



SUBMISSION RE: THE DRAFT GREATER NEWCASTLE METROPOLITAN PLAN

FEBRUARY 2018

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EXECUTIVE SUMMARY

The Port of Newcastle is a nationally significant asset that has contributed to the growth and prosperity of New South Wales for nearly 220 years.

Port activity contributes around \$1.8 billion to NSW Gross State Product and around 10,000 FTE jobs per annum.

Within the Lower Hunter, the Port's contribution is around \$1.6 billion to Gross Regional Product and around 9,000 FTE jobs per annum.

The industries connected with the Port, such as coal mining and agriculture, contribute many billions more to the NSW economy.

This submission provides comment on the Draft Plan and highlights the key economic development opportunities for the Port and for NSW. It further underlines the critical importance of our continued port diversification strategy.

It is crucial that the Greater Newcastle Metropolitan Plan recognises:

- the value of the Port and its road and rail supply chains
- its capacity for future growth, and
- key growth projects

In addition, the Plan must protect the Port and its road and rail networks from urban encroachment.

The major opportunity for NSW is a container terminal at the Port of Newcastle. This would deliver cost savings and efficiencies to importers and exporters across the State and could save the NSW Government in excess of \$1 billion.

Successive Governments at both State and Federal levels have previously committed to a container terminal at the Port of Newcastle.

However, to deliver a viable and competitive container terminal, the NSW Government needs to create a level playing field to allow the Port of Newcastle to compete with the other privately owned ports in New South Wales and Queensland.



CEO'S FOREWORD



“ The Port not only has the capacity to double its existing trade to over 328 million tonnes per annum, but also enjoys world class connectivity by sea, rail and road. It is also a solution to the population growth and congestion in Sydney. ”

I welcome the opportunity to respond to the *Draft Greater Newcastle Metropolitan Plan*.

The Port of Newcastle is the third largest port in Australia. It services a large part of the state including the Hunter region, the central west, the north and the north west, providing efficient and cost effective export and import facilities and access to growing Asian markets.

The Port has been a global trade gateway for nearly 220 years, serving as a key economic driver for NSW.

The significant freight growth capacity that exists within the Port and its road and rail supply chains is extremely valuable to NSW. The Port services major export and import centres west to Parkes, and north to Moree, including Dubbo, Tamworth, Armidale, Narromine and Walgett. This region encompasses land rich in minerals and agriculture, meat, timber and the manufacture of steel and aluminium.

The Port is a strong contributor to the smart, liveable and revitalised city of Newcastle, and is also an iconic backdrop to the industrial, urban and commercial activity that takes place around our working harbour. As the NSW Government shapes the Greater Newcastle Metropolitan Plan, it is crucial that the role of the Port and its supply chains be recognised, valued and protected.

Port of Newcastle is committed to the growth and diversification of trade. The Port not only has the capacity to double its existing trade to over 328 million tonnes per annum, but also enjoys world class connectivity by sea, rail and road to support the Newcastle metropolitan area as a global gateway. It is also a solution to the population growth and congestion in Sydney. The Port already supports the growth of Sydney, receiving project cargo imports

such as trains, tunnel boring machines and construction materials for CBD projects.

In 2018 Port of Newcastle (PON) will publish a 20 year master plan for the Port. The Plan will outline the key economic development opportunities that PON sees for the Port and the region, including:

- A Container Terminal at the Mayfield Site
- An automotive import facility
- Expanded ship and small vessel repair facilities within the maritime precinct at Carrington
- The construction of a Cruise Terminal at Carrington
- The continuation and growth of existing large bulk trades including coal, fuel, wheat and mineral concentrates across the Kooragang, Carrington, Mayfield and Walsh Point Precincts

Government freight, transport and land use plans need to protect existing trade while supporting growth projects, such as those listed above, which will deliver investment and employment opportunities across NSW.

Our Port is a world class trade gateway which is currently only 50% utilised and is a strategic opportunity for NSW. The cost savings that can be generated by utilising the Port of Newcastle for container freight growth, estimated to be in excess of \$1 billion, can be redirected to other priority Government projects.

