

CURRENT

An Update from Sydney Ports Corporation

March 2008

Moving ahead on major projects

It has been a very exciting and interesting first few months at Sydney Ports. I have had the opportunity to meet many of you at a stakeholder event which coincided with the visits of the *Queen Victoria* and the *Queen Elizabeth Two*.

2008 promises to be another busy and successful year for the ports of Sydney. Trade through the ports continues to increase with the first seven months of 2007/08 recording just over 1 million TEU's, an increase of 8.6 per cent on the same period last year.

The Independent Pricing and Regulatory Tribunal (IPART) has released its report of the review of the interface between road and rail operators and the stevedores at Port Botany. Sydney Ports is currently reviewing the recommendations in the report.

Sydney Ports is moving ahead with the delivery of major projects. We are progressing on the design development stage of the Port Botany Expansion and undertaking important environmental research and monitoring as well as continuing our community consultation initiatives.

The delivery of the Intermodal Logistics Centre (ILC) at Enfield is also progressing. We will continue to work with stakeholders and the community for this important project which will enhance the efficiency of the logistics chain in the delivery of goods.

We have developed new *Traffic Management Plan Guidelines* as part of our ongoing work with port users to improve the effectiveness of the port related supply chain.

Sydney Ports has also been talking to exporters and growers as part of our commitment to facilitate trade in regional NSW. Maritime Container Services (MCS) has signed a lease at Cooks River and we will continue to work with MCS to enhance this facility. Our sponsorship and participation in the Sydney Ports Moree Cotton Cup - Charity Race Day was a great opportunity to meet local exporters and growers. Sydney Ports is currently working with local councils in regional NSW to identify ways in which we can support regional exports.

We are looking forward to a busy and successful year at Sydney Ports with significant progress on major projects and working with our stakeholders.

Grant Gilfillan
Chief Executive Officer

Managing and developing port facilities

Port Botany Expansion – progress on project delivery

The expansion of Port Botany is progressing. The joint venture of the Australian construction company Baulderstone Hornibrook and Jan de Nul are currently developing detailed designs and obtaining the required licenses and permits for the project.

Initial survey and geotechnical investigations at various sites have also commenced. Pre-construction environmental monitoring is well underway and will continue during construction. This will assist in the development and implementation of management plans for construction. Noise monitoring of the area has commenced.

The Community Consultative Committee (CCC) established for the expansion project has been in place for over a year and has held nine meetings. The committee receives regular project updates and will be consulted on a number of construction management plans in the near future.

The main construction works will be complete in early 2011. A competitive process will also commence this year to engage the operator for the new terminal. It is anticipated that new berths will be commissioned in 2012.

Gymnasium for JJ Cahill Memorial School, Mascot

Sydney Ports is providing funding for a new multi-purpose hall and gymnasium to be constructed at JJ Cahill School in Mascot. The facility will also be available for use by the wider community. Initial investigations for the construction of this gymnasium are being progressed by the Department of Education and Training.

Proceeding towards the delivery of the Intermodal Logistics Centre (ILC) Enfield

The planning for the ILC at Enfield is progressing. Strathfield Council's appeal in the Land and Environment Court has been withdrawn.

The ILC is a key part of our strategy for a 40 per cent increase in rail mode share which would result in a decrease of 300 truck movements per day on Sydney's roads.

Sydney Ports consulted extensively with the community during preparation of the environmental assessment for the development and will continue to work with local councils and community in the area to ensure that the project provides a positive contribution to the area for local business and residents.

Independent Pricing and Regulatory Tribunal (IPART) update

IPART has released its report of the review of the interface between road and rail operators and the stevedores at Port Botany. The report contains 18 recommendations to improve efficient landside operations and facilitate the smooth flow of containers in and out of the port.

The recommendations from the IPART report, if accepted, could involve Sydney Ports playing a bigger role in the management of landside operations. Sydney Ports is currently reviewing the recommendations in the report.

