

# NSW Ports Growth Plan - Summary Sheet

On 5 October 2003 NSW Premier Bob Carr announced the State Government's Ports Growth Plan.

The Plan provides a framework within which the Government, industry and the community will work to ensure future growth and development of port capacity in NSW.

Sydney Harbour is and will remain a working port, retaining import of materials to support the construction industry (e.g. cement, gypsum, soda ash), cruise shipping, long-term oil imports and maritime construction, maintenance and repairs. Car imports will remain until at least 2012.

It is estimated at least 1,000 commercial ships will continue to come through Sydney Heads each year.

Sydney is the major cruise ship hub for Australia's east coast. This will be enhanced from January 2004 by the introduction of the Sprit of Tasmania service, which will provide an additional 156 ship visits to Sydney Harbour each year.

The core directions of the Plan are:

- Containers, general cargo and car stevedoring from Port Jackson will be progressively encouraged to relocate to Port Kembla as existing leases expire, subject to satisfactory commercial negotiations being completed between the lessees and the Port Kembla Port Corporation.
- The former BHP steelworks site at Newcastle Port will be secured for port use. When Port Botany reaches capacity Newcastle will be the state's next major container facility.
- An Independent Commission of Inquiry will be held to examine Sydney Ports Corporation's Development Application and Environmental Impact Statement to expand container facilities at Port Botany. The Commission of Inquiry will be open to community submissions.
- In relation to Sydney Harbour port lands, the Minister for Infrastructure Planning and Natural Resources will develop a masterplan to:
  - Retain White Bay for working maritime uses;
  - Create an unbroken run of public access to the foreshore of the harbour between Woolloomooloo and the Anzac Bridge; and
  - Preserve Millers Point for a future iconic development.
- The Minister for Infrastructure, Planning and Natural Resources will examine how to increase the proportion of containers moved by rail to and from the ports to intermodal terminals in both the Sydney metropolitan area and regional NSW.

The Government will work towards the implementation of the core directions of the Plan in consultation with industry groups and the community.

## **Port Trade - The Facts**

Port Botany is Australia's leading container import port, Newcastle is the largest coal export port in the world and Port Kembla is Australia's leading port for steel exports and the second largest for grain.

### **Containerised Goods**

- Since 1970, containerised trade through NSW ports has grown at an average rate of 7% per year, achieving throughput of 1 million containers or TEU (twenty foot equivalent units) in 2000.
- In 2002/2003 containerised trade through Sydney Ports grew by 15% to 1.16 million TEU.
- NSW containerised trade is dominated by the import of consumer goods to service (predominantly) Sydney's population of 4.15 million.
- At current growth rates NSW will need to handle in excess of 3 million TEUs per annum by 2020 - 2025.
- The economic efficiency of global containerised trade is dominated by scale efficiencies for international shipping lines and stevedoring operations.

### **General Cargo Stevedoring**

- The two major stevedores, Patrick and P & O, operate general cargo terminals at Darling Harbour and White Bay in Sydney Harbour.
- Vessels calling to Darling Harbour and White Bay predominantly have "mixed" cargoes of containers and break-bulk cargo that cannot be cost effectively stevedored at the major Port Botany container berths due to a combination of irregular shipping timetables, and specific equipment and storage requirements.
- The stevedores have indicated a preference to relocate their existing general cargo stevedoring trade to Port Kembla by 2006.
- Port Kembla's available berth space and back up land, road and rail network connections and proximity to the Sydney market provide a solid base for this trade to grow.

## **The Need to Plan**

NSW is dependent on international trade for economic growth.

Port infrastructure requires significant levels of investment and long lead in times. Industry needs to plan for structural adjustments. It is therefore important Government initiates planning now to ensure timely delivery of new capacity.

With the global move to containerised trade in 1970, the NSW Government established a long term containerised trade strategy.

A new terminal was constructed at Port Botany, and commenced operations in 1979.

The original plan was to construct four terminals at Port Botany, and initially two were constructed at the Brotherson Dock complex, containing a total of 7 berths.

Construction of a third runway at Kingsford Smith Airport in 1994 curtailed the ability to achieve the original 4 terminal complex at Port Botany.

The original concept for the existing Brotherson Dock at Port Botany was a capacity of 650,000 TEU, based on the equipment and work practices of the 1970's.

In the current year, the complex is likely to handle in excess of 1.1 million TEUs.

Today's equipment, ships and work practices allow this larger capacity. For example the largest ships visiting Port Botany have capacity for over 4,000 TEUs. On other international trading routes ships already have capacity for 7,000 to 8,000 TEUs.

Failure to plan for port growth would lead to uncertainty for industry, employment and regional development with unsustainable pressure building on Sydney Harbour and Port Botany.

The Ports Growth Plan introduces certainty for future port development.

The Plan will distribute the benefits of port growth more equitably between Sydney, the Hunter and Illawarra regions of NSW, provide long term capacity for containers, bulk goods and general cargo and enhance the economic efficiency of New South Wales' ports.