Port of Newcastle is committed to working with all stakeholders to maximise the use of this strategic and nationally significant asset.

Geoff Crowe
Chief Executive Officer, Port of Newcastle

FEEDBACK ON THE DRAFT GREATER NEWCASTLE METROPOLITAN PLAN

The Port of Newcastle is a key economic driver for Newcastle, the Hunter Region and NSW. It is a strong contributor to a smart, liveable and revitalised city. It has been integral to the growth and identity of the city for nearly 220 years and will support the aims of the Greater Newcastle Metropolitan Plan (the Plan) to see Australia's seventh largest city forge ahead as a globally competitive economy offering a great lifestyle.

The Plan should take into account Port of Newcastle's (PON's) plan and projects, as well as planned NSW and Federal Government transport projects and infrastructure to ensure that all freight growth opportunities are recognised and planned for.

PON's 20 year Port Master Plan will be released in mid 2018. It will support the Hunter Regional Plan Action 2.2 to develop and review strategies and precinct plans for the global gateways and surrounding lands to support their growth, diversification and sustainability.

Figure 4 Job target for catalyst areas (P17)

The draft plan estimates a base employment figure of 3,100 jobs for 2016 plus an additional 500 jobs by 2036. This is too conservative an estimate.

PON's analysis by EconSearch shows 9,240 FTE jobs generated in the Lower Hunter by current port activity (4,722 direct and 4,519 via flow-on effects). This is forecast to increase to more than 10,100 by 2020/21.

Importantly, the above figures are based on current port activity and do not include new projects planned by PON. For example, a container terminal and an automotive import facility would deliver many additional jobs through construction, direct employment within the Port and the warehousing and distribution sector.

The Plan mentions the establishment of a "Committee for Greater Newcastle to advise on a metropolitan-scale collaboration between community, industry and government" as part of a collaborative governance framework (P18).

PON is very supportive of a collaborative governance framework including input from industry, the community and the government. PON would like to be a member of the Committee, along with Newcastle Airport, noting that the two infrastructure operators each represent a significant customer base and work with their customers to deliver economic growth opportunities for the region. The

The Port of Newcastle has the capacity to accommodate a 2 million TEU container terminal, with existing connectivity to national rail and heavy vehicle road networks.

two assets could be described as the region's 'two ports', given the significant international trade and passenger gateways that they provide for NSW.

Strategy 1.3 Increasing domestic and global trade capabilities at Newcastle Port

In 2017 the Port of Newcastle handled 167 million tonnes of trade, valued at \$AU24 billion. Coal comprised 96% of trade volume, with other major cargoes including fuel and wheat. Please refer to Attachment D for more information on the Port's current trade.

Importantly, the Port has capacity to more than double its current trade. PON intends to build a container terminal, recognising the significant cost savings and efficiency gains that it would deliver for NSW exporters and importers.

PON's Mayfield Site has the capacity to accommodate a large container terminal, up to 2 million TEU, and has existing, direct connectivity to national rail and heavy vehicle road networks.

Other major projects planned include the investment of \$20 million to deliver water and electricity services for the Mayfield Site, a \$30 million Bulk Terminal facility at Walsh Point, a cruise terminal at Carrington, the continued growth of bulk liquid imports at Mayfield, Walsh Point and Carrington by Stolthaven, Park Fuels and ATOM respectively, and the continued development of the maritime precinct at Carrington by Thales. Securing a specialised car import facility is also a goal.

The Port and its road and rail supply chains have the capacity to accommodate the growth of all existing cargoes alongside the growth of new cargoes.

FEEDBACK ON THE DRAFT GREATER NEWCASTLE METROPOLITAN PLAN (CONTINUED)

For example, there is significant capacity for growth in the Port's current large-scale bulk exports (e.g. coal, agricultural products and minerals) alongside the export and import of containers to serve NSW's growing population and feed into distribution centres in the Hunter Valley, Central Coast and Western Sydney.

Diversification graphic (P28)

The graphic is incorrect. Cruise shipping does not represent diversification. A Newcastle container terminal is the real diversification opportunity for the Port, the Hunter region and NSW.

