

# CURRENT

An Update from Sydney Ports Corporation

December 2007

## Message from the Acting Chief Executive

### New Chief Executive Officer for Sydney Ports

The Minister for Ports, Joe Tripodi, today announced the appointment of Grant Gilfillan as the Chief Executive Officer of Sydney Ports Corporation. Mr Gilfillan joins Sydney Ports on 7 January 2008 and comes to the position with extensive experience in the stevedoring business. He recently returned to Australia after working as Senior Vice President and Managing Director Middle East and Africa for DP World. We welcome Mr Gilfillan and look forward to working with him.

In other news, Sydney's ports have been buzzing with activity over the last few months with significant progress on major projects. For our part of this activity, we are pleased with the selection of the joint venture of Boulderstone Hornibrook and Jan de Nul as the preferred Design and Construct tenderer for the Port Botany Expansion.

Sydney Ports also welcomes the approval of the NSW Government, in September, for the development of the Intermodal Logistics Centre (ILC) at Enfield. This integrated centre will provide benefits to port users as a vital link in the efficient delivery of goods, utilising rail infrastructure to move containers. We look forward to working with stakeholders as the development of this facility progresses.

Council has also conditionally approved the development of a new Port Operations Centre at Port Botany. The new centre will consolidate operations and provide a more integrated service to port users with the integration of pilots, port operations, navigation, shipping and Harbour Control. It will also allow us to work towards a single pilot boarding ground.

October saw a record set for container throughput at Port Botany with over 158,000 TEUs traded. This has brought its own challenges to the landside logistics of moving these containers out of the port and managing empty containers. Sydney Ports has worked hard with many port users to facilitate solutions to truck queuing that accompanied this record throughput.

The arrival of the *Rhapsody of the Seas* on 15 October marked the beginning of a busy cruise season for Sydney with 102 visits by both international and domestic vessels scheduled.

We at Sydney Ports really appreciate your help and support over the last year – a year which has brought both challenges and opportunities for us all. We wish you and your family a wonderful Christmas and a safe and happy holiday season.

Barbara Filipowski  
Acting Chief Executive Officer

## Managing and Developing Port Facilities

### Port Botany Expansion project

The delivery of the expansion of Port Botany to provide five container berths is progressing with the joint venture of Baulderstone Hornibrook and Jan de Nul selected as the preferred tenderer for the Design and Construct contract.

A panel with representatives from procurement advisors; probity and legal advisors; and representatives from NSW Treasury and NSW Premier's Department assisted Sydney Ports with the tender assessment.

The preferred tenderer was announced in late November by Premier Morris Iemma and Minister for Ports the Hon Joe Tripodi.

The \$1 billion development of Port Botany is the biggest expansion of the port since it was first constructed and will cater for trade growth forecast to double over the next 20 years.

### New operations centre at Port Botany

Sydney Ports has received conditional local council approval for the development of a new Port Operations Centre at Brotherson Dock, Port Botany.

The new four storey centre will cater for future operational requirements with the majority of shipping operations to be at Port Botany. The existing building will also be refurbished and integrated into the new building. The development will showcase an environmentally sustainable design based on Sydney Ports' *Green Port Guidelines*. It is planned to comply with four and a half star Australian Building Greenhouse Rating (ABGR).

The centre creates the opportunity for Sydney Ports to improve the integration of key operational areas by reducing its presence from eight work locations to four.

The building will also provide for a high-quality multi-function space overlooking the port for use by stakeholders and visitors to Port Botany.

The new centre will house staff currently located in Sydney Harbour and provide offices and amenities, port navigation, communication and training services. Some marine services operational staff will continue to be located at Moores Wharf to deliver our safety functions to the trading vessels visiting Sydney Harbour.

The energy efficient centre will have improved indoor working areas, better air conditioning systems and a 10,000 litre storm water collection tank.

## **Pilot Cutter jetty at Brotherson Dock**

Sydney Ports has recently awarded a \$1.8 million contract for the construction of a new Pilot Cutter jetty at Brotherson Dock, Port Botany.

The new jetty will provide an additional two berths for pilot boats to ensure pilot transport is available at all times. The design consists of a 35 metre long, 3 metre wide jetty designed for two pilot boats and two smaller vessels.

The construction of the jetty is expected to be completed by mid-2008.

## **Catering for growth in the bulk liquids trade**

Sydney Ports has submitted an Environmental Assessment (EA) for a second Bulk Liquids Berth (BLB2) at Port Botany to cater for the growth in the bulk liquids trade.

The EA was completed by Vopak Terminals on behalf of Sydney Ports and includes extensive environmental studies and consultation with key stakeholders within industry, government and the community.

Industry stakeholders have recognised the need for this significant infrastructure investment and have supported the construction of additional facilities to satisfy demand as the bulk liquids trade continues to grow, following an increase of 17.9 per cent in 2006/07. Port tenants such as Vopak have commenced construction of additional storage tanks to cater for this growth.

