

# CURRENT

An Update from Sydney Ports Corporation

March 2005

## Managing and developing port facilities

### Proposed Port Botany expansion

The formal hearings for the Commission of Inquiry into the proposed expansion of Port Botany are now complete. The second round of hearings known as the Session in Reply concluded on Friday, 18 February 2005 following presentations from a number of interested stakeholders.

The second session of hearings took place over five days and included presentations from, industry, community groups, government departments, independent consultants and Sydney Ports Corporation. The issues raised at the primary hearings in October 2004, including the impact of increased truck and rail movements, the necessary development of landside transport infrastructure, the capacity of the existing Port Botany container facilities, the concept of competition and the management of the surrounding environment, were the subject of further analysis in the Session in Reply.

A recommendation that emerged at the session in reply was delivered in a presentation from the NSW Department of Infrastructure, Planning and Natural Resources (DIPNR). In their submission DIPNR agree that to “do nothing” in relation to expansion at Port Botany would pose a substantial risk to the future of NSW. DIPNR however, recommended to the Commissioner that an alternative five berth configuration, to Sydney Ports’ proposed layout, was worthy of consideration.

The terminal layout preferred by DIPNR incorporates the establishment of four new berths adjoining the end of the existing Patrick terminal as stage one of the project. The second stage would involve the development of a fifth berth at the inshore end of the existing P&O Ports terminal by excavating east from Brotherson dock, however, this second stage portion would need to be the subject of an environmental impact study. Sydney Ports considers this a workable option as it would deliver the same number of berths as the Sydney Ports’ proposed configuration.

As part of Sydney Ports' assessment of alternative expansion layouts within Port Botany, this option was considered and not preferred due to the higher costs involved.

The Commissioner will take into account all the submissions made throughout the Commission of Inquiry process and will produce a public report with recommendations to the Minister for Infrastructure, Planning and Natural Resources prior to June 30, 2005. The Minister will then make a final determination about the proposal.

## **Freight Industry Advisory Board**

The NSW Minister for Infrastructure and Planning has established a Freight Infrastructure Advisory Board (FIAB) to advise the Government on infrastructure and operational improvements required to address the Sydney freight task, ensuring freight is moved around Sydney and NSW in the safest and most efficient manner. The NSW Government has a clear objective to increase the proportion of freight containers being moved by rail to 40 per cent by 2011.

The FIAB is chaired by the former Federal Transport Minister the Hon Laurie Brereton and other participants include, Greg Martin from Sydney Ports Corporation, Lisa Hunt from Transurban, Mal Peters from the NSW Farmers Federation Association, Vince Graham from RailCorp, Tony Sheldon from the Transport Workers Union, Llew Russell of Shipping Australia Limited, Paul Forward from the NSW Roads and Traffic Authority, Neil Matthews a logistics expert and Jennifer Westacott, the Director General of the Department of Infrastructure, Planning and Natural Resources.

The Minister has identified the following issues on which the Board is to advise him:

- the design of an intermodal terminal network to improve freight distribution,
- the infrastructure required to service the intermodal network,
- potential changes to work practices to minimise truck queuing at the port gate, maximising the efficiency of truck haulage, and other strategies to minimise unnecessary movements of containers across Sydney.

Sydney Ports welcomes the opportunity to provide port industry input to this important process.

## **Intermodal Logistics Centre at Enfield**

Sydney Ports has progressed preliminary planning on its proposal to construct an Intermodal Logistics Centre at the former Enfield Marshalling Yards. The Intermodal Logistics Centre at Enfield would be used for the transfer and storage of container freight to and from the Port and across the Sydney metropolitan region. It is also proposed that the Centre will accommodate warehouses for packing and unpacking of containers and have the capacity for empty container storage facilities.

The Intermodal terminal, within the Centre would be developed to enable throughput of approximately 300,000 TEU per year within approximately 10 years of commencement of operation. Sydney Ports is progressing an Environmental Impact Study for the development and it is expected that the Minister for Planning and Infrastructure will require a Commission of Inquiry.

