

CURRENT

An Update from Sydney Ports Corporation

October 2003

Special Edition – Ports Growth Plan announcement by NSW Premier

The September edition of Current made mention that the NSW Government was undertaking a whole-of-government review of port development. On Sunday 5 October the NSW Premier made significant statements regarding future port operations in Sydney, Newcastle and Port Kembla. Without repeating all that was said by the Premier, the purpose of this special edition of Current is to elaborate on these public statements from Sydney Ports viewpoint.

Proposed Expansion of Port Botany

The most important part of the Premier's announcement yesterday was the endorsement by the NSW Government to proceed to submit the development application for the proposed Port Botany expansion. The Environmental Impact Study for the project will be lodged with the Department of Infrastructure, Planning and Natural Resources before the end of 2003. The proposal will be examined by a Commission of Inquiry and Government endorsement is subject to the development being in a position to meet all conditions of consent.

With 85% of NSW's container trade taking place within 40km of Port Botany this is the right location to handle this trade as volumes grow from 1 million teu to over 3 million teu plus over the next 20 years or so.

The Premier also made a reference to the fact that "the Government will examine ways to increase the proportion of containers moved by rail". This should include re-examining the development of Enfield as an intermodal terminal integrated with rail operations across the metropolitan area.

Regional Container Trade

There were two other parts to the announcement concerning containers: the decision to retain land in Newcastle Port for the long term to build a one million teu container terminal when necessary and the intention to encourage the 40-50,000 teu that are currently

handled through Sydney Harbour facilities at White Bay and Darling Harbour to be handled at Port Kembla.

In regard to these issues, the decision to reserve land at Newcastle for the long term growth of the container trade through NSW is a good strategic decision as it is the only port in NSW that could handle a large number of containers once Port Botany nears capacity in 2030 or so.

The decision to encourage the containers now being handled in Sydney Harbour to be relocated to Port Kembla results from moves by the port's two general cargo stevedores to cease these operations in Sydney as the volumes they handle apparently can no longer justify maintaining both of their operations in the Harbour.

Sydney Harbour as a Working Port

There has been much comment and speculation that the decision to cease container stevedoring activity in Sydney Harbour means the end of the Working Harbour in Port Jackson. It should be reiterated that the Premier did not announce the closure of Port Jackson as a Working Port but said that "Sydney Harbour will, over the next decade or so, cease to be a container terminal. And those stevedores will move to Port Kembla". This is good news for Port Kembla.

While it has been likely for sometime that the lease at Darling Harbour (Patrick) may not be renewed after it expires in February 2006 Sydney Ports has made a strong case for the need to retain White Bay for maritime activities to preserve the Glebe Island White Bay precinct as a working port. The land logistics of the dry bulk and motor vehicle trades favour their continued operations in Sydney. The motor vehicle terminal is leased until 2017 and some leases for bulk operations on Glebe Island extend until 2020. Therefore, there is still a considerable period of time remaining for these port related activities and there is a need for Sydney Ports to work with industry and Government agencies to resolve the long term future of activities at Glebe Island and White Bay.

As issues unfold in coming weeks Sydney Ports will keep you informed of what is happening. In the meantime if you want to discuss issues relating to the above please feel free to call your normal contact at Sydney Ports.