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An Update from Sydney Ports Corporation

June 2008

Improving the efficiency and operations of the ports of Sydney

Over the last few months, my colleagues and I have travelled and met with stakeholders and key industry representatives both around Australia and overseas.

What I have personally enjoyed from those experiences is talking about the vision we are all working towards to enhance the ports of Sydney.

Speaking at events such as the Customers Brokers and Forwarders Council of Australia (CBFCA), the Committee for the Economic Development of Australia (CEDA), the Australian Federation of Freight Forwarders (AFIF) and the European Sea Ports Association Conference in Hamburg, Germany, I talked about the exciting times as the site establishment commences at Port Botany and we progress the planning for the delivery of the ILC at Enfield and the second Bulk Liquids Berth at Port Botany.

The ports of Sydney are changing. We are evolving through our projects and additional port infrastructure. The planning regulatory framework within which the port operates is also being reviewed to reflect the extension of the geographical influence of the Port beyond the traditional port precinct and protect the port from community encroachment common to ports across the world.

As part of the Premier's NSW Export Awards, Sydney Ports' Senior Manager for Trade Development, Phil Rosser, addressed the importance of Enfield in the logistics chain and talked about the strong trade growth which drives the need for new port infrastructure.

It is also pleasing that the Intermodal Logistics Centre at Enfield (ILC) received NSW Government Budget Committee approval on 16 June 2008 for the delivery strategy proposed by Sydney Ports. This means that we can now move to the next stage and seek requests for proposals for the project, including the operations of the intermodal terminal and tenants for the empty container storage areas and the distribution/warehouse areas.

Following the planning approval from the Department of Planning to develop a second Bulk Liquids Berth (BLB2) at Port Botany, Sydney Ports has received Registrations of Interest (ROI) for the main design of the base infrastructure. The ROI's are currently being evaluated.

Sydney Ports is continually looking at innovative ways to develop the logistics network at the ports to benefit all users and there are also exciting technological advancements at Port Botany. *Truckcams* will improve road side operations and assist port users, road transport operators and tenants in managing traffic in and around the port.

We have also released the *Port Freight Logistics Plan* which represents a framework for improvements to landside logistics to meet the challenges of managing port activities in light of anticipated demand.

On a matter of clarification I would like to refer to recent reports in industry publications which have misquoted me on two matters.

Some comments were attributed to me from my speech at the AFIF conference, one suggested that the Minister for Ports or the Government was dropping the idea of a Dutch Auction for the terminal vehicle booking system. To clarify, what I have said at a number of industry functions is that the Minister had heard the industry's views 'loud and clear', as is the case.

The matter at the core of this is that we as an industry agree that something needs to be done and it needs to be based on a premium/non-premium container slot basis. My suggestion is that we put our minds to solving this issue rather than debate the merits of an auction system.

Another clarification I would like to make is that contrary to some media reports, Sydney Ports has not as yet formally called for expressions of interest for stevedore operations at the expanded port.

Grant Gilfillan
Chief Executive Officer

Managing and developing port facilities

Port Botany Expansion – site establishment commences

Preparation for construction has commenced for the expansion of the container terminal at Port Botany. Construction contractors Baulderstone Hornibrook – Jan de Nul have started site establishment activities in preparation for setting up their offices by mid-July.

Works over the next few months include reconfiguration of the parking on the existing boat ramp on Penrhyn Road, separation of public access and construction site access, clearing of weeds and delivery and installation of demountables which are to be used for site offices.

Visitors will still have access to Foreshore Beach at all times from two access points with a fence to be constructed along Foreshore Road.

A 24-hour community information line has been established, 1800 177 722 with information also available on the website, www.sydneyports.com.au

The construction activities will commence on site shortly and continue through to March 2011 and the commissioning of new berths by 2012.

New \$1.3 million tug berth facilities for Port Botany

Tugs boats have a new home at Port Botany with the construction of a new jetty.

The jetty will be home to PB Towage tugs, which are relocating to the new berths from the western end of Brotherson Dock. The new jetty has been built adjacent to Fishburn Road near Molineux Point.

The jetty will accommodate two tugs to ensure towage services are on site to meet the needs of shipping through the port.