PON's 20 year vision for the Port is for continued growth in the broad range of export commodities, expansion of bulk liquids import and distribution facilities, and the development of a container terminal, and other niche import cargos including specialised automotive and other large project cargoes including machinery and building materials.

The Ports State Environmental Planning Policy (SEPP) provides for a broad range of port uses which already support diversification. However, amendments are needed to ensure that appropriate streamlined assessment pathways are available for all types of development with this port area.

"The Port of Newcastle will work with Newcastle City Council to enhance visitor experiences and build the popularity of the cruise ship terminal by improving the amenity of the port land near the terminal." (P28)

PON recognises the tourism value that cruise ship passengers deliver to the regional economy.

The NSW Government has funded the construction of a permanent cruise terminal which will provide a professional transit experience for passengers arriving in Newcastle and a positive first impression of the city.

However, port land is by its nature operational and industrial. As the majority of passengers simply transit through the Port, a focus on amenity is not required. This reference should be deleted.

It is vital that the Hunter Region's Local Government Areas (including Newcastle City Council) and other tourism providers continue to work together to raise the region's profile as a destination and to enhance the tourism offering for passengers. Passengers' continued satisfaction with their Hunter region experience is key to attracting more and larger ships to Newcastle. A particular strategic focus is required for foreign visitors to meet their specific cultural expectations. For example, Chinese tourism represents a significant opportunity for the region.

A container terminal is key to the diversification of the Port and will enable the cost effective and efficient movement of NSW freight.



FEEDBACK ON THE DRAFT GREATER NEWCASTLE METROPOLITAN PLAN (CONTINUED)

PON will work with TfNSW to investigate public transport connections to the Newcastle Cruise Terminal. For example, the NSW Government may consider investing in an extension to the ferry network via a new public ferry wharf at Dyke Point to facilitate a ‘special events’ ferry. This would provide an alternative method of passenger transit to the city and would leverage the Government’s investment in the public transport network (Light Rail and Transport Interchange). Please refer to the map below.

Strategy 4.1 Integrated Land Use and Transport Planning

The identification and protection of the Lower Hunter Freight Corridor is an important task to be completed in the next 10 years.

This corridor will link the Main North line between Hexham and Fassifern, providing a bypass of the Newcastle metropolitan area. Importantly, it will alleviate current urban amenity issues in Newcastle and allow a separation of passenger and freight trains for a small portion of the route.

However, PON notes that on its own this project does not create any additional capacity on the Main North Line for either freight or passenger services and will not address pinch points for congestion.

Port of Newcastle supports this initiative of the NSW Government, as it addresses urban amenity issues, but stresses that this is not a project that supports economic development.

Strategy 4.3 Protect Major Freight Corridors

The protection of freight corridors, port land and industrial hubs and precincts is essential. All contribute significantly to economic development, attracting investment in the region, and generating skilled employment for the local community and across NSW.

In its submission to the Draft Newcastle Future Transport Plan, PON noted the need for NSW Government plans to acknowledge that a broad state-wide network of road and rail funnels through Newcastle. Plans need to consider how transport agencies will manage urban amenity and networks which are shared between passengers and freight.

The Port of Newcastle has excellent access and connectivity to the national highway and the extensive rail networks linked to capital cities and its regional catchment.

The Port of Newcastle has direct rail access to: the national Australian Rail Track Corporation (ARTC) network via the North South Rail Corridor, connecting the Port to Brisbane, Sydney and Melbourne, and the Hunter Valley Rail Network, connecting the Port to the Hunter Valley and Western NSW.

The Port’s ability to receive longer trains via the ARTC network is already delivering substantial cost savings to NSW growers in bulk cargoes. The same rail network will deliver container freight to and from the Port of Newcastle, offering substantial cost savings to NSW exporters and importers who currently send their trade via Port Botany which is further afield.



— — — Suggested special events ferry route X Amendments to reflect the layout of the Port

FEEDBACK ON THE DRAFT GREATER NEWCASTLE METROPOLITAN PLAN (CONTINUED)

The Port will also have a direct link via the existing ARTC track to the Inland Rail at Parkes, helping prevent the loss of NSW trade to Brisbane and Melbourne.

