around the proposed site. Fifty-five per cent of that area defined would have absolutely no traffic, as trucks have difficulty in swimming in the ocean. Approximately 30 per cent of the study area is ocean, 15 per cent is existing

port facility and 10 per cent is existing parkland and beach area. This leaves 45 per cent of the study area looking at roads and intersections. Most of the major intersections identified in the EIS as already causing concern are outside the core study area yet within 10 kilometres of the proposed site. The EIS states that traffic at Green Square will be impacted upon by the proposal. Green Square is nowhere near the study area used to define the impact from traffic generated by the site. How confusing, or is it part of the ignorance of the study or part of the game designed to deceive all of us? Of course, I can accept the bias of each proposal at all sites. I can accept a few furrphies and untruths to put over the paranoia for their future, but I cannot accept deception, fudging of figures, unknown outcomes, total ignorance of the cumulative impacts and the lack of community engagement.

Term No. 5 refers to the future of public land at Millers Point, Glebe Island and White Bay on which shipping freight operations are currently located. Bigger dollars than I can ever imagine will determine the future of these sites. SEPPs, LEPPs and DCPs, political influences and lease agreements and options and commercial persuasions will direct their future. Community input will be tokenistic, similar to any other development. In my opinion and experience, trade-offs and conditions of approval will determine whether the community in general will be lured into accepting whatever is put forward by the major developers. It is also my opinion that the majority of the general community do not understand all the issues at any stage of any proposal until it is too late and the development is constructed and hence begins the impact on the local region.

What I cannot understand in this whole process is why we have governments that still expect the community to wage the opposition to such blatantly impacting proposals, putting up alternative sites and arguing the social, economic and environmental advantages and disadvantages, especially when we elect governments effectively to look after the interests of citizens in New South Wales. We have a designated development, no matter where the port is developed in New South Wales. It is designated because all powers are taken from local government and left up to the current process that has the Minister having the final say. We do not have SSROC, the southern combined councils, speaking on behalf of their constituents at this inquiry. It is designated because of several factors, including that it will have a freight terminal, involves more than 250 truck movements per day, designated because it is within 40 metres of a sensitive area and will significantly affect the amenity of the neighbouring region because of noise, odour, dust, light, traffic or waste. There are a lot of reasons why this is designated, because they are horrific developments.

These types of developments are also deemed as integrated because they need roadworks, overhead bridges and access roads. It is quite apparent that the Roads and Traffic Authority has endorsed both the Sydney Ports' EIS and many other developments that have not only failed according to the previous input but have had little enforcement of any breaches of the conditions of each approval. The Environment Protection Authority, the Department of Planning and Natural Resources and other agencies have continual poor records of looking at each proposal in total isolation and ignoring the cumulative impacts. I am sure this will continue if something is not done about it.

These developments are also classified as hazardous and offensive developments under SEPP 33. The amount of legislation and environmental legislation on these things is daunting. That is why we need look at these sites seriously. Commonsense can see that Sydney Ports Corporation has tunnel vision and obvious bias towards Botany Bay at any cost. The corporation is now competing with both Port Kembla and Newcastle for the almighty dollar and is not willing to share the load or the profits. It is a corporation that admits to environmental degradation of Botany Bay in its own EIS, a corporation that cannot predict the outcomes of the proposed activities in the local area, not to mention the region, uses other sites and infrastructure outside its study area as leverage for the approval of its development, yet does not include the extra cost as part of its budget, which has more than doubled since 2001. It is a corporation that believes introducing a bit of mud from another area will sustain threatened species, a corporation that thinks that to rehabilitate and/or translocate salt marshes and seagrass beds and generally tart up the local area with walkways is the correct procedure, a corporation that cannot supply a representative to speak on these issues before the inquiry today and has been granted special privileges because its chief executive officer is overseas. What happened to its experts, other staff, including the project manager, Colin Rudd, and all the experts who contributed to these 10 volumes? I find it convenient and suspicious that once again the community will be kept in the dark and be expected to attend another hearing to hear the latest from the boss on his return.

As for Millers Point, Glebe Island and White Bay, they will have their token parklands and facilities built as part of the overall approval of urban development because a department, a Minister, a government believe it is best for the economy of New South Wales and will generate jobs. They will ignore or override existing rules and legislation and then, if still not satisfied, they will adopt special legislation through Parliament to make sure they get their way—as demonstrated by the coal loader at Newcastle, the copper smelter in Port Kembla and, recently, the waste transfer station at Clyde. The decision to find the right site, lessen the impact on the community and its health, comply with environmental legislation and make the State's economy sound is awesome. I am glad I do not have to make that decision and I am sorry I had to enlighten you with those facts—sorry mainly because once again it has been left up to the community to do so.

CHAIR: Thank you very much, Mr Blaschke. Mr Walshe, do you want to say anything before we go to questions?

Mr WALSHE: Yes. Realising there is a time constraint, I would like to make five brief points. First of all, I endorse everything that Gary has said about the ports growth plan. I am in a position to fill it out by pages in length because I tracked that matter since the Premier's announcement of it on 5 October at the ALP conference. That was the first time it was ever heard of publicly. We were sitting in 20 Lee Street Sydney, which is the headquarters of the planning department, when word of it came through. None of the senior managers who were sitting with us in the planning department knew anything about it. They shook their heads. I could go on about that. I will content myself with that. It was a sort of a back of the envelope construct, put there for presentation to an ALP conference.

From the many very solid points Gary has made I would like to mention three because I think as well as the facts and figures—and I ask Gary to hold up volume 1 to show the tabbing that is there—what our consultants, if I can call them that, speaking from a community point of view, have detailed for presentation when the commission of inquiry comes around is that so many inconsistencies and so many things there need to be challenged. Apart from all that detail we need to bring a commonsense approach to the whole thing. "Trust yourself" said Ralph Waldo Emerson, and I think there is a great case for that to be the order of the day.

Everybody who drives around Sydney knows that the transport position in the M5, Botany, airport, Alexandria area is absolutely congested now. This proposal is for multiplying the number of containers that are going to be handled from 1,100,000 to 3 million. That is just madness. It is all going to be thrust into this area. As to the ecology of the bay, which is the concern of my constituents in particular, that is those of us in the Kurnell and associated areas, the ecology of Botany Bay is an enormously complex question and all of the organisms involved are in a stressed state at the moment. There is a need for remediation of the bay. It is a crying need and has been since the port and the third runway went in.

On 28 February this year the University of New South Wales held a forum of its scientists specifically to deal with the ecology of the bay. Overall, they were saying we know a great deal and we know that much is in trouble and there is a huge amount we do not know, but we can predict that it will be in much greater trouble if this expansion proposal goes ahead. So there is an enormous need to do things at the right time about the ecology of Botany Bay, not wreck it further, which is certain to happen with that deeper channelling, the excavation, the ever bigger deep-hulled ships that are coming into the bay. All of that, with its artificial embankments and the rest, will create new wave energies that will further impact on and erode the bay's beaches.

The third thing is security. Bob Carr himself in 1999 said that this Banksmeadow, Botany area is the most hazardous area in New South Wales, contains more hazardous industries than any other. Here we have a proposal to add to all of that at the very time that we have John Howard in Canberra launching a white paper on terrorism—that is in the process of being constructed—and John Anderson saying that of the 70 ports of Australia, Sydney is at the top of the list of being a terrorism target. I am sure he did not mean only Sydney Harbour Bridge and the Opera House, but that strip of land comprising Banksmeadow-Port Botany-the airport, all side by side. In that area there is enormous storage of oil, liquid gas and chemicals. The whole area beneath the aboveground structures is full of pipelines and other structures. It is a nightmare from the hazard-terrorism point of view.