The capacity at Port Botany is being expanded to provide five extra shipping berths to cater for increasing container trade.

PB Towage needs to move from their current location to facilitate the port expansion and have signed a lease for the new jetty with Sydney Ports.

Sydney Ports awarded the contract to Waterway Constructions for the construction of the tug berths in January this year.

Enfield ILC receives Budget Committee approval

The Intermodal Logistics Centre at Enfield (ILC) received Budget Committee approval on 16 June 2008 for the delivery strategy proposed by Sydney Ports. We will now seek requests for proposals for the project, including the operations of the intermodal terminal and tenants for the empty container storage areas and the distribution/warehouse areas.

The Enfield ILC will play an instrumental role in achieving the objective of moving 40 per cent of container freight by rail. The ILC will more than double Sydney's intermodal capacity.

Re-establishing the Port Botany Neighbourhood Consultative Group

Sydney Ports would like to thank the port tenants and operators for nominations to the Port Botany New Neighbourhood Group Consultative Group. We have received nominations from a number of the businesses operating at the port, representatives of Council and have selected seven community members for participation in the group. The new Group will be chaired by Sydney Ports and will meet every three months with the objective of enhancing communications between port operators and the local community.

Facilitating trade

Trade Highlights

Total trade for the 11 months to 31 May 2008 reached 26.8 million mass tonnes, an increase of 4.8 per cent compared to the same period last year.

Total container movements for this period were recorded 1.63 million TEUs*, a 9.1 per cent increase from the same period last year.

Container trade in May increased by 8.6 per cent to 147,400 TEUs compared to the same period last year.

Total full imports increased by 10.3 per cent to 812,300 TEUs. The leading import regions remained unchanged from East Asia (45 per cent), Europe (16 per cent) and South East Asia (15 per cent), which account for 76 per cent of total full container imports through the ports of Sydney.

Total full exports also increased by 3.9 per cent recording 351,800 TEUs. The higher demand from South East Asia on chemical products, iron and steel and paper products has been the primary driver of the recent exports growth.

These increases were partially affected by the declines in agricultural products such as cotton (44.9 per cent compared to previous year), animal foods (17.6 per cent) and cereals (6 per cent). This decline was primarily a result of the drought ravaged 2006/07 season.

Sydney Ports expects year end figures to follow the trends of the last 11 months with total container trade through the ports of Sydney increasing by approximately 10 per cent.

For more trade information visit www.sydneyports.com.au

*TEU – Twenty Foot Equivalent Unit

Improving road and rail performance at Port Botany

Releasing the Port Freight Logistics Plan

Sydney Ports has developed the *Port Freight Logistics Plan*. This plan represents a framework for improvements to landside logistics to meet the challenges of managing port activities in light of anticipated demand.

The Plan discusses existing port operations, initiatives to maximise the use of rail and initiatives to minimise the impact of truck movements generated by the port. An implementation program is also identified in the *Plan*.

The successful implementation of the *Plan* will require ongoing facilitation with a number of industry and government stakeholders. Sydney Ports believes that the matters and issues discussed in the Plan will assist in improving port freight logistics for the benefit of the port, industry and the community.

The *Port Freight Logistics Plan* is available at www.sydneyports.com.au

Developing innovative technology to improve efficiencies in the logistics network- *TruckCams*

Real time *TruckCams* installed in and around Port Botany will help to manage tuck queues. To improve road operations at the Port Botany terminals, Sydney Ports has worked with a software company to

develop an innovative tool to deliver *TruckCams* to assist industry to manage road issues in the Port Botany precinct.

TruckCam images provide real-time information to the container terminals and can act as a more prompt resource in managing truck movements outside the container terminal and allocating resources within the terminal to minimise the impact of extended queues on the port road network. The *TruckCam* images also provide an opportunity for third parties such as road carriers and freight forwarders to monitor real time information on traffic conditions at the port.

Sydney Ports will install 10 new *TruckCams* following the success of a trial *TruckCam* installed on Friendship Road at Port Botany which provided camera vision of the DP World container terminal truck queue. These *TruckCams* will also complement the images provided by the Patrick container terminal for their facilities.