In addition to the major freight corridors listed on page 64, the following corridors also need to be listed and protected:

- Industrial Drive Corridor – Pacific Highway connecting the Port to national highway (M1 & A1) at Beresfield /Hexham.
- Kooragang Island - Tomago Corridor

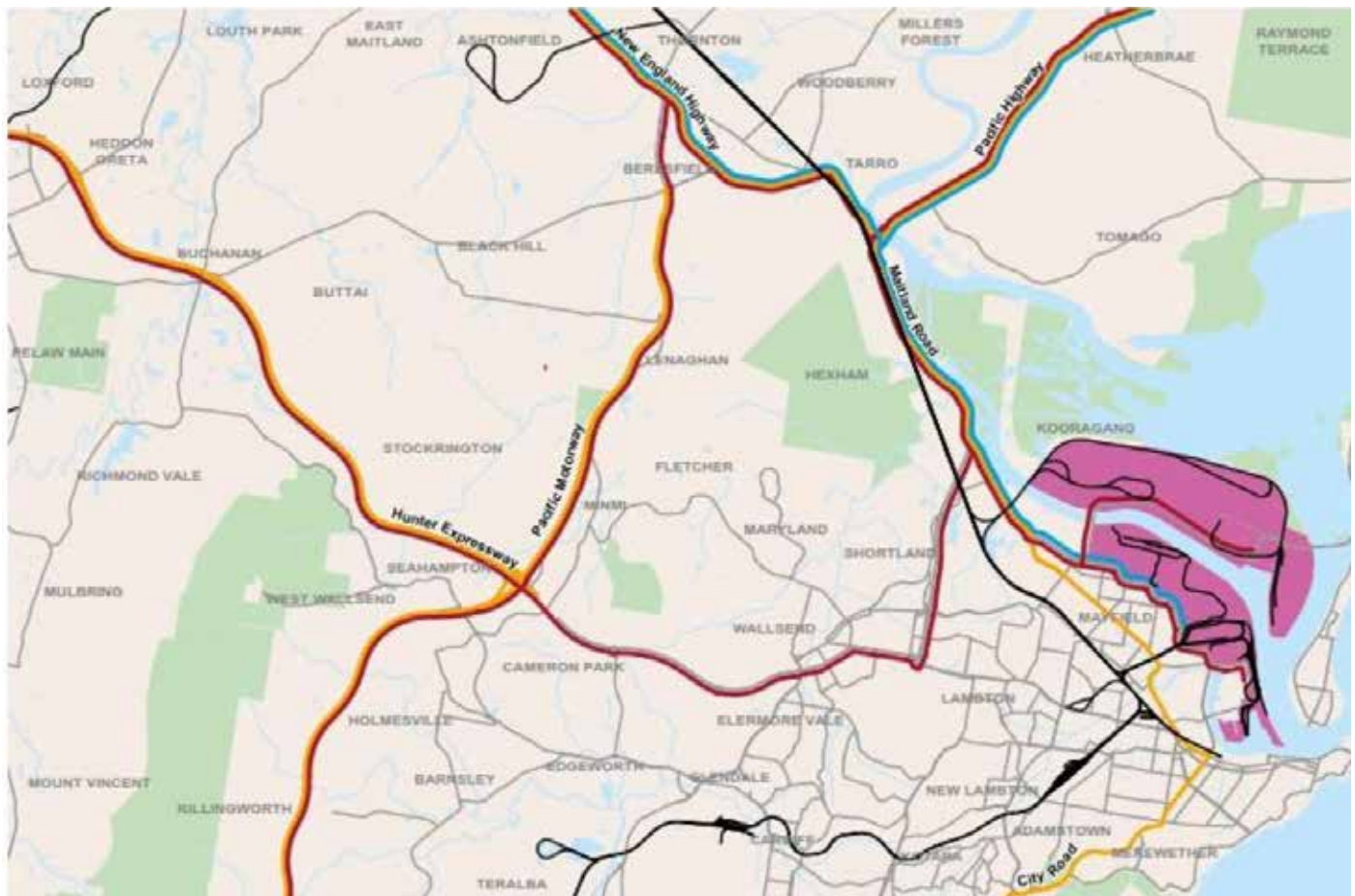
More commentary regarding these is provided below.