The three issues, transport, ecology and security, appeal to our commonsense: we are going the wrong way with an expansion of Port Botany. My final point is that there is no need to rush the extension of Port Botany. Time is available, and, therefore, any urgency is misplaced. With the port in 2003 handling 1.15 million containers a year and the trade growing by 5 to 7 per cent, there are eight to 12 years ahead of us before the port's present capacity of two million is reached. That is, we have until 2012 or 2016; that is time enough to avoid a five-shipping-berth expansion of the port while we instead develop the freight rail integration of the Hunter and Illawarra regions into the greater Sydney—Greater Sydney is happening now, before our eyes, a state of conurbation as Sydney expands north and south and embraces Newcastle and Wollongong. A need to expand to three million containers is just not there.

We could let this run to the present two million capacity by the dates I have given, but if we now embark on the integration of the freight situation in that 220-kilometre strip and start it now with the \$580 million that is to go into it, add to that the nearly \$1 billion that the ARTC is making available from Federal funds, the money is there now to get the rail underway. We would then be able to think long term, as all planning should. We would be doing the necessary integration of Newcastle-Sydney-Port Kembla-Wollongong. It has to happen, why not do it in a planned way? In summary, that is my point of view. We have a great opportunity looming here, an opportunity that will be realised for the future of our State only if we knock back this crazy proposal to go to three million containers for the sake of Port Botany.

CHAIR: Mr Blaschke, your submission and presentation referred to the Botany Bay and Catchment Alliance Inc. [BACA] representing more than 30 community organisations. Would you provide the Committee with a list of those organisations?

Mr BLASCHKE: Not today, but I will fax it to you.

CHAIR: Could you provide an indication of the membership, whom you represent?

Mr BLASCHKE: Yes.

CHAIR: In your presentation you referred to some concerns as to what might happen at the Millers Point site regarding future development. What do you believe ought to happen at Millers Point?

Mr BLASCHKE: We have a fantastic port in Sydney, we have a deep port, we do not need to do any environmental degradation in those areas. It certainly lacks some rail infrastructure and we hear from the people of the local area who say that they do not want to lose that type of activity in Sydney Harbour. If we look at it practically, I believe we can increase the amount of container distribution from that site. I believe it is closer to what Sydney Ports is saying is its core area, where I believe it is using figures of 40 or 80 per cent of containers going within the Sydney metropolitan area. It is a case of looking at them altogether. This is one step in trying to understand what we have in New South Wales. My submission mentions Dubbo.

Other groups, including Oatley Flora and Fauna, a member group of BACA, talk about Parkes as an inland port. We have not spoken about inland ports, we have not spoken about how this can be combined with Port Kembla to Parkes onto the north-south railway to Darwin. We have not looked at all of the alternatives, we have been tunnel-visioned in our attitude that it has to be either Newcastle, Port Kembla or Botany Bay. Sydney Harbour has the capability, if designed properly and worked properly, instead of competing. We are supposed to be doing this for the benefit of New South Wales, for every citizen, not just a few corporations.

CHAIR: I do not want to put words in your mouth, but if the choice were between public land availability for community use at Millers Point and continuing with the current use as a container terminal, is the preference of the organisation that Millers Point be retained as a container terminal?

Mr BLASCHKE: We are not involved with Sydney Harbour. I have applied to the catchment management authority for a position so that I can start to understand how we are going to combine Sydney Harbour and Botany Bay. I believe that the local people should have a say in that along with local activities. Obviously the stevedoring companies and the councils should have a say. I

believe that we have the facilities there and will get some open space, but we will also sell off some land to private development. One only has to go west of the Sydney Harbour Bridge to see what we have developed. It is an absolute eyesore. That development will continue around Sydney, obviously. We will get some parks, some trade-offs, some green offsets, a cycleway to Parramatta, a little parkland here and there, but really is that what we need? I think we really have to start planning Sydney properly, and that includes the greater metropolitan area.

The Hon. PATRICIA FORSYTHE: In your submission, under point number 2, you state that local communities expect, if not demand, that most of their concerns are not negotiable. Residents and recreators alike have standards that must not be compromised or lessened, they too have the right to be heard, and without having less than accurate social impact statements or environmental impact statements clouding or opposing their opinions. Is the Botany Bay and Catchment Alliance [BACA] evaluating the proposed Sydney Ports Corporation expansion on its merits? Or, would the BACA have opposed any developments or upgrading of Port Botany?

Mr BLASCHKE: We are not talking about a block of land up the road; we are not talking about a vacant block of land for which an ordinary DA is submitted, whether it is a designated development or not. We are talking about up to 70 hectares of the ocean being taken away. We are talking about 7.4 million cubic metres of sand being dredged from the bottom of the bay, on top of the Botany aquifer, and Bob Carr announced only a couple of months back that he may consider using the Botany aquifer for drinking water for the eastern suburbs. We do not know where all the problems will occur. BBACA has to make a stand: how far do we go, what is the saturation point? As I stated to Sydney Ports on many occasions, do we build a big brick wall across the heads and pump the water out and concrete the whole lot?

That is the way we are heading with Botany Bay. It has already been impacted upon over the years. The BBACA web site shows the maps that show how Botany Bay has changed over the years—and it is only since white man arrived here. We have to make a stand and I believe we have reached saturation point now.

The Hon. PATRICIA FORSYTHE: You have talked about the environmental impacts. I am not sure that all of your dot points are fully spelt out, some of them are fairly vague. You say that there is the potential to pollute the entire bay with sediment from dredging that could include toxins and heavy metals being released. On what basis did you make that statement?

Mr BLASCHKE: On the basis that I am one of the community representatives on the Orica committee. We are looking at a toxic plume of hexachlorobenzene [HCB]. The studies by Orica on the Penrhyn Estuary are that they have found ethylene dichloride in shellfish, and HCB and heavy metals in fish. We know that the plume has reached Penrhyn Estuary and the EPA has admitted that.

The Hon. PATRICIA FORSYTHE: But the dredging is not at Penrhyn Estuary.

Mr BLASCHKE: The dredging is right next door. If you take children to the beach and dig a hole in the sand next to the shore, it fills up with water straightaway because it forms a vacuum and sucks everything into that whole.

The Hon. PATRICIA FORSYTHE: Would you be more specific about "right next door".

Mr BLASCHKE: Right next door to Penrhyn Estuary, that is the place we are dredging.

The Hon. PATRICIA FORSYTHE: I am aware of that. What do you mean by right next door, how many metres?

Mr BLASCHKE: We are only 100 metres from where the plume has already reached.

The Hon. PATRICIA FORSYTHE: Is it not a fact that area proposed to be dredged is about 300 metres from Penrhyn Estuary?

Mr BLASCHKE: It may be 300 metres, but the EPA has already stated that for every test bore that they put down, just a single rod, changes the direction of this plume.

The Hon. PATRICIA FORSYTHE: I am asking you about the area to be dredged. Is it not a fact that the sand does not contain highly contaminated toxins?

Mr BLASCHKE: No, it has heavy metals. The whole of the bay has heavy metals. The dredging that happened during the construction of the third runway at the mouth of the Cooks River is totally full of heavy metals. Those metals are lead, mercury, and others. They are there already. Acid sulphate soils are there.

The Hon. PATRICIA FORSYTHE: In the exact area proposed to be dredged?

Mr BLASCHKE: Yes. I need them to prove that it is not there. I am not the expert. I am saying that there is a possibility.

The Hon. PATRICIA FORSYTHE: You are saying it is a possibility?

Mr BLASCHKE: Yes.

The Hon. PATRICIA FORSYTHE: There is a generalisation?

Mr BLASCHKE: No, I do not believe there is. I think my expertise on the Orica committee leads me to understand what is in the bay. I am also the spokesperson for the Cooks River Coalition. That gives me some credibility as far as looking at heavy metals and pollutants in the Cooks River. That gives me a pretty good indication that we have major toxic problems in that vicinity.