The design of the *TruckCams* has been undertaken through an innovative approach because it blends two technologies. The design solution is required to transmit images from remote cameras from various locations where there is no power or data infrastructure. The solution has been to mount cameras on a pole driven by a solar panel and connected to the Sydney Ports network using a 3G network. This is the first time that the blending of these two technologies (solar and a telecommunications network) has been used in any port in Australia.

Access to the *Truckcams* will be available via the Sydney Ports website in the Trade and Logistics/Logistics/Road Operations/*TruckCams* section under the logistics part of the site in early July.

Sydney Ports hosts Transport Workshop for efficient operations for Christmas 2008

The Sydney Ports Cargo Facilitation Committee and Sydney Ports held a meeting on 17 June 2008 to commence early planning and management of the growing container task and, more specifically, to prepare for the seasonal peak for Christmas 2008.

The efficient landside movement of containers and the successful integration of all industry segments are highly dependent on the cooperation of all participants in the transport chain. The aim of the workshop was to facilitate communication between principal industry participants to identify and address potential bottlenecks and inefficiencies and effect improvements in the transport chain.

Participants at the workshop included representatives from Shipping Australia, DP World and Patrick Stevedores, Australian Customs Service, Australian Quarantine and Inspection Service, Customs Brokers and Forwarders Council of Australia, road transport operators, rail access providers, rail operators, intermodal and empty container park operators and government agencies.

A number of matters were discussed at the workshop including;

- Strategy and planning initiatives
- Land transport operations

- Empty container park operations, and
- Shipping operations

Actions from the workshop are available on the Sydney Ports website under Trade and Logistics/Logistics/Sydney Ports cargo Facilitation Committee.

Environment

Sydney Ports releases Sustainability Report

Sydney Ports released its 2007 *Sustainability Report* in May highlighting its achievements and initiatives in sustainable port operations.

The report demonstrates our commitment to integrating sustainability into our business decisions and activities and recognition of our responsibilities as a leader and advocate in preserving our environment and its resources for future generations.

We also have a responsibility to the communities we operate within to ensure that, in the conduct of our business we manage potential impacts.

In keeping with our sustainability commitments, we have aimed to limit the number of printed copies of the report, and encourage all our stakeholders to access the report on our website (www.sydneyports.com.au) in the publications and environment sections

Sydney Ports would also like to acknowledge the efforts of students from Botany Public School and Father John Therry School, Balmain, for creating the illustrations throughout the report with their artwork created for our 2007 World Environment Day competition.

We welcome your feedback on the report and encourage you to write to us with your comments to eandp.enquiries@sydneyports.com.au.

Port Botany tenant Sustainability Forum

Following the release of the *Sustainability Report*, Sydney Ports held a Sustainability Forum on 17 June 2008 for Port Botany tenants. The forum originated from discussions held over the past year with port operators who felt that joint discussions of common environmental issues and sustainability initiatives would be of benefit.

The Forum was designed to encourage more sustainable use of resources and promote innovative ideas and provide updates regarding environmental legislation and obligations. It also promoted the 'Green Port' initiative for Port Botany amongst local community, businesses, and the wider international port industry audience.

The aim of the forum was to create a platform at which Port Botany operators, service providers and Sydney Ports can share ideas and information to improve port wide sustainability and prepare the port for the impacts of climate change and new reporting requirements.

Sydney Ports leads another successful oil spill exercise in Botany Bay

Sydney Ports and Caltex Kurnell participated in an oil spill exercise on Friday 23 May 2008 in Botany Bay. This exercise, in the vicinity of the Caltex marine facilities at Kurnell was designed to test the response times and preparedness of both organisations in handling oil spills.

The scenario for the exercise involved an “oil spill” from a ship berthed at Kurnell on the southern side of Botany Bay. Sydney Ports and Caltex deployed oil containment booms from a number of vessels.

The exercise provided an opportunity to trial new equipment and work together to test deployment procedures. The successful exercise commenced at 8am with all equipment retrieved by 2pm.

Under the Port Safety Operating License, Sydney Ports Corporation is responsible for the investigation and clean-up of marine pollution incidents on Sydney Harbour and Botany Bay. We take our responsibility of maintaining a safe and clean Bay very seriously.