

Port Botany container sale Newcastle's loss

Selling Port Botany all but sounds the death knell for hopes of a container terminal at Newcastle, writes **Greg Cameron**.

YESTERDAY'S Port Botany sale announcement reflects agreement between the Coalition and the ALP that there will never be a container terminal at Newcastle.

Consequently, the Hunter and northern regions of NSW will never have the economic benefits that flow from a local container terminal.

It is a sad reflection on the quality of the region's political representation.

By selling a 99-year lease to Port Botany container terminal for \$4 billion, the NSW government must upgrade the Sydney rail network to carry more freight by rail – at a cost of \$4 billion.

This compares with building a container terminal at Newcastle and railing the containers to Eastern Creek, in Sydney's outer west.

Containers to and from Newcastle would arrive at Eastern Creek faster and at similar cost compared with using Port Botany.

But removing freight from the Sydney rail network would enable 100 per cent of capacity to be used for passenger trains.

Deloitte Access Economics reported, "If rail absorbed 30 per cent of the forecast increase in Sydney urban travel then congestion, safety and carbon emission costs could be reduced by around \$1 billion a year by 2025".

The NSW government has no funds to pay for the \$4 billion upgrade of the Sydney rail network to increase freight capacity.

And although the Australian government is being asked for the funds, it says that "a decision has not yet been made as to when additional funding might be made available".

It makes no economic sense to use the Sydney rail network for freight.

In 1997, BHP proposed a container terminal on the company's



ASSET: Prospects of a Newcastle container terminal and attendant economic benefits are gone.

steelworks site as a commercially viable future use of the site after steel making.

In 2000, confidential negotiations took place between BHP and the state government to transfer the site into government ownership (as revealed in a Question On Notice from the former member for Myall Lakes, John Turner, on October 11, 2000).

The NSW government took ownership of the container terminal site in 2001 to prevent BHP from competing with the government-owned Port Botany container terminal.

BHP's motivation was economic development – jobs. BHP paid \$100 million to the NSW government as part of the deal.

But then, as now, there was bipartisan political opposition (except from the trade unions) for using the container terminal site for economic development and job creation.

A container terminal at Newcastle would serve the 25 per cent of the NSW population living north of the Hawkesbury River. It is faster, cheaper and more efficient for them to have their import/export needs handled through the Port of Newcastle than through Port Botany.

With growth in container demand averaging 7 per cent a year, a

Newcastle terminal is the best economic stimulus.

It is reasonable to assess that 25 per cent of the people consume 25 per cent of container terminal services.

In 2020, the number of container movements associated with 25 per cent of the NSW population is 0.8 million TEU (twenty-foot equivalent unit) and in 2030 the estimate is 1.75 million TEU.

By any measure, these are commercially viable volumes.

Of course, the way to test commercial viability is for private enterprise to be invited to make the necessary investment.

Private enterprise, with their own funds at risk, is a better judge of commercial viability than the NSW government.

But there is a reason why the NSW government will not permit a container terminal at Newcastle.

A Newcastle terminal would win business from Port Botany container terminal, which in turn would justify a freight rail by-pass of Sydney.

Last year, 85 per cent of the containers moving through Port Botany were packed or unpacked within 40 kilometres of Port Botany.

Fifteen per cent of the containers were transported by rail and 85 per cent were transported by truck.

But when container movements through Port Botany reach 7 million TEU a year in 2030, between 4 million and 5 million will be sent by train and truck to intermodal terminals in outer western Sydney.

This is where Newcastle gains its competitive edge, because a terminal in Eastern Creek would be serviced better from Newcastle than from Port Botany.

A freight rail bypass of outer western Sydney is supported by the Coalition and Labor. It would run between Glenfield, (where it connects with the southern Sydney freight line) and Newcastle.

The bypass will stimulate urban renewal along the Newcastle rail corridor. It will stimulate economic development in northern regions of NSW by providing cost-effective access to a container terminal.

Likewise, it will create significant urban economic development opportunities in outer western Sydney.

A Newcastle container terminal is an economic catalyst that NSW should not ignore.

Greg Cameron is a former BHP executive interested in regional economic development.



No pay, no park

Yesterday, the *Herald* reported parking fine revenue soared 10 per cent across the Hunter last year and is on track to top \$5 million this year. This is what you said.

I often drive and park in the city centre through the business day and have never had a ticket. There is a simple way to avoid them – pay the meter. It works every time.