The Hon. PATRICIA FORSYTHE: Do you accept that the proposal is not to dredge at the estuary?

Mr BLASCHKE: They are proposing to upgrade the estuary. We are talking of only hundreds of metres away.

The Hon. PATRICIA FORSYTHE: Hundreds of metres?

Mr BLASCHKE: Wait a second—as I said, one single bore changes the direction of the plume. And what does 7.4 million cubic metres change? That is a massive hole only hundreds of metres from where the toxic plume will be treated for the next hundred years.

The Hon. PATRICIA FORSYTHE: Is it not a fact that part of that area is proposed to be capped?

Mr BLASCHKE: No, there is no capping. They are proposing to bring mud from another site to build a salt marsh there.

The Hon. PATRICIA FORSYTHE: In fact, some of the things that you have presented to the committee, as you have said in one of the points, are potentials. Have you established what will happen?

Mr BLASCHKE: We are not scientists. I have been on the Botany Bay Studies Unit Team from the University of New South Wales.

The Hon. PATRICIA FORSYTHE: You presented them to the committee as your case?

Mr BLASCHKE: Yes, that is right and I believe what I have said. I believe it is up to the proponent to prove that it is not going to be that way. I believe there is enough evidence and commonsense to know. If you talk to the Botany Bay Studies Unit at the University of New South Wales it will give you details of the toxins in the bay at the moment.

Mr IAN COHEN: Has it been established at what rate the actual plume from the Orica site is moving at this present time?

Mr BLASCHKE: Yes, from memory, 150 or 200 metres per year travelling towards Botany Bay. So there is an established figure through the EPA which has been monitoring it for 17 years. It was only after I got onto the committee and rang up the head of the contaminated site section and asked "Is this a fact?" and he said "Yes." I was waiting from him to say to me, "No, you're exaggerating" or something similar.

Mr IAN COHEN: It would be reasonable to draw the conclusion that any major dredging of the nearby bay would increase rather than decrease the rate of that plume movement?

Mr BLASCHKE: Exactly, it has got to increase it.

Mr IAN COHEN: Would you describe the level of contamination of Penrhyn Estuary at this particular time and the situation with species that are under international treaty obligations?

Mr BLASCHKE: May I put up an overhead projection?

Mr IAN COHEN: We do not have time.

Mr BLASCHKE: All I will say is that Botany Council has just put up six warning signs around Penrhyn Estuary that state "Don't swim in the estuary. Don't eat any type of shellfish or fish alone from the estuary because of human health issues." Straight away, somebody knows that there is a major problem there for the environment already.

Mr IAN COHEN: You are aware of the Orica site and other sites at Homebush Bay. The Government gave consideration and drew the conclusion not to dredge the bay because it was best not to disturb the potentially toxic sediments, et cetera there. Is Botany Bay a similar contamination case or is it worse than Homebush Bay?

Mr BLASCHKE: I think it is similar. I do not know what toxins are in Homebush Bay. Yes, Agent Orange was manufactured next to it. We certainly did a good clean up job as far as the Olympic site goes but those big mounds that are around the Olympic site are just cappings of toxic material. We do not fix up the toxins. We do not eliminate the toxins, we cap them. We put them away and hide them and wait until they leach out and create a problem down the track.

Mr IAN COHEN: What position are you and Mr Walshe presenting? Are you looking at a continuation of Sydney Harbour as a working port? Are you agreeing or acknowledging the potential expansion of Port Kembla and/or the Hunter as opposed to Port Botany expansion?

Mr BLASCHKE: Exactly.

Mr WALSHE: We greatly respect the view of the National Trust in relation to Sydney Harbour. We would go to them first as a fellow community organisation. So, Garry and I agree that would be the first consideration. We are terribly anxious that a start should be made on relieving the needs of Newcastle and Port Kembla/Wollongong. That is crying out. All of that really is delayed while Port Botany expansion goes ahead. So, it is vital that we stop the expansion of Port Botany at that 2 million container level. That is what they have got permission to go up to now, and they should not be asking for more. That allows them to get up from last year's 1,100,000 containers to 2 million. They should stop at that point and that gives us 6-8 years leeway.

In that 6-8 years we should be developing the links of Sydney with Wollongong and Newcastle. It is the Hunter region, for God's sake. It is the Illawarra region. These are tremendously important regional issues that are tied up in this whole business. Garry and I are terribly anxious that this be got across because it seems to us to be nothing but simple rationality.

Mr IAN COHEN: What groups would benefit from the closure of Sydney Harbour?

Mr BLASCHKE: I believe the developers first. Obviously we do not have any say in what happens here whether the Minister takes them on as State significant developments and one person has the final say on it or whether the Government decides that we will have parkland on the edge. But I am sure the offsets will be that we will have both: a housing development and some form of

green offset for a parkland or a cycleway going past it. Obviously I will not benefit from it and neither will the community in most senses. One only has to look, as I said before, around Sydney Harbour west of the bridge to see what we are creating.

Mr IAN COHEN: You mentioned "Enfield as an inland port, topped by Scully" and then you said a "sleeping giant". Is Enfield predicated on Port Botany going ahead or can we see something else?

Mr BLASCHKE: One only has to read the number of times that Enfield is mentioned in the main report. I read in one section Enfield is an intricate part of this development. They need to be able to put on extra containers because they cannot fit the extra trucks on to the road. I have heard from Colin Rudd at one stage at one of the community consultation meetings that an extra 4,000 trucks per day will come out from this extension. The environmental impact statement states there are approximately 900 extra trucks per day then if we put the containers on to the trains—currently we have roughly 18-20 trains per day going from Port Botany to Enfield or Chullora but this proposal is 120 trains per day. We will have them going backwards and forwards.

We do not even have any air emission controls in New South Wales for semitrailers with the amount of trucks that are going around. All they have to do is stop putting out black smoke from their exhaust every 10 seconds. They have got 16-20 gears and when they change gears the black soot stops. They start again and the black soot starts. That is okay: that is emission controls for the Environmental Protection Authority. We do not have any figures anywhere in the world, from what I can ascertain—Canada is working on them at the moment—for air emissions from diesel locomotive trains. We are not even looking at electric trains. At Bathurst we have a whole group of electric trains rotting and we are doing nothing about them.

Are we causing air pollution problems from trucks? Yes. Are we causing air pollution problems from diesel locomotives if we are going to alleviate the pressure off the road? We are doing that again. And we are looking at a health department that recently came out with the M-5 stack meetings and said that the people who live around the M-5 stacks have not got a health issue worse than anybody else in Sydney: its exactly the same as everywhere else in Sydney. I suggest you go and sit next to those stacks and have a sniff of the air because there are people down there who are suffering every single day. And all we are doing is doubling trucks and quadrupling trains but we do not have any figures to prove how much emissions, greenhouse gases or whatever coming out of a diesel locomotive.

What impacts does that have on this entire area? Enfield is a valley. Where do the fumes from 1,650 semitrailers coming in and out of Enfield every single day go? Those trucks come in and unload and load in 15 minutes and do not turn off their motors during that time. We have north-westerlies blowing through there and we know that Campbelltown already has probably the highest air pollution problems in Sydney and that is where it will be added to. The wind will blow that air emission straight out to the west again and we suffer further from it. We really have to start looking at air emissions as a major health issue for Sydney.

The Hon. MELINDA PAVEY: You are obviously very passionate and committed about your community and the people whom you represent. You call yourself the activist of the region. If the Commission of Inquiry that will start in May to look at the expansion of Port Botany came out and supported the expansion of Port Botany, would you oppose that no matter what?

