



Treasurer

Reference: EA1662193

22 MAR 2012

Mr Greg Cameron
29 Eddy Crescent
FLOREY ACT 2615

Dear Mr Cameron

Thank you for your email of 2 March 2012 requesting consideration for the development of a container terminal in Newcastle.

I have noted the contents of your email and appreciate the time you have taken in bringing the matter to my attention.

As you are aware the NSW Government has engaged Morgan Stanley to undertake a scoping study into the long-term lease of Port Botany. The optimal container strategy for NSW will form part of that study. I will forward the information you have provided us to Morgan Stanley for their consideration. The study is expected to be completed by the middle of 2012.

Please be assured that the NSW Government is committed to building critical infrastructure to enhance the economic productivity of the State.

Once again thank you for bringing this matter to my attention.

Yours sincerely

MIKE BAIRD MP

From: Greg Cameron [mailto:gdc99@bigpond.com]
Sent: Friday, 2 March 2012 6:41 PM
To: Hon Mike Baird
Subject: Update on container terminal plan

Dear Mr Baird,

I am writing to advise you of my recent activities in support of the "Transport Infrastructure Study for the Hunter, North and West Regions of NSW 2000 (the Study)". A brief has also been provided to the state Coalition members in the Hunter, the Hunter Development Corporation, Regional Development Australia – Hunter, Hon Bob Baldwin, Hon Gladys Berejiklian, Hon Mike Gallacher and Hon Duncan Gay.

By way of background, the Study was the work of Newcastle Transport Planner, Mr Len Regan, in 1998/2000. Funding for the Study was provided by BHP when I was in this company's employ until the end of 1999. The Study was promoted by the Newcastle and Hunter Business Chamber (NHBC) and the Newcastle Trades Hall Council (NTHC). BHP's support for the Study was in recognition of the significant potential of the various projects to contribute to economic growth and job creation in the Hunter and northern regions of NSW.

The NSW government unexpectedly took ownership of the former steelworks site in 2000. Confidential negotiations (see QON 1088, 11 October 2000) were conducted with the NSW government at the same time as the government was determining BHP's development application. Despite owning the site for 12 years, the NSW government has never examined its potential as an alternative to Port Botany container terminal.

On 1 December 2010, I met with you, Hon Mike Gallacher, Mr Craig Baumann, Ms Robyn Parker and Ms Gladys Berejiklian, to (re) confirm the Liberal Party's interest in pursuing the projects detailed in the Study. You advised me that the Coalition, in government, would be happy to receive a proposal for implementing the projects, provided there was no call on government funds and all of the projects were included.

My intention is to secure non-government funds to proceed with undertaking feasibility studies into the projects. A process for participative community development will be employed. It is modelled on Professor Roy Green's work at The University of Newcastle up until 2000. Professor Green's work was the basis for the commercial entity "Hunter At Work" within the University. As part of the participative process, a suitable commercial structure and Board will be required to manage privately raised funds.

On 2nd June 2005, following a representation from NHBC, the member for New England, Mr Tony Windsor MP, supported the Study (see enclosed). On 14 December 2011, I provided Mr Windsor with a copy of my submission of same date to Infrastructure Australia in relation to the "Moorebank Intermodal Terminal Project". In his reply (8 February 2012), Mr Windsor advised he had asked the Minister for Infrastructure and Transport, Hon Anthony Albanese, to consider my submission.

On 16 December 2011, I wrote to the Hon Greg Combet MP and Ms Sharon Grierson MP. Mr Combet provided useful information, while Ms Grierson confirmed her support for a container terminal and the Fassifern-Hexham by-pass (see enclosed). My view is that the container terminal is the anchor project.

The process to instigate an evaluation of the former steelworks site is the EIS for the Moorebank Project. Section 8 of the Project Guidelines relates to a federal government requirement to identify "alternatives considered to the preferred project and impacts

arising from the relocation of current uses". My submission to Infrastructure Australia proposed that a container terminal at Newcastle, serviced by a freight terminal in Sydney's north, was an alternative to the Moorebank project.

The need for the Moorebank Terminal is to service expansion of Port Botany container terminal. Throughput in 2011 was slightly more than 2 million containers. Port Botany is currently approved to expand to 3.2 million containers a year, however, Sydney Ports Corporation is reportedly seeking government approval to expand to 7.5 million containers a year.