Seano

We are all mugs for tolerating this shameful money-grabbing exercise which the NCC dishes out to us. We now think twice before driving into Newcastle, due to the cost of parking as well as the very high likelihood of being booked.

Paul Stewart

Don't do the crime if you can't pay the fine. I legally park in lots of places and have never attracted a parking fine. I wonder why.

Time for a Bex

Newcastle City Council parking compliance officers are breaking the law numerous times themselves by illegally parking compliance vehicles and not paying the cost themselves in a public metered vehicle parking zone & no-stopping or loading areas while handing out the fines.

Eyes Wide Open

It is ridiculous that they use the old "all for the retailers". . . the retailers need more from the council than this lame excuse.

Reggieson

Cars are constantly illegally parked in my street, and when I call council they say their compliance officers only work 9am to 5pm and after that it is a job for the police, including weekends. Yet, suddenly when there is a game on, they can work after hours and weekends. Reeks of revenue raising to me.

DaYuehan

Again, why express concern for those individuals who chose to do the wrong thing and then get caught out?

Catch a Bus

Premier, it's time for a little heart-to-art

The Hunter gives plenty, it's time Sydney gave a little in return, writes **Tim Crakanthorp**.

ALL we need for the Newcastle Art Gallery redevelopment to proceed is \$2.5 million in the upcoming state budget, \$2.5 million in the next state budget and \$2 million in the budget after.

We have \$7 million from the federal government and we have \$7 million from council and the community. The state money is all we need to proceed.

At the last project control group meeting for the Newcastle Art Gallery redevelopment on Monday, these were the figures that were presented by the Newcastle City Council director of finance.

He said these amounts would be all we need, given the timing of the construction of the building and the use of the \$7 million federal government grant and the \$7 million of council and community money.

On Tuesday night, council voted to halt the redevelopment until a delegation has gone to the Premier to seek the final \$7 million and then, if successful, to reconsider the redevelopment.

Sydney received \$310 million in the last state budget for its cultural institutions. If you multiply this amount by three for the next three years, then Sydney may receive \$930 million over this period.

Newcastle is asking for a total of \$7 million over this same time.

Is that too much to ask?

Hardly, when you consider our Hunter-based state-owned corporations provide \$629.6 million in dividend and tax payments to Sydney (Hunter a cash cow for the state *Herald* 7/12/12).

These state-owned corporations include the Newcastle Port Corporation and Hunter Water.

On top of this, we may want to add the coal royalties that Sydney receives from our region.

Sydney receives a figure close to \$900 million in royalties from the Hunter Region (Economic Assessment of Mining Affected

Communities, NSW Trade and Investment, March 2013).

The state government now classifies Newcastle as a "mining-affected community". This is due to Newcastle neighbouring an active mining area, as well as being a thoroughfare for mining traffic, which has a significant impact on our transport infrastructure.

Now that we have this less-than-shiny "mining-affected community" distinction, a little bit of compensation for the dust and transport discomfort that we put up with, would go a long way in Newcastle and the Hunter.

When the figures are so clear, with a total of \$1.5 billion contribution from the Hunter to the state, it can be seen why the Hunter so strongly believes that it deserves a few small crumbs from Sydney.

We are not just asking for the money without local input, as the community has been fund-raising for over a decade. Fund-raiser after fund-raiser has been held, and a slow and steady sum has been built up over the years.

Institutions such as the Newcastle

Permanent Building Society have also contributed, in its case \$100,000.

The Art Gallery has also had bequests in the past and there is the possibility of another \$1 million in bequests.

These bequests may not be forthcoming if there is no redevelopment to hold them in a safe, secure and watertight facility.

The state government highlights the Newcastle Art Gallery redevelopment as a "catalyst project" for the renewal of Newcastle CBD in its Hunter Regional Strategy for the NSW 2021 document.

Now let us see the state government "walk its talk" and fund this catalyst project. Everyone in the Hunter wants to see Newcastle city centre revitalised and this is a key way to do so. Mr Owen and Mr O'Farrell, over to you.

Tim Crakanthorp is a Labor councillor for Ward 2 on Newcastle City Council and the chair of the Newcastle Art Gallery project control group

ONLINE poll

TODAY'S QUESTION
Should the Fernleigh Track be connected to Bathers Way?

YESTERDAY'S RESULT
What is the point of parking fines?

Turning over parking spaces	12.2%
Safety	1.5%
Raising revenue	63.1%
All of the above	23.2%

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