

CURRENT

An Update from Sydney Ports Corporation

December 2006

Farewell to David Field, Chairman Sydney Ports Corporation 1998-2006

Sydney Ports' non executive Chairman, David Field finished his 8-year tenure with the corporation on 3 December 2006. David was first appointed Chairman in December 1998, was reappointed in 2001, and again in 2004 for 2 years.

David has been a very knowledgeable and supportive Chairman who steered Sydney Ports through a defining time which saw the major refurbishment of the Overseas Passenger Terminal, establishment of the Sydney Pilot Service and major growth in business through the ports. A highlight year was the 2000 Sydney Olympics with the ports playing host to a record number of cruise vessels, the same year the ports first traded the magical 1m TEUs. Most importantly his strong support has been invaluable through the process of obtaining approval for the expansion of Port Botany by 60 hectares.

We wish David a fond farewell and all the best in his life's endeavours.

Managing and Developing Port Facilities

Port Botany Expansion Project

Good progress is being made on the expansion of Port Botany with the project moving to the next phase with a shortlist for the Design and Construction contractor having recently been announced.

Two organisations have been shortlisted – a **Leighton-Van Oord** joint venture and a **Boulderstone Hornibrook-Jan De Nul** joint venture.

Both the joint ventures combine large, experienced and respected Australian companies working in partnership with overseas companies with a record in delivering major dredging and reclamation projects. They will be invited to submit a tender early in 2007. The D&C contractor is expected to be announced by late 2007.

In 2007, Sydney Ports will also commence the process of seeking a stevedoring operator for the expanded area, with a decision on this likely in late 2008.

On other fronts of the project, Sydney Ports has recently signed an agreement with Air Services Australia to progress a technical solution to address the possible issue of ships at the new terminal area interfering with operations at the airport. This agreement commits the two parties to work together to resolve this issue in time for commencement of operations at the expanded area of the port.

Sydney Ports has also progressed on its consultation with the community for the project, and hosted a Community Open Day at Botany on 25 November. The day was well attended by representatives of local community groups, special interest groups and residents of Botany. On the day Sydney Ports presented and sought feedback on the designs proposed for the upgrade of Foreshore Beach, Penrhyn Estuary and the new boat ramp.

Glebe Island/White Bay

Update on Independent Cement and Lime

IC&L have been in negotiation with Sydney Ports for some time about a proposal to establish a cement import and distribution facility at port land at White Bay. Following the lodgment of an Environmental Assessment (EA), which was subject to a number of objecting submissions, IC&L have advised Sydney Ports that they would be withdrawing the EA for the proposal.

Sydney Ports and IC&L will now work together with the Department of Planning to find an alternative site for the conduct of the business.

Baileys Marine

Baileys Marine's Environmental Assessment for a proposal to establish a common user marine precinct at White Bay is currently on public exhibition prior to being assessed by the Sydney Harbour Foreshore Authority. Comments on the proposal were accepted from the public until 8 December 2006.

OPT Gangway

Sydney Ports has for some time been investigating the best option for the replacement of one passenger gangway at the Overseas Passenger Terminal at Circular Quay. The proposal is to replace one of the two gangways with a more modern and passenger-friendly gangway and retain one existing gangway.

Following the call for Expressions of Interest from companies experienced in the provision of such infrastructure, Sydney Ports has now submitted the necessary plans seeking development approval.

The plans for the proposal are on public exhibition until 15th December 2006. Following exhibition, it is expected that approval for construction will be received early in the New Year. Subject to gaining this approval quickly, Sydney Ports plans to have this new gangway in place in early 2008.

Facilitating Trade

Trade highlights

October normally is the busiest month of the year for container trade, and this year Sydney's ports have seen a record number of containers traded.

Total container trade for the first four months to October 2006 was 541,989 Teus, up 8.4% on last year. For the month of October 2006 alone 142,600 Teus were traded through Sydney's ports, over 9,000 Teus more than in October 2005.

A strong driver of this growth has been the increase in full container imports at 272,000 Teus, up 7.7% compared to the same period last year.

Exports of full containers, while smaller in volume terms than imports, have also recorded solid growth, to over 127,000 Teus up 10% on the same period last year.

Total trade through all of Sydney's ports for the first four months of this financial year (to October 2006) continues to grow, reaching 9.1 million mass tonnes, an increase of 2.6% on the same period last year.

Transport at the port

Recent weeks have seen Port Botany experiencing some stress trying to cope with the record number of containers through the port – for the Christmas period. The Patrick terminal has reported some congestion caused by heavier than usual imports over weekends from out-of-schedule vessels.