Mr BLASCHKE: Yes, I believe I would because, as I said earlier, I think we have reached that saturation point. I believe that the 10 volumes of this document are so flawed.

The Hon. MELINDA PAVEY: I am talking about the conducting of a Commission of Inquiry so it will be another document and another process and no matter what it says, you will oppose it?

Mr BLASCHKE: Yes, we have to. We cannot accept any more destruction of what has happened in Botany Bay. I believe we have the opportunities both in Newcastle and Port Kembla to download those impacts, to look at what they are capable of doing. I have not been out with either of the ports corporations up there but I have seen their presentations. I believe they have the capability of

handling it. It is just the stevedore companies that are saying "We don't want to come in and dump in three different ports. We want to come down to one port because it is convenient for us to do so. We can dump off everything there and send it to wherever it wants to go to." They do not want to drop it off to Newcastle or Port Kembla, and we are saying it is up to this Government to say that they have to because that is sharing the load: it is looking after the economy of New South Wales. It is getting jobs in regions that are desperate for jobs.

The Hon. PATRICIA FORSYTHE: Why do you advocate for the Hunter—when it involves as part of the expansion proposal—dredging of the south arm of the Hunter which includes dredging off the BHP site where there are known toxins? Are you being inconsistent?

Mr BLASCHKE: No, I do not believe we are. I believe that we cannot look after every single area of New South Wales. I believe it is the job of the corporations and the environmental groups in that particular area to put up the arguments across it. I have not heard. I could not make it to the Newcastle one yesterday because I only found out last week it was on. I only found out last week this was on today. But we have spoken to environmentalists down in Wollongong. We have not had any objection from the environmental groups down there because there is no need for dredging there. What happens in Newcastle? We obviously know we have a deepwater port up there. We have problems up there.

The Hon. MELINDA PAVEY: A dredged deepwater port.

Mr BLASCHKE: Yes, it is dredged now but so is Botany Bay but we are going to dredge it 7.4 million cubic metres extra. We are not going to have to do that if we look at the BHP site at the moment as far as I know. I cannot be an expert of three different regions. If somebody wants to pay me for it, yes I will go off and do it for you, but I cannot be an expert of every region.

Mr WALSH: I provide to the committee a succinct statement of 10 policy positions as an overview that we have produced.

CHAIR: I am advised by the Secretariat that a telephone call was made on 7 April confirming attendance today.

Mr BLASCHKE: A telephone call, yes. I got the actual information telling me what this procedure entailed yesterday in the post, after I rang the Secretariat first.

CHAIR: You have called a number of times since the inquiry was announced, but I am advised that on 7 April you were told about it. I do not want there to be an impression on the record that you were not given two weeks notice of the hearing today.

Mr BLASCHKE: I was given the notice when I rang up on the Thursday before the public holidays when I asked the Secretariat when would I be officially notified. He said that I can be on at 9.30 a.m. today. I said "fine". I received the information by fax after I rang Mr Ian Cohen and told him that I still had not received anything.

Mr IAN COHEN: It is clear that you have very adequately prepared for today, and that is appreciated by the committee.

Mr BLASCHKE: Yes, we have been working on this for quite a long time.

(The witnesses withdrew)

LLEWELLYN CHARLES RUSSELL, Chief Executive Officer, Shipping Australia Ltd, and

STEPHEN LESLIE HORTON, General Manager, Hetherington Kingsbury Shipping Agency, sworn and examined:

CHAIR: I welcome Mr Russell and Mr Horton. Should you consider at any stage during your evidence that certain evidence or documents that you may wish to present should be heard or seen in private by the Committee, the Committee will consider your request. However, the Committee or the Legislative Council may subsequently decide to publish the evidence if it believes it is in the public interest to do so. I invite you to make an opening statement.

Mr RUSSELL: Shipping Australia is a peak ship-owner body in Australia that represents 36 ship operators and shipping agents as well as an equal number of what we call corporate associate members, which provide services to the shipping industry. We appreciate the opportunity to give evidence before this Committee. When the Government announced its vision for a future freight strategy for Sydney Harbour and Port Botany we, as an organisation, had been urging that for some time. We were very pleased that we had a vision and I suppose it is the implementation of that vision that causes one to pause and examine the detail. We have some concerns about that detail.

We urge that in implementing this vision due consideration be given to the logistics of servicing that infrastructure development. In other words, it is not just about infrastructure development but how we use it best to provide services to New South Wales importers and exporters and the community generally. It is within that sort of framework that we have put forward the proposals in our submission. It must fit within an efficient and cost-competitive logistics chain, which in itself should determine infrastructure provision. As you can see, to some extent that is the objective of AusLink, which we support in concept. However, how it works in practice will be the most important test.

There have been problems in Sydney Harbour since the move of P&O Ports in particular from White Bay to Darling Harbour to set up there in conjunction with but separate from Patrick Corporation, providing stevedoring services at Darling Harbour. The Tasmanian ferry has added to the congestion in that area, particularly along Hickson Road. In the peak cruise season a number of lines that have been to some extent forced to go to Darling Harbour find it quite difficult from time to time in terms of congestion and delays. We have urged the Government to provide us with advice at the earliest possible opportunity on what maritime uses White Bay will be put to. As we mention in the submission, we have suggested that White Bay would be very useful as a lay-up berth, in fact, a ship is laid up there now; as an overspill, for example, for cars from Glebe Island; and for other cargoes other than those that require cranes—in other words, not necessarily containers but cargo that we could usefully use White Bay for without the use of cranes or containers.

Shipping Australia supports exhausting capacity at an expanded Port Botany. Our members believe if you look at Newcastle, Port Kembla and Port Botany we should develop Port Botany to its maximum extent. But with a growth rate of about 7 per cent of containers into Sydney at present on top of 15 per cent last year, it will not be long before the expanded Port Botany facilities will be exhausted. It is hard to put a year on it but in say 2040 or thereabouts the capacity of Sydney to handle its container imports and exports will be completely saturated. We need to look at alternatives such as Newcastle or Port Kembla. We look to the Government to provide us with guidance on whether it should be Newcastle or Port Kembla at that time. But the question of rail access to both ports is extremely important. As we all know, rail in Newcastle is under extreme pressure at the moment in terms of coal. Perhaps an urgent project for AusLink to examine is upgrading the rail link with Newcastle, if the Government feels that that is where a future container port should be. They are just a few brief opening remarks in elaboration of our submission. We are happy to answer questions.

CHAIR: Thank you. You referred to delays in Sydney Harbour. What sort of delays are you talking about? Do you have any specific examples?

Mr HORTON: There is an example of berth congestion at the moment—a vessel cannot get alongside a berth in Darling Harbour for a period of up to 48 hours. That is one particular vessel but

such instances are not unusual. I cannot qualify it by telling you how often that would happen. Previously the expectation concerning the operation of the port was that a berth would be available.

CHAIR: What is the management system for berth availability? Is it a slot system or a queuing system? How does it work?

Mr HORTON: It is fairly well the first vessel off the port gets the berth.

The Hon. PATRICIA FORSYTHE: In your submission you say that the destination of the majority of import containers is within 40 kilometres of Sydney ports. Looking at it on a cost-factor basis, does it matter whether the destination is 40 kilometres, 60 kilometres or 100 kilometres because most costs are in the handling of the ship and onto rail or road? Where is the cost factor in the movement of containers?

Mr RUSSELL: A major cost is land transport, particularly trucks but also rail. That comment is made really in relation to Port Kembla and Newcastle. It is terribly important to look after the importer requirements in the south-western part of Sydney. If you are shifting a long way out you still have to meet the requirements of about 90 per cent of import containers.

The Hon. PATRICIA FORSYTHE: In a cost sense does it make much difference whether you move those containers 40 kilometres or 100 kilometres? Is most of the cost borne at the point of loading or unloading and not in transporting?