As you are aware, between April and December 2011, the NSW government had been actively considering a proposal from Mr Nathan Tinkler to develop a coal loader on the former steelworks site. In December, the Premier, Hon Barry O'Farrell, announced that his government had rejected the Tinkler proposal. The Newcastle Herald reported a spokesman for Ports Minister, Hon Duncan Gay, to say that "an announcement on a Newcastle container terminal would be made after the scoping study for the Port Botany [leasing] transaction, due to the government early this year, is completed."

However, in a NSW Treasury brief leaked to the Newcastle Herald and reported on 18 February 2011, it was revealed that there was no acceptable study of the former steelwork's site's potential as a container terminal. It was reported-

Newcastle MP Jodi McKay accused forces within her government last night of undermining her efforts to secure a \$600 million container terminal for Newcastle.

The claim follows the leaking of a confidential treasury briefing paper to the Newcastle Herald that questioned the project's viability.

Ms McKay said the leak followed a conversation with Treasurer Eric Roozendaal on Wednesday morning in which she expressed concern about the delay in announcing the project's successful proponent.

Mr Roozendaal sought last night to distance himself from the briefing document and confirmed that Newcastle would be the location of the state's next container terminal.

...The 22-page document titled Review of Proposed Uses of Mayfield and Intertrade Lands at Newcastle Port was prepared for Mr Roozendaal on February 4.

It states that Treasury had not been provided with a rigorous analysis of the demand forecast for containers and bulk goods.

"A 2006 PWC [Port Waratah Coal] study for bulk goods berth on the [Mayfield] site was based on the Newcastle Port Corporation-generated demand forecasts that were not subjected to critical analysis," the report says.

"A 2003 study [updated in 2009] into container demand to Newcastle identified a total current demand of 266,000 TEU [20 tonne equivalent units] pa, which is dwarfed by the current and potential capacity of Port Botany."

My understanding is that the NSW Government provided a submission to Infrastructure Australia in November 2011 requesting a \$28 million Australian Government contribution (NSW proposing to contribute \$7 million) to develop a Port Botany and Sydney Airport Improvement Program. However, there is currently no Australian Government commitment to the Program. This indicates that there is still an opportunity to expand the investigations to include Newcastle.

Infrastructure NSW is currently undertaking a "Sectoral Strategy Statement" which will be focussed on coordinating short term improvements in the Port Botany/Sydney Airport precinct. I understand that this work uses NSW Government funds and will form part of the overall Program, should it proceed as proposed.

It is appreciated that development of a major container terminal at Newcastle, as an alternative to Port Botany, is ultimately a matter for the NSW Government to consider, both in development of its port strategy and in its submissions to Infrastructure Australia. At the same time, both governments have turned their backs on the Newcastle option since 2000 and consequently there has never been a fair comparison.

For example, in December 2011, the NSW and federal governments announced a \$1.1 billion upgrade of the Northern Sydney Freight Corridor, which will provide sufficient capacity for growth of existing interstate rail services into the medium term, but not for development of Newcastle as an alternative to Port Botany. There are additional pressure points along the corridor that would need to be evaluated should increased rail freight into Sydney be made possible by building the Fassifern-Hexham freight by-pass of Newcastle. It is inconceivable that the Fassifern-Hexham by-pass will never be built. (By avoiding Newcastle, the by-pass will reduce the travel time between Sydney and Brisbane by 20 minutes.)

The regional development aspects of the Regan Study do not necessarily depend on the size of a Newcastle container terminal. The essential part is to remove rail freight from the Newcastle urban system and develop capability to take empty containers from Moorebank (should that project proceed) and send them north where they will be filled with goods for export through the Port of Newcastle.

The Newcastle/Lake Macquarie/Maitland urban development and light rail transport elements of the Regan Study, depend on removal of heavy rail from the Newcastle urban system. The reason why the Liberal Party, in opposition, invited me to propose a complete strategy, was to enable all financial implications to be evaluated. The intention is to use revenue from high profit activities to help pay for low or no profit activities.

In summary, a decision on a container terminal at Newcastle is best made with the benefit of rigorous, independent commercial analysis for the net economic outcome for all of NSW. It is possible to privately raise the necessary funds to conduct a feasibility study and commercial analysis, which will be the basis for a capital raising, providing the civic institutions of the Hunter and northern regions are supportive.

While the NSW government is waiting to receive its advice in relation to leasing Port Botany, it is not too late to include a Newcastle option. It is also appropriate to consider the implications for using the Port Botany site for a third parallel runway for Sydney airport.

Thank you for taking the time to read this rather long email. Its purpose is that you should hear directly from me about the activities I am undertaking.