Sydney Ports has been working with the parties involved in the logistics chain to help sort out the issue and all have agreed to introduce various measures to cope with this period.

Some of the initiatives identified include the need for more container collections on the weekends, improved communication from the stevedores and more streamlined empty container management.

It was pleasing to see the improved performance over the last two weekends as a result of some of these initiatives.

Sydney Ports' Annual Report 2006

The 2006 Sydney Ports Annual Report has been published and distributed to stakeholders. Highlights for this year, many of which have already been communicated in previous issues of *Current*, include:

- Cargo through the ports continued to grow, with 1,445,465 teus traded through the port, an increase of 5% on last year
- Dividend payable to shareholders increased to \$22.2 million, an increase of 17% on the previous year
- All financial targets were achieved and shareholder value was increased by \$23.9 million
- Record motor vehicle imports of 238,388 vehicles
- The issue of Maritime Security Identification Cards to all staff was completed, with Sydney Ports also taking on the responsibility of issuing more than 5,000 cards to external parties.
- Port Safety Operating License was certified by audit with no non-conformances
- Sydney Ports won the Employer of Choice (Public Sector) Award at the Australian HR Awards 2005

The 2006 Annual Report is available on the Sydney Ports website www.sydneyports.com.au or email enquiries@sydneyports.com.au to have a copy mailed to you.

One-Way System on Simblist and Friendship Roads at Port Botany

The first month of the introduction of the one-way system on Simblist/Friendship Roads has proved to be successful. There were no significant teething problems and the road users took to the traffic changes without any issues.

If you would like to find out more about the changes, please visit www.sydneyports.com.au or email enquiries@sydneyports.com.au

Port Security

Sydney Ports Corporation was recently awarded the inaugural 'Innovation in Maritime Security Award' at the Australian Shipping and Transport Awards held in Melbourne in November 2006.

The award was won by Sydney Ports for setting up the systems and gaining approval as an authorised issuing body for the Maritime Security Identification Card (MSIC) in a very short time. In presenting the award the judges described the service provided by Sydney Ports as flexible, automated and with a number of innovations including a web based on-line management system, which can be remotely accessed securely. A secure facility for printing of these cards has also been established by Sydney Ports.

Ports including Newcastle, Flinders Ports, Tasports and Toll Geelong are utilising the services being provided by Sydney Ports, bringing to nearly 5,300 the number of cards being issued by the organisation.

MSIC deadline approaching

1 January 2007, is the day that the MSIC becomes compulsory, and with this date fast approaching all port workers who access secure areas of Sydney's ports and port facilities will be required to display a valid MSIC or will be treated as visitors. All visitors must be continuously monitored or escorted while entering or remaining in maritime security zones.

Sydney Ports Corporation is responsible for ensuring the provisions of the MSIC program are maintained through its approved maritime security plans at its ports in Sydney Harbour and Port Botany.

Following extensive consultations, a number of measures have been designed by Sydney Ports to meet the MSIC obligations. These include;

- Persons seeking entry to secure areas will be required to present a valid MSIC or risk delays; no MSIC may result in persons being denied access.
- Additional maritime security guards will be deployed to monitor specific areas of passenger terminal operations.
- Deliveries must be pre-advised to the facility on the main delivery schedule.

Any additional costs incurred to implement this process may have to be recovered.

The Patrick & DP World (P&O) Terminals at Port Botany have specific MSIC and access requirements in accordance with approved maritime security and OH&S plans.

Sydney Ports Corporation urges all users of these facilities to ensure that they are familiar with these requirements to minimise delays and not impact the wider port area.

Sydney Ports hosts stakeholder forum

Sydney Ports hosted a very successful stakeholder forum in November 2006. Well attended by over 150 port stakeholders, the objective of the day was to provide those in attendance with insights into progress by Sydney's Ports in 2006. Attendees were given reports by CEO, Greg Martin and Sydney Ports Executives Simon Barney, Murray Fox, Colin Rudd and Shane Hobday.

Representatives of the two stevedores operating at the port – Ray Lee (Patrick) and Richard Johnstone (DP World/P&O) also shared their experience and achievements with those attending.

Some new publications were distributed on the day including *Sydney Ports Logistics Review 2005-06* and *Sydney Ports Trade Report 2005-06*. To obtain copies of these publications please visit the website www.sydneyports.com.au, or email enquiries@sydneyports.com.au to have copies mailed to you.

Christmas message

To end this last *E-current* for 2006, I would like to wish you, your colleagues and families a very happy and safe Christmas and a Happy New Year.

We at Sydney Ports have thoroughly enjoyed working with you in 2006 and look forward to a mutually prosperous 2007.