

CURRENT

An Update from Sydney Ports Corporation

November 2005

Managing and developing port facilities

Port Botany expansion approved

Sydney Ports Corporation welcomes the NSW State Government's approval of a 4-berth, 51 hectare expansion of container terminal facilities at Port Botany, as part of its Ports Growth Plan. The location of a fifth berth is to be decided. There will be improved rail and road access, including a dedicated road link from the new terminal directly onto Foreshore Road. The objective ultimately is for 40% of container freight to be moved by rail.

There is also provision for a new four lane boat ramp, a car park and a cycle path along Foreshore Road. The approval has conditions attached to protect the Bay's environmental health and amenity for local residents.

Commissioning of new berths is expected to take place around 2010 when, with current rates of trade growth of 5-6%, we anticipate that existing facilities will be near to capacity. Given growth in container trade, the announcement brings with it reassurance for port users that Port Botany will have capacity for extra trade, at least until 2025.

Sydney Ports is in the process of engaging consultants to conduct preliminary geotechnology investigations and design consultants to provide technical support and advice for the project. These consultants will assist us develop the specifications and design for the project. Sydney Ports will take options for the preferred delivery strategy to the NSW State Government for their approval, in the New Year.



Fig 1. Proposed Port Botany expansion, with options for fifth berth.

Proposed Intermodal Logistics Centre at Enfield

The recently released Freight Infrastructure Advisory Board report identified the development of the Enfield site as part of a wider network of integrated logistics facilities. We are awaiting NSW State Government consideration of the report and advice on the metropolitan freight plan, which includes provision for a network of intermodal hubs and the role Enfield could play.

Should the Government agree to our proceeding, Sydney Ports will lodge an Environment Assessment with the Minister for Planning to obtain approval for an Intermodal Logistics Centre, with a throughput capacity of 300,000 containers.

Cook's River Empty Container Storage facility

Sydney Ports has secured a 17-hectare site at Cook's River for continued use as an empty container terminal. The Cook's River terminal, located on Canal Road, has been purchased from RailCorp and has a storage capacity of 10,500 TEUs (twenty foot equivalent container).

With growth in Sydney's container trade, and given its import bias, additional storage capacity is required for empty containers. The Cook's River site is a location readily accessible to rail and road links for despatch to exporters as required. Cook's River is expected to account for up to 30% of empty container storage in Sydney over the next couple of years.

Glebe Island/White Bay

Sydney Ports is working with stakeholders on a plan for Glebe Island and White Bay, in light of the NSW Government's 10 October announcement that they would bring forward by four years, to 2008, the planned relocation of the motor vehicle import facility for NSW from Glebe Island in Sydney Harbour to Port Kembla.

In keeping with the Government's announcement that Glebe island/White Bay would be developed for maritime uses, Sydney Ports is working with IC&L (Independent Cement & Lime) to further their Environmental Assessment for use of White Bay as a cement and lime import, storage and distribution facility.

Sydney Ports is also assessing Expressions of Interest (EOI) for maritime related activities for White Bay 6 and should be in a position to progress this early in the New Year.

The wharf at No. 1 White Bay is in the process of being demolished as it is in poor condition and was deemed to be unsafe. Originally designed in 1937 as a coal loading facility, the wharf was rebuilt in 1968, but has not been required for use for fifteen years. The site will remain clear to enhance the operational use of adjacent wharves.

Commencement of the 05/06 Cruise Season

The 2005/06 Cruise Season commenced on Monday 7 November with the arrival the first international cruise ship for the season, the "Seven Seas Navigator". There are ninety scheduled cruise vessel visits (60 domestic vessels and 30 international visits), which is the most in a single season for 14 years. The busiest season on record was 1991/92, when ninety-five cruise vessels visited Sydney.

Cruise passengers are estimated to spend A\$100 - A\$150 per passenger per day, contributing up to A\$1 million per vessel to the local economy. The Australian cruise market has become very popular, enjoying 35% growth between 2002 and 2004.

This year Sydney will welcome the *Diamond Princess*, the *Silver Shadow*, *Statenhdam* and the *Seabourne Spirit*. The *Diamond Princess*, scheduled to visit Sydney for the first time on 8 January 2006, will be the largest cruise ship ever to visit Sydney. At 116,000 tons, the *Diamond Princess* is the largest of the Princess Cruises vessels and carries 2,700 passengers and 1100 crew.

While we are seeing larger and larger cruise vessels, there is also an emerging market for smaller, "expedition" cruises, like Orion Expedition Cruises or the Coral Princess Cruises. These smaller vessels take around 70 – 100 passengers and, because of their size, have greater flexibility and can visit out of the way locations.

Facilitating trade

Introduction of new Customs Integrated Cargo System (ICS)

On 12 October 2005, Australian Customs Service introduced the import component of a new computer system, "Integrated Cargo System" (ICS) with the objective of replacing the existing clearance systems which were 10-20 years old. The complex system oversees all of Australia's imports and exports for sea and air cargo and links Customs, forwarders, customs brokers, shipping lines, airlines, AQIS, stevedores, ports and airports. The export side of the system was implemented smoothly twelve months ago.

With glitches in the new system, there have been delays in the clearance and subsequent movement of import containers from Port Botany. Despite these delays, the ongoing cooperation between key parties in the transport chain - stevedores, shipping lines, the port corporation, customs brokers, transport operators and importers - has kept freight moving despite operating at full or near full capacity. This performance is noteworthy considering that October 2005 was the highest month ever for containerised cargo passing through Port Botany, with 133,000 TEUs in total handled at the port (9% above throughput in October 2004).

Ships continue to berth and are being unloaded on schedule and, despite some delays, importers receive their containers. The Federal Minister for Justice and Customs, Senator Chris Ellison, has said that Customs would consider claims for compensation on a case-by-case basis.

Commerce & Logistics Review 2004/05

The Commerce & Logistics Review 2004/05, which provides data from 2000 to 2005 outlining Sydney Ports trade, shipping activity and landside logistics will be available on the Sydney Ports website, www.sydneyports.com.au on Monday 28 November 2005.

Port Security Update

Security

Sydney Ports has been working with other State and Federal government agencies and the maritime industry to fulfil our commitments under the Port Security Plans. Closed circuit TVs, barriers, fencing, signage and policing arrangements for the ports have been put in place and next year, Sydney Ports will be issuing the Maritime Security Identification Card (MSIC) for use in designated areas. A cargo security charge was introduced from 1 October to recover security costs.

Encouraging, rewarding and developing our people

Sydney Ports wins Employer of Choice

Sydney Ports' work in recent years, on developing and implementing policies to attract and retain the right people for a leading port organisation, was recognised at the recent Australian Human Relations Awards when we won the *DX Toll Award for Employer of Choice (public sector)*.

Sydney Ports is a relatively small organisation with 240 employees from 18 different professions. Despite its size however, the organisation's responsibilities for major projects like expansion of Port Botany make it an attractive employment proposition for young professionals seeking to develop leadership and project

CURRENT

November 2005

management skills through working as part of a team with more experienced professionals.

This award recognises the work of Pat Catanach, General Manager Human Relations, and the HR team in negotiating Enterprise Agreements; putting new policies in place; and building a culture with a healthy focus on work/life balance. It also recognises that for many of our employees, and in the marketplace, we are an employer of choice.