Re-establishing the Port Botany Neighbourhood Consultative Group

Sydney Ports is reforming the Port Botany Neighbourhood Consultative Group. The new Group will be chaired by Sydney Ports and will meet every three months. Members of the community, businesses operating at the port and local councils will be invited to join the group.

Facilitating trade

Trade Highlights

Strong trade growth continues through the ports of Sydney. Total container trade through Sydney's ports for the first seven months of 2007/08 recorded just over 1 million TEU's, an increase of 8.6 per cent compared to the same period last year.

Total trade for this period was 18.4 million mass tonnes, an increase of 12.7 per cent.

Container trade in January 2008 increased by 9.3 per cent to 148,000 TEU's compared to the same period last year.

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

Traffic Management Plan Guidelines

A key role of Sydney Ports is to facilitate trade by providing competitive advantage to importers, exporters and the port related supply chain.

To improve efficiency for our port users Sydney Ports has introduced the *Traffic Management Plan Guidelines* for Port Botany, Sydney Harbour and Cooks River. The document has guidelines to assist in managing road transport operations at these facilities, construction works or other activities of a temporary nature.

The number of port users at these facilities requires an approach that allows for the effective management of landside road transport movements to support economic, environmental and social objectives of the port's activities.

The document provides a checklist to assist with the prerequisite elements of a traffic management plan, and outlines the approval process for any operational and/or infrastructure arrangements that influence road transport management.

Sydney Ports strongly encourages your organisation to consider the development and regular update of traffic management plans as a proactive strategy in managing your operations. The guidelines will assist operators in meeting environmental planning and operational requirements that may be imposed by government agencies.

The *Traffic Management Plan Guidelines* are available at www.sydneyports.com.au

Supporting regional exporters

Improving long term efficiency at Cooks River

Sydney Ports has signed a new 20 year lease with Maritime Container Services (MCS), the long term operator of the intermodal terminal at Cooks River.

Sydney Ports is working with MCS to enhance this facility and improve the efficiency of container storage and handling.

This 17 hectare property currently has storage capacity of 10,500 TEU's with plans to increase capacity in the future. The site is strategically placed in close proximity to Port Botany located on the Botany Freight Line and with access to the wider rail network.

Last year, Sydney Ports and MCS invested in capital works to upgrade lighting and signage as well as extensive stormwater maintenance at the Cooks River site. Further capital investment to improve the site will continue for several years.

The lease provides valuable long term opportunities to facilitate strategic relations with key exporters. Cooks River provides for 20 per cent of empty container storage in Sydney which assists with the efficient movement of containers throughout the metropolitan area via rail.

Sydney Ports Moree Cotton Cup - Charity Race Day

In continuation of its support for regional exporters, Sydney Ports Corporation sponsored the Sydney Ports Moree Cotton Cup on 23 February, the first horse race in Moree since the outbreak of Equine Influenza. The event attracted over 800 people from Moree and surrounding areas.

Sydney Ports recognises the importance of the region and its contribution to the economic well being of NSW where grain and cotton are the main exports. Cotton is the third largest containerised export

commodity through the ports of Sydney with 15,658 TEU's exported in 2006/07. Exports in the 2007/08 period are expected to increase significantly. Local farmers are optimistic about increased volumes for the 2008 season due to recent rains.

Sydney Ports' representatives have visited the region for the past 20 years and the Cotton Cup provided another opportunity to meet with regional exporters in Narrabri and Moree to understand their needs and identify ways that the port can assist regional exporters with their operations.

Environment

Statewide oil spill exercise

Sydney Ports' operations personnel participated in a statewide oil spill exercise in Coffs Harbour on Wednesday 12 and Thursday 13 March with 140 people from organisations across NSW.

Our emergency response team attends to more than 200 reports of marine pollution every year, with less than two per cent of these pollution reports sourced from commercial shipping operations.

This exercise, organised by NSW Maritime, was designed to test the response times and preparedness of organisations in handling oil spills in remote areas. It also provided an opportunity to build on our capability of responding to such incidents.