The \$69 million berth will handle increasing demand for petroleum, chemicals and gases. The berth has been designed to accommodate the largest vessels forecast to visit Sydney for the next 30 years with a capacity of 90,000 dead weight tonnes and a maximum length of 270 metres. Like the existing berth, the BLB2 is proposed to be an open access multi-user facility.

Once planning approval is received Sydney Ports will schedule construction in line with forecast trade growth.

The EA will be on public exhibition until Friday 21 December, 2007 at various locations. For more information please visit the Development Projects section of the Sydney Ports website at [www.sydneyports.com.au](http://www.sydneyports.com.au)

### **Enfield Intermodal a boost to infrastructure**

Sydney Ports received approval in September 2007, from the NSW Government to develop an Intermodal Logistics Centre (ILC) at its 60 hectare site at Enfield.

With the rapid increase in trade through Port Botany, the \$150 million ILC will play an important role in the logistics chain, moving containers closer to their final destination by rail - an operationally efficient and environmentally sustainable way.

The centre will include an intermodal terminal; railway lines, sidings and associated works; warehousing; container storage areas; a light industrial-commercial area; and a community and ecological area. These facilities will provide the capability to handle up to 300,000 TEUs annually.

Sydney Ports has focused on minimising the impacts of trucks, trains, noise and the visual effects from the Enfield development. The design of the facility is sensitive to the needs of the residential neighbours with main operational areas buffered by buildings and landscaping.

The project is expected to be delivered in partnership with the private sector, as an open access terminal and operational by 2010.

### **Closure of Darling Harbour ends an era in shipping history**

The departure of the *Southern Moana* from Sydney's Darling Harbour on Friday 28 September marked the end of an era in shipping history.

With the end of Patrick's lease at East Darling Harbour wharves 3-7, no further cargo ships will visit Darling Harbour, ending a 187 year-old history of wharves servicing general cargo vessels in the Harbour. Cruise vessels will continue to visit Wharf 8.

The lease to Patrick on the site started in 1996, and since then they have stevedored over 3,100 trading vessels at the site and traded over 450,000 TEUs. Other items traded through the site include cars, agricultural machinery, break-

bulk cargoes, dry bulk cargoes, construction equipment and yachts and also a former Soviet space shuttle.

This also marked the final visit of Wallenius Wilhelmsen vessels to Sydney Harbour, with the historically significant *Tampa* the last of the spectacular orange vessels to leave the port.

The site will shortly be handed over to Sydney Harbour Foreshore Authority for demolition and redevelopment of *Barangaroo*.

## Facilitating Trade

### **Independent Pricing and Regulatory Tribunal draft report released**

The interface between road and rail operators and the stevedores at Port Botany has been reviewed by the Independent Pricing and Regulatory Tribunal (IPART) to ensure landside operations are efficient and achieving a smooth flow of containers into and out of the port.

26 written submissions were received from industry stakeholders including Shipping Australia Limited, Asciano, Customs Brokers, DP World and NSW RTA.

On 30 October, IPART's draft report, titled *Reforming Port Botany's links with inland transport*, was released. The key recommendation from this report is a new auction system for allocating time slots for trucks to move containers. IPART proposes a two-tiered Vehicle Booking System (VBS) for road access to the stevedores' facilities where 'guaranteed' slots would be allocated using a price mechanism, with 'un-guaranteed' slots allocated on the same basis as they currently are.

Under the proposed system, the guaranteed slots would carry a guarantee relating to the time of entry and the time of exit from the terminal. The prices for these guaranteed slots would be determined by separate descending bid auctions for each stevedore.

The unguaranteed slots would have the same features as current VBS slots, including the booking system, prices and penalties. Each stevedore would determine the number of firm and interruptible slots to be provided for each 24 hour day.

Significantly, the proposal would impose penalties on the stevedores for failing to meet their obligations on the guaranteed slots. The stevedores retain enough of the proceeds of the auction to recover costs and earn "sufficient" profit and the

rest is earmarked for infrastructure investment. Higher costs will be passed onto importers and exporters and ultimately final consumers.

The New South Wales Sea Freight Council held information workshops and interactive forums in Sydney in early December for truck operators, stevedores, importers/exporters, customs brokers and shipping companies to better understand how the draft recommendations will affect the logistics of moving containers to and from Port Botany. The workshops included interactive forums with panel discussions to facilitate dialogue between industry groups.

Industry submissions to IPART on the draft report close on December 24 and Sydney Ports would encourage all relevant industry parties to have their say.

### **Trade highlights**

Total container trade through Sydney's ports for the first five months of 2007/08 was 747,446 TEUs, an increase of 8.7 per cent compared to the same period last year.

Total trade for this period was 12.5 million mass tonnes, an increase of 9.5 per cent.

Container trade in October was the highest ever in a month for the ports with over 158,000 TEUs traded, an increase of 10.5 per cent on October 2006.

For more trade information visit [www.sydneyports.com.au](http://www.sydneyports.com.au)

### **Managing the port with significant trade increases**

Sydney Ports continues to take an active role in managing the port and servicing the needs of port users. The Corporation has been working with key stakeholders to manage truck queues at certain areas of the port precinct with the increase in trade through Port Botany, combined with the lead up to the busy Christmas period.