PON agrees with the Draft Plan’s comment that ‘further trade diversification for the Port and Airport will require land to facilitate increased freight movements’. This is particularly pertinent to Industrial Drive as one of the key national heavy vehicle routes to and from the Port.

The Port has direct road access for heavy vehicles via Industrial Drive and Cormorant Road to the M1 Motorway, the Pacific Highway and the New England Highway. All berths in the Port of Newcastle are B Double accessible. The above rail and road corridors are key to current and future port and industrial activity and need to be protected from urban encroachment.

Key actions for the NSW Government include:

- The identification and preservation of additional land for localised widening of Industrial Drive in the future.
- Include PON’s port development plans and freight growth projections in planning future road upgrades.
- Preserve and protect all freight corridors from urban encroachment and ensure that incompatible land uses do not encroach on port land or road or rail supply chains. This is particularly important for Industrial Drive at Mayfield, the local rail network throughout



FEEDBACK ON THE DRAFT GREATER NEWCASTLE METROPOLITAN PLAN (CONTINUED)

the Port, and the heavy vehicle route in Carrington.

Graphic (P84)

The employment figures need to be updated, as outlined above.

The Plan notes that “The Port of Newcastle, working with Newcastle City Council and NSW Department of Planning and Environment, will investigate the potential to relocate coal export facilities and bulk fuel storages away from residential areas and explore options to renew the Carrington Precinct for alternative uses (including tourism) (P84).”

This is a significant error which must be corrected in the final plan. PON has written to the Department of Planning to highlight this error and seek a correction.

PON was not consulted regarding the above comment and it is not aligned with PON’s long term plans. This land is part of Port of Newcastle’s landholdings under its 98 year lease with the NSW Government which commenced on 30 May 2014.

The land is zoned for Special Activities SP1 pursuant to the Ports State Environmental Planning Policy (Three Ports) 2013 (“the Ports SEPP”). The aim of the zone is to facilitate development that by its nature or scale requires separation from residential areas and other sensitive land uses. Within this zone tourism uses such as entertainment facilities and tourist and visitor accommodation, are explicitly prohibited.

Coal is an important part of the Port’s diversification strategy. It comprises 96% of the Port’s trade, providing a stable platform for the continued growth and diversification of other trades within the Port and in turn, the diversification of the region’s economy.

Coal export facilities at Carrington are operated by Port Waratah Coal Services (PWCS) which is a large employer within the Port and has recently invested in new ship loading equipment. PWCS also invests significantly in community and environmental initiatives.

The Port of Newcastle Port Development Plan 2015 – 2020 (PDP) notes that the Carrington Coal Terminal is constrained by surrounding land uses and is not expected to change over the life of the PDP. Port of Newcastle is committed to the growth of all its trades including coal, and to the continuation of coal export activities at Carrington and Kooragang Island.