Mr RUSSELL: At a rough guess I would say it is 50-50, particularly if you are starting to get over the 100-kilometre barrier.

The Hon. PATRICIA FORSYTHE: You also note that the current road-rail infrastructure between Newcastle and Sydney is inadequate. What do you believe would be necessary to ensure the expansion of the Newcastle port?

Mr RUSSELL: I was fortunate to be at a presentation to the Sydney Ports User Consultative Group on Monday from the Australian Rail Track Corporation. The representative estimated that \$700 million plus was required to upgrade that rail link, particularly between Sydney and Gosford—which seems to be the major problem. So it is a massive infrastructure development. I suppose that we would need to get advice from the rail experts but that is what they are claiming. We would see the future development of Newcastle relying on rail more than road. We do not see the F3 taking anywhere near the truck and container volume movements that would be required to service Sydney from Newcastle. But rail has that capacity and could have that capacity in the future. That is why we feel that the rail solution is preferable.

The Hon. MELINDA PAVEY: We were in Newcastle yesterday and the day before. We looked out the windows of our hotel rooms and saw 35 ships waiting to load their coal. It has been suggested that a \$300 million third coal terminal be built to ease the congestion in the port. Would that be more productive than the multi-purpose terminal that is proposed for the Port of Newcastle to ensure increased container unloading?

Mr RUSSELL: I think the development of another coal terminal in Newcastle depends on how it could be serviced by rail, for a start, and particularly the blending of coal. As far as the multipurpose terminal is concerned, we feel that it is a way off. As I said, it is hard to put an exact date on it, but we think a 25- or 30-year time frame would be a minimum before it would be required as far as containers in Newcastle are concerned—if Newcastle is the favoured area for future development. I think one would have to look at the viability of the coal terminal on its own. We would suggest that that is in itself a very important issue, taking into account those factors about servicing by rail.

The Hon. MELINDA PAVEY: How significant would be an overpass or underpass for coal trains on the dedicated coal track entering Kooragang terminal, thus preventing them having to cross passenger rail tracks?

Mr HORTON: As a general comment, if I could, it would speed up the transfer from the mines to the berths now. You are looking at an export market that is very, very hot at the moment. You mentioned 35 ships; there might be some out of sight, but there are 40 or 42 right at the moment.

The Hon. MELINDA PAVEY: Seven are out of sight?

Mr HORTON: They might be hiding behind some of the big ones. The speed at which the coal can get from the mine to the terminals is vitally important and the terminals, with the extended capacity, could certainly meet those vessels and there would be minimal delays. At the moment we are talking 15 to 18 days in delays. The underpass would go a long way towards that. There would also be some requirements, in my opinion, to improvements in getting it out of the ground.

Mr IAN COHEN: Mr Horton, if I could just continue on that one, you are saying quite clearly there, because there was some, dare I say—

The Hon. MELINDA PAVEY: Obfuscation.

Mr IAN COHEN: Yes, that is probably a reasonable way to describe it—in Newcastle, in terms of was the rail system the bottleneck? Is that the problem?

Mr HORTON: Well, Newcastle will be the experts on that I daresay. However, the problem that exists is both at source—at the mine—and getting the product to the port.

Mr IAN COHEN: There is no problem about the port facilitating the ship loading and there is no issue about shipping companies—be it yours or others—actually sort of holding the boats up deliberately and just making them queue up for the wonderful resource which is obvious in terms of the quality of the coal, but actually playing an international game in terms of the coal pricing and availability of it to the ships. Is there anything like that occurring?

Why I am asking this is because I am very interested—and I know other members of the committee are very interested—to see what the hold-ups are, why we have got so many ships offshore at any given time, as you have described, and does port improvement in Newcastle resolve that problem automatically?

Mr HORTON: Commercially I cannot answer your question as far as games being played internationally. However, on the operation of a vessel through a port they are required to give periods of notice that they intend to come to that port. There is a cargo fixed for the vessel and the vessel turns up and loads, nine times out of 10, in turn. So there is an intent and the intent is followed through. Newcastle is a very efficient port when it is able to work and the problems that are existing in the preceding period of time have been largely, as I said, getting the product out of the mine and getting it to the port.

The Hon. MELINDA PAVEY: Just following up again on Newcastle, could the current or proposed rail infrastructure handle the projected volume of up to one million 20-foot equivalent units in Newcastle?

Mr HORTON: The projection that you are referring to is how far into the future?

The Hon. MELINDA PAVEY: 10, 20 years. That is what the Newcastle ports are hoping that they will be able to take.

Mr HORTON: That would be taking half the projected growth from the Sydney market. The infrastructure between Sydney and Newcastle that Mr Russell referred to would need to be in place for that to be achieved.

The Hon. TONY CATANZARITI: Is rail access in and out of Port Botany currently operating at capacity?

Mr RUSSELL: Yes. It is in fact operating overcapacity. There is congestion and every effort is being made to look at the rail windows in each of the terminals, because they are separate systems,

and in trying to find ways and means of enhancing and improving the efficiency of rail, because at the moment we are experiencing—and so is the trucking industry as a result—congestion in both those terminals at Port Botany with the handling of rail. But there are a number of committees that have been established to look at ways and means of improving it, and that does also involve Pacific National and other above rail operators.

Mr IAN COHEN: Just to follow on from that question: similarly, in your opinion, is the rail infrastructure in Sydney Harbour capable of handling existing cargo movements and predicted increases in the future? Could you give the Committee an assessment of that?

Mr RUSSELL: Well, the only rail access we have is into White Bay and of course that is not being used at all at the moment. So in Sydney Harbour there is no rail. There are the cars coming of Glebe Island by truck, of course, and that is one of the points we are saying about White Bay, that if the Government could elaborate what they mean by "maritime uses" we feel it could be a break bulk cargo, for example, general cargo other than containers that could use that rail. It is a shame to have quite a good rail system there that is not being utilised.

Mr IAN COHEN: So what sort of capacity does that rail system have if you are able to set up at White Bay and offload there?

Mr RUSSELL: That is very difficult to say. All I can say is when containers were handled there and it got down to 50,000 a year, which is why it became really uneconomical the rail system had no problem at all handling that volume of containers. I really cannot answer your question as to other types of cargo but one would have assumed that the types of break bulk cargo that are being discharged at Darling Harbour as we speak, I would not have thought that sort of demand would stretch the rail at all at White Bay.

Mr IAN COHEN: That is a dedicated goods or commercial track?

Mr RUSSELL: Yes, it is.

The Hon. MELINDA PAVEY: In your submission and in your testimony you have referred to the Australian Rail Track Corporation [ARTC] agreement with the \$870 million commitment by the Federal Government to improving the rail system throughout New South Wales but you mentioned that this commitment from the Federal Government may not be enough and that it could include private sector investment. Are you able to elaborate on that and some of the opportunities that may be available within the port areas for private sector investment?

Mr RUSSELL: Certainly the \$870 million is insufficient. I can say that quite clearly from the advice we had earlier this week. There are eight agreements and not one, as yet, has been concluded, but everyone is hopeful that this system will start from July some time. ARTC is saying 1 July but if we can get on the road—or on the rail—in July that would be good. It is clear that more funds are required if we are going to have an efficient rail system on the east coast. The top priority of the Australian Logistics Council is the development of that rail link—that is on the coast side—but the development of, if you like, the Melbourne, Sydney, Brisbane rail link, including access to port areas. They are presently trying to break it down into priority areas they will be pushing for. As I said, I think this is going to be important in the Auslink concept.