The experienced team from Sydney Ports were also called to help with the Pasha Bulker incident on Nobby's Beach in Newcastle. The team provided four truck loads of equipment including a 300 metre Hi-sprint-offshore boom, a helicopter aerial dispersant bucket, radio communication kits and a variety of pumps and power packs which were used in this exercise.

Supporting Earth Hour

Continuing its support of Earth Hour from last year, Sydney Ports will again participate in this important global warming initiative on Saturday 29 March 2008.

At 8pm port precincts around Sydney will switch off all non-essential lights for one hour to raise staff awareness about climate change. Lights which cannot be turned off for work purposes will be dimmed to levels which still allow work to be carried out safely, and to ensure safety of the community in public areas such as the Overseas Passenger Terminal.

A cleaner Yarra Bay for the community

The local community can now enjoy a cleaner public park and beach area at Yarra Bay. As part of the nationwide Business Clean-Up Australia Day, staff from Sydney Ports Corporation and businesses within the port volunteered to collect rubbish on Tuesday 26 February.

A total of 45 participants from Sydney Ports and stevedore DP World collected 38 bags, which amounted to approximately 85 kilograms of rubbish.

The Yarra Bay area was chosen because of its frequent use by the local community and proximity to the port area.

Participation in this important event demonstrates the ongoing commitment of Sydney Ports to the community and environment.



Sydney Ports staff Graham Edgley, Tony Navaratne, David Solomons and Rozina Patel at the Business Clean Up Australia Day at Yarra Bay.

Every drop counts for Sydney Ports

In October last year Sydney Ports joined the Sydney Water "Every Drop Counts Business Program" in an effort to improve water management and reduce water use.

The program commenced with a Water Efficiency Audit at the Overseas Passenger Terminal in January. Part of the program includes a Diagnostic session which assesses water management. The session was held in February and was beneficial in identifying five critical areas of improvement for Sydney Ports.

By participating in the program, Sydney Ports will be striving for a 15 per cent reduction in water use through the implementation of the tools and advice provided by Sydney Water.

Royal Rendezvous in Sydney for two Queens

Sydney came alive with spectacular views of the *Queen Victoria* and the *Queen Elizabeth 2 (QE2)* as they graced the Harbour on the weekend of Saturday 23 February.

Thousands of spectators arrived early and lined the foreshore to catch a glimpse of the *Queen Victoria* on her maiden visit which coincided with the final voyage of the *QE2* before she is retired to become a floating resort in Dubai.

The *Queen Victoria* launched in November 2007 and christened by the Duchess of Cornwall, is the youngest ever ocean liner to visit Australia. Arriving on Saturday 23 February, she berthed at the Overseas Passenger Terminal (OPT) Circular Quay completing the Sydney leg of her inaugural, 106-night, world cruise.

The *QE2* arrived on Sunday 24 February and berthed at Garden Island.

Both ships were welcomed by a Sydney Ports tug with a water-canon display as they entered the Harbour.

The highlight of the visit was the passing of the two ships on either side of Fort Denison marking the departure of the *Queen Victoria* and the relocation of the *QE2* to the OPT. The passing was honoured with a whistle salute and marked the first and last time that the two cruise ships meet in Australian waters.

The *QE2* departed on Monday 25 February marking her 24th and final Sydney visit since her first arrival in 1978. During her 40 years of service, the 70,327-tonne *QE2* has carried more than 2.5 million passengers and sailed almost 5.5 million nautical miles – more than any ship in history.

The two spectacular ships were a highlight of Sydney's busiest ever cruise season with 102 ship visits - 47 by visiting international ships and 55 by Australian-based ones, marking an increase of 16 per cent over last year's cruise season.

The OPT was well equipped to handle passenger throughput with state of the art facilities. Along with Darling Harbour 8, Sydney two dedicated cruise terminals process over 200,000 passengers arriving/departing every year.