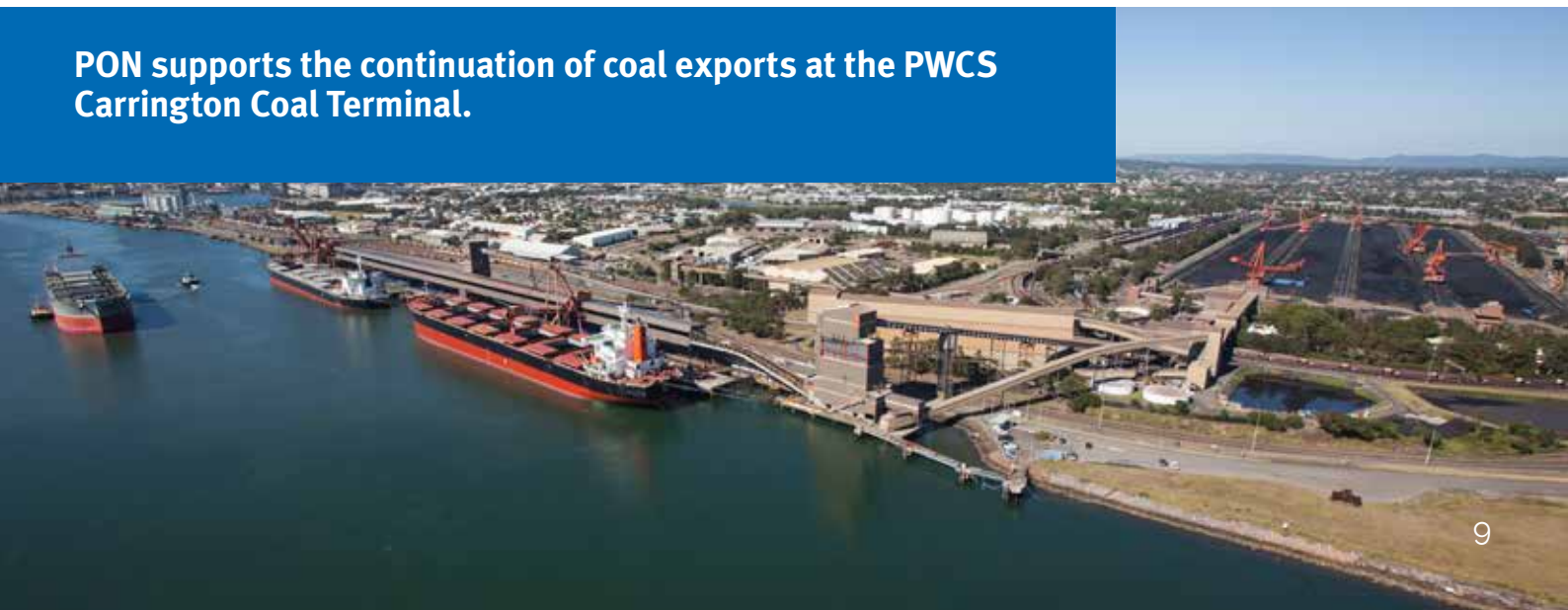
We are mindful that the Port operates within a community and we work collaboratively with industry and our neighbours. We note that the NSW Government has oversight for environmental regulation via the NSW EPA. The Government air quality monitoring network and environmental protection licences with individual tenants contributes to managing environmental impacts, including maintaining residential amenity.

The ATOM bulk fuels storage facility at the corner of Elizabeth and Hannell Streets is supplied by existing pipeline infrastructure to the Dyke 1 berth which enables fuel imports to be directly transferred from the ship to the storage tanks. This facility is within the Ports SEPP and is already well separated from residential areas by neighbouring general industrial land.

... protect heavy vehicle and freight rail access and infrastructure to the Port (P84)

The ongoing operation and development of the Port, which is central to the economic prosperity of the Hunter region and NSW, requires the protection of

PON supports the continuation of coal exports at the PWCS Carrington Coal Terminal.



FEEDBACK ON THE DRAFT GREATER NEWCASTLE METROPOLITAN PLAN (CONTINUED)

port land and the road and rail transport assets that support it, from impacts of urban encroachment.

Ports and road and rail networks are significant economic assets which cannot be easily or affordably moved or replicated and it is essential that local, state and federal governments work together to identify and protect port and transport infrastructure within planning policies and frameworks. This is a significant issue nationally.

PON encourages the proactive management of urban interface with the Port and transport corridors to ensure sustainable operations and protection from urban encroachment. Recognition of the Port's economic value and operational requirements in Government land use strategies and plans is critical. Even when the economic importance of freight, ports and logistics is identified in planning strategies, the issues of urban encroachment and land use conflict are often not adequately considered in the planning, design and assessment of individual proposals near the Port. PON will continue to work with local councils and the Department to ensure adequate protection of the Port and its operations at both a strategic level and on an individual development basis.

“NSW Department of Industry will coordinate the upgrade of Newcastle Port's Carrington Shipyard and slipway to reactive Newcastle Port and the Hunter as a major repair and maintenance project.”
PON supports the rejuvenation and expansion of the maritime precinct by Thales Australia, including a potential floating dock adjacent to the slipway.

PON refers to this part of the Port as the maritime precinct. The explicit identification of this site for

future port development and industrial use is needed to address potential conflicts with new residential developments in Honeysuckle, Wickham and Newcastle West.