This intermodal terminal at Enfield would form part of the Government's proposed network of existing and new intermodals located across Sydney. The development will assist in achieving Sydney Ports Corporation's and the NSW Government's target of moving 40 per cent of containers by rail, a concept well supported by the transport and port related industries.

In 2001, Sydney Ports had a proposal to establish an intermodal terminal at Enfield with a 500,000 TEU capacity. The NSW Government conducted an Independent Review of the proposal. In the new concept Sydney Ports has taken into account, recommendations made in the Review, which includes a reduced intermodal capacity and the establishment of complementary facilities on site.

Sydney Ports' representatives will shortly be consulting with industry on the proposed concept of the site and will be asking industry representatives to be involved in the overall planning process.

## **East Darling Harbour**

The NSW Premier, Mr Bob Carr announced on February 3, 2005, an international design competition for the development of the East Darling Harbour port precinct, following the impending departure, in March 2006, of stevedoring activity from the area leased by Patrick Corporation. The announcement

also confirmed the NSW Government's commitment to maintaining the working Harbour with the retention of passenger shipping activities at Wharf 8.

It is understood the Government's guidelines for the competition will include a requirement for open space occupying at least half the site, incorporating a walkway along the entire foreshore, the protection of the northern tip of East Darling Harbour, the development of commercial accommodation occupying 75 per cent of the remaining area and 25 percent for residential purposes.

## Facilitating trade

### Trade results

The latest trade figures for Sydney reveal that cargo throughput is continuing to grow each month. In preliminary trade results for the 8 months to February 2005, total cargo through the port in tonnage terms increased by 3.1 per cent over the same period of the previous year.

Strong growth was recorded in container trade in the eight months to February. Total container movements increased from 838,000 TEUs in 2003/04 to 935,000 TEUs in 2004/05 up by 11.5 per cent. This increase has been driven predominately by increased inbound cargo. Full container imports reached 472,000 TEUs increasing by 10.5 per cent over the corresponding period of the previous year. Major growth was recorded in goods arriving from China and the United States. Approximately 36 per cent of the total containers imported into Sydney originate from these two countries.

Importantly for the Australian economy and the balance of trade, the volume of export goods continue to improve on last year's results. Full container exports of 208,000 TEUs registered a 5.7 per cent growth for the seven months to February 2005.

Sydney's reputation as an import dominant port is continually reinforced with container and bulk cargo imports representing 76 per cent of the total cargo in mass tones imported through the port.

## **Nearing the end of the international cruise season**

Sydney's 2004/05 cruise season includes 70 cruise vessel visits to the port and the potential exchange of more than 120,000 local and international cruising enthusiasts. The International cruise season will come to an end in April 2005.

Traditionally in Sydney, February is the busiest cruising month of the year and this season is no exception. In total there were 18 cruise vessel visits to Sydney in February, with two international vessels visiting for the first time. On two separate occasions there were three vessels in the Harbour on the same day.

Sydney's continuing popularity as a cruising destination is evident in this busy period. The city was expecting up to approximately 130,000 passengers arriving and departing the port throughout the 2004/05 period. Vessels on their maiden voyage to Sydney during the season were Princess Cruise's *Sapphire Princess*, Crystal Cruises' *Crystal Serenity*, the *Delphin Renaissance* and the *Topaz*.

During the international season Sydney-siders also enjoyed the return of the world famous *QE2*, *Oriana* and four visits of the *Sapphire Princess*, the largest cruise vessel to visit Sydney.

## **Sydney Pilot Service vessel refurbishment**

The Sydney Pilot Service (SPS) is undertaking the refurbishment of a third pilot vessel. On completion of the current upgrade the SPS will have invested a total of \$2.5 million in vessel improvements. The Service is committed to ensuring pilotage in Sydney remains a world class service. The refurbishment involves the re-engine and upgrade of the vessel to ensure the efficient and safe provision of pilotage operations. The SPS has already undertaken the refurbishment of two other pilot vessels over the past two years.

## **Ausport Marine establishes services in Sydney Harbour**

Ausport Marine established lines services in Port Botany in July 2004. The introduction in October 2004 of a second lines service operating in Sydney Harbour, has provided further competition to shipping services in the port. The Australian owned company established a Sydney office in Balmain and provides a 24 hour service to port users.