In terms of the private sector, I think one has to first identify what is required and the priority. In other words, the Auslink concept is that you compare, for example, upgrading the Sydney-Gosford rail link freight only or increasing its capacity compared to improving the rail link from Port Kembla or somewhere else, compared to road. That does not factor very well in Auslink but we believe that coastal shipping should be an area that is not left out of the debate, which it seems to have been to date. Having done that, I think how you finance it through joint, if you like, public-private or private or public is then a matter for debate. That is a matter about which I would certainly like to hear the views of the rail industry, the Government and private interests and how they would progress that.

The Hon. TONY BURKE: What is required to get those shipping lines to be willing to relocate some or all of their operations to Port Kembla and Newcastle?

Mr RUSSELL: That is a broad question. First of all I would just break it down to containers and then perhaps other types of cargo. On the containers side, as I said, our view is, having looked at this over a considerable period of time, that it is very important for two reasons: one is we think the capacity at Port Botany should be exhausted and that, in itself, may not just be infrastructure development but in fact look at a freight strategy through the metropolitan area, including intermodal terminals, and we believe Enfield should be revisited in that respect—bearing in mind the problems that were raised with Enfield, but maybe with a different type of project some of those problems may not be as severe as the previous investigation found.

We see that trying to exhaust that, it is going to be some time—if that happens—before there is a move out of the Sydney area, but when it does it requires a number of issues to be addressed, but they come from the customer point of view, the importer and the exporter. As shipowners we go where they require us to go and we require an environmentally safe and secure port area. But it is really their requirements being met from a logistics point of view rather than a location point of view. It is very important that we do not look at these as locational issues to be addressed but rather what is the best logistics system that those major importers and exporters require, and then the shipowners will meet that requirement.

The important point too is that in the container side most shipowners have arrangements, very detailed like share arrangements, with other shipowners, so it is almost impossible for an individual shipowner to move his requirements; he has to move as a consortium of shipowners. But that does not mean that will not happen, and when you get serious congestion arising—which will happen eventually in the Sydney metropolitan area—it will obviously be driven by the customers, the importers and the exporters, to find alternatives. We hope to work together with them in finding the best viable alternative.

The bulk, general bulk and cars are other issues that need to be looked at in themselves. We understand at Glebe Island the lease is to 2012 with the possibility of a five-year extension. So we may be talking 2017 before those cars move out of Glebe Island. The car importers, in my understanding, are very keen to remain at Glebe Island as long as they can. They have some concerns with Port Kembla, but if those concerns can be met it does not mean that eventually they may not move down there. Again, with the break bulk, whether it be gypsum, salt or any type of timber, paper or steel, they are areas that I think both Newcastle and Port Kembla have a good claim to and they may be able to make inroads in the shorter term in those areas. So I think one has to split the type of cargo up and look at the best solutions.

CHAIR: In relation to Glebe Island, which you have just referred to, you have noted that care has to be taken in operating roll-on roll-off vessels that are pure car facilities due to the risk of accidents with the movement of heavy machinery and equipment. Could you elaborate little bit further on that?

Mr RUSSELL: When P & O Ports withdrew from White Bay a little earlier than their lease—however, it would have only been a reasonable period of time before they would have withdrawn—the Wallenius Wilhelmsen lines, for example, were going to White Bay and they were scheduled to go to Glebe Island. Glebe Island is just simply too congested to take them and they have now been redirected to Darling Harbour which, in turn, has added to some of the congestion we mentioned at Darling Harbour. My understanding is that Wallenius Wilhelmsen lines, who are a member of Shipping Australia, have a preference to go to White Bay where you could have this equipment in force. I do make the point that the longer White Bay is left in abeyance with nothing happening the harder it is going to be to have that area used for any maritime use in the future. That is why we are urging a decision being made earlier rather than later in relation to maritime uses at White Bay. Obviously Glebe Island is really totally congested with cars, completely built-up cars at the moment, which makes it very difficult to operate heavy machinery on Glebe Island.

The Hon. TONY BURKE: When I first heard the argument about the desire of some of the shipping lines that move cars to remain at Glebe Island and White Bay, it was based on the number of cars that are sold straight down Parramatta Road or in the vicinity, but then I understood that for some time most of the fitting of the cars was happening out at Minto, which would seem to make Kembla a very logical place. What is behind the desire to stay right there in the middle of the harbour?

Mr RUSSELL: Again, I would prefer that to be directed to the car importers, who really determine this. But from what they have told us it was the Ingleburn area. There are two major car sites for predelivery inspection and fitting out for delivery to agents. AAT is now performing a lot of that at Glebe Island with the establishment of a joint venture between Patrick and P&O Ports in the AAT facility. I understand that many vehicles can be delivered directly from the AAT facility to the retailer in various parts of Sydney, so they are not going to that area of Minto-Ingleburn. In addition, the car importers have stated that they are very concerned about coal dust, effectively, and other dust, with the coal heaps and so on in Port Kembla. The cars are being dirtied before they can be cleaned, and possibly damaged. But, as I said, there could be means of resolving that issue. I do not think that the car importers have a closed mind. I think they need to be convinced that Port Kembla is the place for them but they have not said no—certainly not forever—on my understanding. But they would like a lot of their concerns to be addressed.

CHAIR: You have referred in your submission to Port Kembla possibly needing new infrastructure, particularly with respect to containers. When we went to Kembla we were told that the increased capacity would still be less than previously because of the reduction in trade from the steelworks. It was put to us that as a result there may not be much of a need for improved infrastructure because the port was already handling a higher capacity previously. I am interested in why you have stated in your submission that extra infrastructure may be required.

Mr RUSSELL: For containers?

CHAIR: Yes.

Mr RUSSELL: Portainer cranes.

CHAIR: Oh, I was thinking transit.

Mr RUSSELL: It is in combination. Our understanding is that the gradient up from Port Kembla has a weight limitation. So the number of containers you can put on to a train to the southwestern Sydney area—Minto or those sorts of areas and Ingleburn if they do establish an intermodal terminal there—could be constrained. Again, it is a matter we would like to talk to the rail people about. But it is our understanding that there are some constraints which are also infrastructure constraints.

The Hon. PATRICIA FORSYTHE: In relation to White Bay you state that SAL is of the firm view that White Bay should be retained for marine use such as layup berths, contingencies, et cetera and sudden surge of cargo imports that may require additional storage. Is that your preferred position, that it would be available only at peak demand times, or is your position actually that it is desirable that White Bay should be continued as an integral part of the port?

Mr RUSSELL: As an integral part of the port but removing some of the areas that residents have objected to such as the portainer cranes and night movement causing noise and lighting problems. But we are taking it from the Government position, the Premier saying that White Bay will continue with maritime use. So we are starting from that proposition. For example, Wallenius Wilhelmsen Lines could possibly use it quite regularly. But if that is not possible we would like it as a storage area, for example, for cars from Glebe Island as time goes on and for the uses we mention. There are very few layup berths in Sydney Harbour. That is really it. Bear in mind that the future of Darling Harbour may be limited other than for cruise vessels, ferries and so on. If that is removed as far as Sydney Harbour is concerned it will put even more pressure on the future of White Bay.

The Hon. MELINDA PAVEY: Mr Russell, earlier in your testimony you mentioned that you felt that not enough importance was being put on trade between ports around Australia. Could you further explain that comment? Could you also comment on a suggestion put to us in Newcastle that barges could be used to deliver petrol and oil up and down the North Coast of New South Wales instead of it being transported by truck?