Ports and road and rail supply chains, including ships and pilotage helicopters, operate 24 hours a day, and it is essential that developers incorporate best practice in design and quality materials to ensure the amenity of building occupants. We encourage consent authorities to develop a policy response to guide planning controls for new residential and commercial buildings located near ports, rail lines and major road networks.

Kooragang Coal Export Precinct (P84)

PON supports the statements regarding the Kooragang Precinct. Please refer to the map on page 8 which indicates increased rail infrastructure and identifies a zoned corridor to connect Kooragang to Tomago.

PWCS has planning approval to construct Terminal 4, which would be an additional coal terminal should the market and circumstances demand. This could provide valuable future additional capacity.

Mayfield Port Precinct (P84)

The Mayfield Site is the centre of the Port's diversification strategy and a key strategic asset for Australia. The 80 hectares of port-side land has frontage to the deep water shipping channel and direct connections to the national rail network and the heavy vehicle road network. PON is investing \$20 million to deliver services to the Mayfield Site.

PON support the statements referring to the

The Port and surrounding regions are well placed to accommodate distribution centres to support the cost effective and timely movement of cargo throughout NSW.



An Amazon distribution facility in Germany.

FEEDBACK ON THE DRAFT GREATER NEWCASTLE METROPOLITAN PLAN (CONTINUED)

diversification of port export opportunities. Please note bulk fuels is a bulk import (not export). General cargo and containers are both import and export.

PON is supportive of retaining rail access and expanding rail facilities within the site to ensure there is utilisation and optimisation of existing rail assets, to promote a road rail modal split for the future movement of cargo.

Given the existing volume and forecast growth of cargoes both originating within, and destined for, the catchment which can be serviced by the Port of Newcastle's channel, land and road and rail capacity, there is a compelling case for development of a container terminal at the Port's Mayfield Site.

Mayfield North Industrial Precinct (p84)

PON supports the continuation of industrial land uses at Mayfield North and the continued prohibition of retail, bulky goods and residential uses.

This land is within the Ports SEPP area which is designated as a state significant precinct for port and port related use.

Mayfield Freight and Logistics Precinct (P84)

This site is known as the 'Intertrade Site' a 52 hectare site located immediately adjacent to PON's Mayfield Site, with direct access to the Industrial Drive heavy vehicle route.

A significant opportunity exists to develop the site as an integrated freight and logistics hub or a freight intermodal facility to complement the adjoining Newcastle container terminal.

An integrated multimodal freight and logistics hub offers an enormous opportunity for customers to streamline their supply chains. Such a hub would include direct rail access, dedicated facilities for container unpacking, sorting, warehousing and distribution, temporary container storage and empty container storage parks.

A private road network operating between the port gates and the terminal and distribution or sorting centers would allow for the seamless and quick shunting of cargo. Sufficient land is also available for supporting services such as border control and quarantine facilities.

Port development offers significant economic value for the Hunter region, NSW and Australia, attracting private sector investment and skilled jobs to the region. This investment has a flow on benefit across other sectors including manufacturing, education, finance and insurance, real estate, transport and warehousing and professional services, and is a key contributor to the revitalisation of Newcastle and the Hunter region.

For example, the development of a large scale container terminal at the Port's Mayfield Site will help to activate neighbouring industrial lands due to the flow on demand for cargo storage and consolidation.

The large parcels of affordable industrial land that exist within the Port and throughout the Hunter region, serviced by unconstrained national road and rail supply chains, are a strategic advantage.

PON's plans for Walsh Point include a new \$30 million Bulk Terminal facility.



FEEDBACK ON THE DRAFT GREATER NEWCASTLE METROPOLITAN PLAN (CONTINUED)

This will enable the establishment of new distribution centres for cargo unpacking and consolidation, handling cargoes closer to their Regional NSW export origin or import destination point. The availability of competitively priced office facilities and the skilled regional workforce could also entice companies to establish head offices or regional offices in the Hunter region.

Walsh Point Precinct (P84)

The Walsh Point Precinct facilitates the import, export and storage of bulk cargo through the Kooragang 2 and 3 berths (known as K2 and K3).