Yours faithfully,

Greg Cameron

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02 6259 8145



Treasurer

Reference: EA 1663326

Mr Greg Cameron
gdc99@bigpond.com

26 APR 2012

Dear Mr Cameron

Thank you for your email of 4 April 2012 promoting the development of a container terminal at Newcastle and associated infrastructure such as the Fassifern – Hexham rail bypass.

I appreciate your high level of interest in this matter.

As I advised in my 22 March letter to you, the scoping study into the long term lease of Port Botany includes consideration of the long term future plans for container port capacity in New South Wales.

I expect to receive and consider the scoping and strategy study in mid 2012. Bearing this timeframe in mind, at this stage a decision is yet to be made by Government about whether to proceed with a container terminal at Newcastle.

I appreciate the time you have taken to share your views on this matter and your interest in developing infrastructure in New South Wales. I trust you will understand that from an overall State development perspective it is appropriate that we consider the long term future of container capacity at New South Wales ports as part of the Port Botany investigation.

Yours sincerely



MIKE BAIRD MP

From: Greg Cameron [mailto:gdc99@bigpond.com]

Sent: Wednesday, 4 April 2012 12:50 PM

To: Hon Gladys Berejiklian ; Hon Duncan Gay ; Hon Mike Gallacher ; Hon Mike Baird

Subject: Newcastle Bypass

Dear Ministers,

The email, below, was distributed earlier.

Would you please disclose the anticipated number of truck movements at Port Botany each year for the next 50 years?

Thank you,

Greg Cameron

Distribution: Hunter region local councils; Hunter region state/federal MPs; Hon Anthony Albanese MP; Hon Gladys Berejiklian MP; Hon Mike Gallacher MLC; Hon Mike Baird MP; Hon Duncan Gay MLC; Mr Tony Windsor MP; Hon Richard Torbay MP.

As reported to you last week, the NSW government's scoping study for leasing Port Botany container terminal includes an "optimal container strategy" for NSW. Newcastle is not part of it.

The NSW and Australian governments point out that 95% of the containers unloaded at Port Botany are bound for the Sydney market. The fact is that Port Botany container terminal is inaccessible to anywhere except Sydney; only Sydneysiders have the advantage of low cost access to a container terminal. The proposition that Sydney is the only part of NSW that requires access to a container terminal merits interrogation.

The NSW and Australian governments' objective is to shift ever larger volumes of trade through Port Botany. Upgrades to Sydney's rail freight system are designed to support expansion of Port Botany container terminal.

A \$1.1 billion project now underway will ease congestion and remove bottlenecks along the rail corridor through Sydney's northern suburbs to Newcastle as well as the proposed new intermodal facility at Moorebank.

While the NSW and Australian governments are not considering the Fassifern to Hexham bypass of Newcastle, they say they might do so in the future. Until then, all rail freight between Melbourne and Brisbane will pass through Newcastle.

To establish a major container terminal at Newcastle would require 15 additional projects, including a Fassifern to Hexham bypass, that are not part of the Northern Sydney Freight Corridor Program. The cost of these investments would be substantial.

The proportion of containers unloaded at Port Botany that will be moved by rail is not known. If it is less than 100%, the number of truck movements carries a real and measurable cost in road congestion and harmful carbon emissions. The NSW government is obliged to disclose the anticipated number of truck movements at Port Botany each year for the next 50 years.

The Fassifern to Hexham rail bypass of Newcastle is able to be privately financed. A toll would be paid for saving 35 minutes on the run between Sydney and Brisbane. While the cost would be amortised over the long term, the benefits are immediate.

A scoping study would include replacing the Newcastle heavy rail system with light rail and capitalising on the significant urban re-development opportunities afforded by the land along the existing rail corridor.

A container terminal on the former steelworks site would be designed to connect with the Fassifern to Hexham line and would proceed subject to commercial feasibility studies for servicing northern and western NSW.

One-half of the containers unloaded at Port Botany are returned overseas, empty. Ships from Port Botany can unload empty containers at Newcastle and re-load with full ones, containing coal and grain. The stimulus to the regional economy would encourage other exports, the development of which are currently blocked by having no access to a low cost container terminal.

A participative community development approach can be undertaken, to guarantee equity and transparency. A precedent is the "Hunter At Work" model of participative community development. The NSW government's contribution would be an option over government-owned land, including the former steelworks site.

When the NSW government assumed ownership of the steelworks site in 2000, and proceeded to do nothing, it failed the test of participative community development.

That mistake can be corrected.

It should not be repeated.

Greg Cameron

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