Strategies have been implemented to manage the movement of port trucks in the Port Botany area to ensure a balance between port efficiency and community amenity.

Measures taken recently include working with P&O Trans Australia to manage the queues to their depot at Botany. Some of the initiatives put into place include moving the queues to internal roads, with a designated overflow queuing area.

Sydney Ports is also progressively installing webcams at busy locations around the port to supplement the webcam introduced by Patrick, so that traffic monitoring and resultant control measures can be put into place to minimise delays.

Additionally, Sydney Ports has communicated with its stakeholders on a weekly basis, updating them on the vessel movements at the ports and encouraging take up of weekend slots at the stevedore terminals.

## Port security

### **'Protecting ports and sea lanes for trade and national security'**

A recent visit to the United States provided an opportunity to benchmark Sydney Ports' current port security management and planning activities against those being implemented overseas.

Port Security Manager Peter Shepherd attended the United States International Leadership program which addressed key areas concerning 'protecting ports and sea lanes for trade and national security'.

Peter joined delegates from Brunei, Cambodia, Indonesia, Singapore, Thailand, Taiwan and Vietnam and visited a number of states including Washington DC, New York and Staten Island.

"This was a wonderful opportunity to learn first hand the port security initiatives being implemented in the United States. It was a rare opportunity to be able to benchmark our own security initiatives internationally," Mr Shepherd said.

"The program enabled us to observe how the United States Government approaches port and sea lane security particularly associated with tanker, container, cruise, naval and port operations. Some advancement in technology and security management practices may be applicable locally".

"The legislative structure in the US is similar to Australia with an Act and Regulations empowering the international obligations of the ISPS Code while the political understanding of the complexities of the international shipping industry is limited but growing".

"There is a high reliance on the development of security technology to conduct various screening activities to potentially improve future port efficiencies".

"Sydney Ports is well placed in the implementation of its port security program when compared to its counterparts in the United States", Mr Shepherd concluded.

## **“Emergency oil spill” exercise at Port Botany**

Sydney Ports and Caltex participated in an “oil spill training exercise” on November 19 to test the readiness of both employees and equipment to manage an incident.

30 people from both organisations worked together to address a scenario of the leakage of oil from a ship at Kurnell.

Equipment used in the exercise included:

- five fast response vessels
- oil spill containment booms
- oil spill recovery equipment, and
- a computerised model of geographic and environmental details of the area to help protect sensitive habitats.

More than 1,600 trading vessels visit Botany Bay, including more than 240 Tankers last year.

An exercise on Sydney Harbour was also held earlier this year with Shell Australia’s Gore Bay facility. Large areas of the Harbour were contained by oil spill booms within the first hour.

Sydney Ports is responsible for the clean up and investigation of marine pollution incidents in Sydney Harbour and Port Botany.

## **Sydney Ports Annual Report 2006/07**

The 2006/07 Sydney Ports Annual Report has been published and distributed to stakeholders. Highlights for this year include:

- Cargo through the ports continued to grow, with 1,620,121 TEUs traded through the port, an increase of 12.1 per cent on last year
- Dividend payable to shareholders increased to \$29 million, an increase of 30.5 per cent on the previous year
- Record motor vehicle imports of 323,467 vehicles an increase of 35.9% on last year;

- The issue of Maritime Security Identification Cards to all staff was completed, with Sydney Ports also taking on the responsibility of issuing more than 5,500 cards to external parties.

The 2006/07 Annual Report is available on the Sydney Ports website at [www.sydneyports.com.au](http://www.sydneyports.com.au) or email [enquiries@sydneyports.com.au](mailto:enquiries@sydneyports.com.au) to have a copy mailed to you.

### Biggest ever cruise season in Sydney

The maiden visit of the *Rhapsody of the Seas* on October 15 marked the beginning of the biggest and most spectacular cruise season in Sydney. Over the next few months Sydney Harbour will come alive with impressive views of the worlds leading cruise liners as they arrive for the international cruise season, with 102 visits scheduled for the year.

A total of 47 international vessel visits are scheduled as well as 55 home-based vessels marking an increase of 16 per cent over last year's visits.

The maiden visit of the newly launched *Queen Victoria* will be the highlight of the season arriving on 23 February 2008. The day will also coincide with the final voyage of the *Queen Elizabeth 2* before she retires to be a floating resort in Dubai. Other maiden visits include the Oceanic Cruises *Nautica* and *Amadea* of Pheonix Tours.

The arrival of Australia's first SuperLiner the *Pacific Dawn* provided a momentous occasion for this season. With a 2,050 passenger capacity the vessel replaced the *Pacific Sun*. The *Sun Princess* also replaced the *Pacific Princess*. The season will also include multiple visits by *Sapphire Princess* and the *Statendam*.

The season ends on 16 April 2008 with the departure of the *Topaz* from the Overseas Passenger Terminal.