Mr RUSSELL: One of the problems in the Australian environment is the long distance between ports and relatively small volume. We like to think that we are very large traders in the

world, and we are in the bulk sense but not in the container sense. Therefore we have high concentrations in capital city ports. Most of the imports are delivered within 40 kilometres of the port. Having a large concentration and large distances between ports impacts on competition between ports. In Tasmania and New Zealand there is much more serious competition between ports. So the logistics systems, and rail in particular, need to be first class to provide more competition. That is why we are very keen on developing rail in Australia. We are also keen on developing future shipping opportunities. So we feel that all alternatives should be investigated. Whether it is barges towed by tugs or specific vessels serving niche markets within the coastal shipping area, we believe they should all be examined but from a commercially viable point of view. The history of coastal shipping around Australia shows that road and rail have been able to outcompete it and it has been forced out of business. We have to see whether it is a viable proposition. If it is barging petroleum and petroleum products between ports a relatively short distance that is fine. A barge system goes across from Australia to New Zealand. It is operated by Adsteam. I have forgotten what they carry. Adsteam Marine might be able to provide the Committee with its expertise in that respect.

The Hon. TONY CATANZARITI: Do you see any significant problem in the change from 20-foot to 40-foot containers being transported to Port Botany?

Mr RUSSELL: There certainly is a trend toward the use of 40-foot containers. Perhaps I should briefly explain the reason for imbalances, which is always a problem for container shipping. Exporters prefer 20-foot containers because Australian exports are generally heavy and you cannot load the 40-foot to the weight you can of a 20-foot, and the cost of land transport is higher for a 40-foot than a 20-foot—both in Australia and overseas. But increasingly the importers have the opposite view. They prefer 40-foot containers to put volume in a container rather than weight. That is a very basic reason for imbalances in containers worldwide. We also have a bigger refrigerated component outward and they all come back empty. They tend to be 20-foot but increasingly we are getting 40-foot high cube refrigerated containers, which are very good for carcass meat but not so good for hard-frozen carton meat. Increasingly, where there is a light cargo export the shipowners encourage the use of 40-foot containers so that they are reducing their imbalance costs.

There has been a trend towards greater use of 40-foots and the Bureau of Transport and Regional Economics is predicting quite a considerable trend in the next 20 years to 40-foot containers. That may reduce in container terms. This is another issue that is very important. Ports talk about TEUs, 20-foot equivalent units, 40-foot therefore being two TEUs, and empty containers. They often do not differentiate between full and empty. If you are looking at future tasks of ports and future congestion obviously you need to drill down to what is full and the actual number of containers rather than TEUs. We have done that. We still feel that the growth projections are going to be met because many of them are conservative. We feel that the talk about future congestion is right but it is just a matter of timing—sooner rather than later. We do not necessarily see that handling of 40-foot containers is a problem except for road weight limits.

We note that New South Wales is the only State that does not accept 45 gross tonnes weight limit on trucks; it is still 42½ with the exception of the Newell Highway, an interstate road. There has been debate about access onto that road from exporters. With the increasing incidence of 40-foot containers it becomes more important that exporters can get the maximum weight on the road transport side. But increasingly we favour rail transport. Rail can carry more weight relative to road and larger payloads but eventually rail can also have a problem with weight. We are keen to see double stacking of containers on rail. This can be done from Melbourne to Fremantle now but not on most of the East Coast railway. Hopefully one day in the future—this gets back to the competition suggestion—there will be double stacking of rail and much more efficient rail delivery.

CHAIR: You would be looking at extraordinary infrastructure changes in tunnels and—

Mr RUSSELL: Yes.

The Hon. MELINDA PAVEY: Where could you double stack them from Port Botany now?

Mr HORTON: Nowhere.

Mr RUSSELL: Or to Enfield.

Mr HORTON: I do not know that you could. Possibly.

The Hon. MELINDA PAVEY: You cannot from Port Kembla. What about Newcastle?

The Hon. PATRICIA FORSYTHE: No. You cannot at Hawkesbury.

Mr HORTON: In support of Llew's comment on port statistics, we have very good statistics available in the port. They highlight most of the comments Llew has made in that we do export more empty containers than full containers, and predominantly 40-foot containers.

The Hon. PATRICIA FORSYTHE: We have focused a lot on the internal New South Wales situation—ports against each other—but when we are thinking overall how do we compare with, say, Brisbane and Melbourne ports in terms of meeting some of the need to New South Wales? Do they represent fair competition to us?

Mr RUSSELL: They are certainly trying to compete in the southern areas of New South Wales. For the Riverina Melbourne is a great competitor for Sydney. I am talking containers again. In northern New South Wales with the cotton Brisbane is a major competitor for Sydney. But, as I said, there is very little competition overall. We hope that eventually—even without double stacking—rail could become more efficient and provide more competition. I make the point that the New South Wales Government has announced a vision for the three ports, and that is something that we are lacking in Melbourne. Melbourne seems to be seeking to develop the East and West Swanson Dock without a vision of where it is going to go in the future. We would urge the Victorian Government to develop the vision so that there is some direction for the future rather than trying to make very expensive and important decisions in a vacuum to some extent. So maybe New South Wales is ahead in that area for once.

(The witnesses withdrew)

DONALD WILLIAM SMITHWICK, Director, Automotive and General, Patrick Corporation, sworn and examined:

CHAIR: In what capacity are you appearing before the Committee—as a private individual, or as a representative of an organisation or a business?

Mr SMITHWICK: I am appearing as a representative of a business.

CHAIR: If at any stage you should consider during your evidence that certain evidence or documents that you may wish to present should be heard or seen in private by the Committee, the Committee will consider your request. However, the Committee or the Legislative Council may subsequently publish the evidence if they decide that it is in the public interest to do so. I invite you to make an opening statement.

Mr SMITHWICK: Patrick supports the New South Wales Government's ports growth plan. However, when considering all the issues, the inquiry and the Government must address some of the following points. First, the decision and recommendations should be handed down and endorsed in a most timely manner. Having sat through the previous presentation by Shipping Australia Ltd I think that was highlighted in a fair amount of detail. There is a need for surety for the future of the ports of New South Wales hence there is a need to get out the recommendation quickly. The second matter that I would like to highlight is that the Committee and the Government must urgently address the issue of inland ports as the capacity of both Glebe Island and Port Botany facilities will largely depend on the increased use of rail transport.

Currently, inland facilities are not capable of handling that volume. In the case of Patrick, for the past three years we have had before the Government a development application for a development at Ingleburn. It now sits with the relevant State Minister following a commission of inquiry late last year. The sooner that application is made available, the quicker we can get on and develop Ingleburn. Thirdly, if the recommendation of this Committee is to endorse the Government's plan, the Glebe Island lease must be extended to 2023 to give the automotive industry surety of tenure and also the operators—AAT—sufficient time to recover the necessary investment to accommodate the increased volume of automotive business going through the port. Fourth, the Port Botany extension must also be approved in a timely fashion to ensure the port of Sydney and New South Wales in general benefit from the increased trading opportunities through the east coast of Australia.

CHAIR: Patrick supports the transfer of containerised freight to Port Botany. I refer, amongst other things, to the high value of harbourside land, which translates to high lease costs. But those same concerns are not raised with respect to the roll-on, roll-off terminal at Glebe. Why does the high lease cost argument not apply there as well?

Mr SMITHWICK: The answer really has to do with the volume of cargo going through the respective sites. Today Darling Harbour generally handles break bulk cargo. That is a declining volume hence the cost per unit is much higher to put it through the Darling Harbour facility. The automotive side of the business continues to increase at 2 per cent or 3 per cent per annum. In the last couple of years we have seen a 10 per cent or 20 per cent increase in the registration of new cars in Australia. The automotive side of the industry is increasing, so the cost per unit decreases as your volume increases.

CHAIR: Has Glebe reached capacity? Has that volume increased?

Mr SMITHWICK: As I indicated in my opening statement, Glebe, through a change of operations, has a capacity issue. In the previous submission mention was made of on-wharf processing. Historically, all automotive imports—vehicles—were transferred from Glebe Island through to Ingleburn or Minto, where they were processed, which was an inefficient operation. So in conjunction with the automotive industry we have moved some of that simple processing function back to on-wharf at Glebe, which requires additional space at Glebe.

The advantage to the industry is that it eliminates the unnecessary leg of transporting the cars from Glebe Island to Ingleburn and, in the worst-case scenario, back to the inner city. So we cut out

those two transport legs That was a long-winded answer. In summary, the increased and different operations at Glebe Island are testing the capacity of Glebe at the moment. But we do have plans to extend that capacity.

CHAIR: For how long have the cars been transferred to Minto or Ingleburn?

Mr SMITHWICK: For about 15 years, or something along those lines.

CHAIR: I know that Patrick is a co-owner of Pacific National, but from Patrick's perspective how successful has the operation at Chullora been in improving rail capacity?

Mr SMITHWICK: I am not in a position to comment on that. I do not have any involvement in Pacific National.

CHAIR: I am asking from Patrick's perspective. Has Pacific National resulted in an increase in the use of rail as opposed to the use of trucks? Essentially, I am interested in the impact of having an inland port.

Mr SMITHWICK: I should explain my position within Patrick. I am responsible for general stevedoring in Australia—which is timber, steel, and automotive. I am also responsible for automotive distribution. So my area of expertise really is not in containers and the movement of containers as such.

The Hon. PATRICIA FORSYTHE: Patrick's submission refers to the older wharves in Sydney Harbour and it states that there is a lesser requirement because of containerisation. The submission from the Sydney Ports Corporation refers to the fact that it has spent in excess of \$30 million over the past six years in the White Bay and Glebe Island area. It seems to me that it was anticipating being able to modernise and, in turn, to provide an efficient port for somewhat longer than the Government has been anticipating.

Mr SMITHWICK: I cannot comment on the Sydney Port strategy for development of the port. Clearly, I am unaware of any vast sums of money that have been spent on White Bay in the past few years. In the last 12 months funds have been spent on Glebe Island to redevelop road access. That was to accommodate a new bulk handling facility at Glebe Island.

The Hon. PATRICIA FORSYTHE: Could you comment on one point that was made in the submission of Shipping Australia Ltd? It expressed concern about the fact that care must be taken in operating roll-on, roll-off vehicles at a pure car facility due to the risk of accidents in the movement of heavy machinery and equipment to Glebe Island. Do you have similar concerns?

Mr SMITHWICK: I have concerns about all operations in Australia. Today that is a natural part of our business. In automotive particularly we are judged as a stevedore, not so much on the speed of turnaround of the vessel, but on the amount of damage, if any, we inflict on automotive products. That is our key performance indicator, rather than speed. That is my only comment.

Mr IAN COHEN: You referred earlier to the fact that you supported the Port Botany expansion. As a good corporate citizen have you looked at the implications of it and the issues relating to Port Botany? We heard evidence earlier today about toxic plume and the perceived potential problems relating to dredging. That would have to occur if there were to be a major expansion of that port. Has your corporation looked at that? Have you taken an interest in the implications of that expansion?

Mr SMITHWICK: The corporation looked at that issue but as I explained previously my area of expertise is in general stevedoring and automotive distribution. In our statement or submission and in our opening summary we supported the extension of Port Botany within the confines of whatever environmental approvals we have to go through. I am not aware of the final detail of it.

The Hon. MELINDA PAVEY: As head of timber, steel and automotive at Patrick, what products do you unload and offload in Port Jackson?

Mr SMITHWICK: We unload some containers in Port Jackson at the moment. The volume through Darling Harbour is about 20,000 containers. We unload steel, timber, break bulk, dry bulk and automotive products.

The Hon. MELINDA PAVEY: What are the rail connections like?

Mr SMITHWICK: There are no rail connections through Darling Harbour. There is a rail connection through to Glebe Island but, as I mentioned earlier, because we have been trying to get development of our Ingleburn site to accept cars by rail for the past three years, we are unable to move any cars inland by rail off Glebe Island, although there is a rail siding there.

The Hon. MELINDA PAVEY: Would you clarify that? You still have a development application on the desk of the planning Minister?

Mr SMITHWICK: A development application went to a commission of inquiry last year. We understand that the commission of inquiry has handed down its decision, but the application still sits with the Minister.

The Hon. MELINDA PAVEY: What would that enable you to do?

Mr SMITHWICK: That would enable us to develop Ingleburn where we currently store cars. We would redevelop Ingleburn to enable us to accept rail off Glebe Island carrying cars, and additional rail out of port Botany carrying containers.

The Hon. MELINDA PAVEY: What truck movements would that take off the streets?

Mr SMITHWICK: I can refer only to the automotive side; I have not got the other figure in my head. It would take up to 150 truck movements a day off the road going from Glebe Island to Ingleburn and back.

The Hon. MELINDA PAVEY: How much is that development at Ingleburn expected to cost?

Mr SMITHWICK: It is expected to cost \$22 million.

The Hon. MELINDA PAVEY: That is an investment that Patrick is prepared to make?

Mr SMITHWICK: Yes.

The Hon. MELINDA PAVEY: But you still have not received a decision?

Mr SMITHWICK: No.

The Hon. TONY CATANZARITI: What is the main focus of your corporation? Is it on road or rail? I refer, in particular, to transporting containers inland to the city.

Mr SMITHWICK: The focus really is on the most effective use of either of the transport modes. But clearly, with our investment in Pacific National, we are looking to maximise the utilisation of rail wherever we can. From my particular area of automotive, in the past 12 months we have transferred the movement of all locally manufactured Toyota and Mitsubishi products that were previously handled by road train from Adelaide and Melbourne to Perth. That now goes via rail on specialised autotainers. So, in answer to your question, we are moving to rail.

The Hon. TONY CATANZARITI: In New South Wales?

Mr SMITHWICK: In New South Wales in particular you have heard my comments about Ingleburn. We would like to move more products out of Port Botany but we really need a decision on this development application.

The Hon. MELINDA PAVEY: How do your timber exports get to Port Jackson?

Mr SMITHWICK: Timber imports? We do not export timber, we import most of it. Timber imports are handled by road. It is a particular issue for us as a stevedore because of the length of stay the timber has on our wharves. So it is always an issue for us but it is all handled by road.

The Hon. MELINDA PAVEY: Could it go by rail?

Mr SMITHWICK: It becomes a question of cost, securing the timber. Most of the timber coming into Australia today is in what they call jumbo packs, and that is strapped on a platform of timber. Unlike containers, it does not have a securing mechanism on the rail carriages so there would be a fair amount of cost in putting it into rail and I suspect there would be a bit of a safety issue as well.

The Hon. MELINDA PAVEY: Patrick's submission makes a plea for a 2023 security of tenure at Glebe Island. What happens if that is not the decision taken by the Government?

Mr SMITHWICK: We heard earlier, again by Shipping Australia, that there is some uncertainty associated with White Bay. The Premier's statement is being interpreted differently by different parties within the industry. One is saying, yes, it can be used for maritime use, and another interpretation—which we clearly are acting upon—is that it will be not used for commercial stevedoring. Putting that issue aside for a moment, if White Bay is out of play, if we are unable to secure a tenure of lease to 2023 obviously the life expectancy of Glebe Island will reduce because we will reduce our investment in that area. However, I think if we do secure 2023 we would be able to handle obviously all of the roll-on, roll-off cargo through the port up to that time.

The Hon. MELINDA PAVEY: I had some further questions, and I think the Committee had some further questions, on the rail issues in relation to Port Botany. That is not your area of expertise?

Mr SMITHWICK: No, it would just be guesswork, I am afraid. Certainly if there are questions you want to ask, you can use me, through me, and I will come back in a written format if you like.

(The witness withdrew)

(The Committee adjourned at 11.47 a.m.)