PON is investing in a \$30 million Bulk Terminal to facilitate the efficient movement of cargo at these berths which are among the busiest in the Port. PON's vision is to operate the most efficient bulk terminal on the Australian east coast.

Vacant land within the Walsh Point Precinct represents a strategic opportunity to capitalise on PON's investment in new unloading equipment at K2. Cargoes include dry bulk, bulk liquids and general cargo.

PON supports the Department's actions to align planning instruments to support the continued use and development of this precinct.

Throsby Precinct (P84)

PON encourages the implementation of appropriate buffers between port land and adjoining residential uses in Carrington. This needs to be done with careful thought and responsive planning.

Sensitive land uses such as child care centres, aged care facilities or schools should be prohibited from being located near or adjacent to the port boundary.

This should be reflected in local council Local Strategies, Local Environment Plans (LEP) and development assessment.

Tomago Industrial Precinct (P86)

The Plan notes that the NSW Department of Planning and Environment, in collaboration with Port Stephens Council, will align planning instruments to protect industrial lands and "enable the efficient movement of goods by protecting freight routes connecting Tomago to Newcastle Airport at Williamtown (via Tomago Road) and to Newcastle Port (via Pacific Highway and Industrial Drive)." (P86)

PON supports this action and would like to see the existing transport corridor between the Port and the Tomago Industrial Land identified in the SEPP State Significant Precincts, recognised in the Metro Plan.

This corridor, together with the proposed M1 Pacific Motorway Extension to Raymond Terrace will provide an opportunity for an alternate transport corridor to connect Kooragang Island and the Port with the M1, Tomago Industrial Area, Newcastle Airport and Defense Employment lands, in the future.

It is recommended that this corridor continue to be preserved in future LEPs and SEPPs such that it may provide a strategic transport link in the future and be included in future transport planning initiatives for further investigation.

Black Hills - Beresfield

Supporting industrial land is critical to the growth of the Port as a Global Gateway. The cluster of freight and logistics industries developing around Beresfield-Black Hill is expected to grow in response to the changing freight demand and new freight tasks will be an important part of the Port's container terminal diversification strategy.

A strength of the Hunter Region and the Port of Newcastle is connectivity and capacity provided by the shipping channel, vacant developable land, and latent capacity in the existing heavy vehicle road route and rail network to support significant increases in the volume of cargo.

PON supports the preparation of a master plan for the emerging Black Hill Precinct that considers freight and logistics uses, the adjoining mine site, and includes an internal road network and access points to John Renshaw Drive.

Map (P85)

The highlighting needs to be extended throughout the port precincts as identified in the port map at Attachment C.

KEY RAIL & ROAD CORRIDORS



Map: Key Corridors & Infrastructure upgrades

THE NSW GOVERNMENT'S HUNTER REGIONAL PLAN 2036

The NSW Government's *Hunter Regional Plan 2036* notes that *'the Hunter is strategically situated to leverage proximity to Asia and the region's growing agricultural, health, education and tourism sectors to supply developing Asian economies with resources and products'*.

The NSW Government notes that *'the Port of Newcastle will continue to play an important role in the regional economy through the international export of goods and commodities (including coal and grains) from the Hunter and Regional NSW. It is the largest coal exporting port in the world. The Port of Newcastle has diversified its operations over time to respond to changing markets and demands. The port's facilities and services will need to remain responsive to changes arising from global demand and national economic policy'*.

Actions of the plan include:

- 2.1 Promote diversification of operations at the Port of Newcastle and the Newcastle Airport and enhanced connectivity to the Asia-Pacific.
- 4.4 Promote freight facilities that leverage the Port of Newcastle and its associated freight transport network.
- 4.5 Plan for multimodal freight facilities that support economic development of the region and respond to the location of the proposed Freight Rail Bypass.
- 26.3 Protect existing and planned major infrastructure corridors and sites, including inter-regional transport routes like the M1 Pacific Motorway and the railway, port and airports to support their intended functions.



HOW A NEWCASTLE CONTAINER TERMINAL WILL BENEFIT NSW

TRANSPORT COST SAVINGS of greater than 30% for central west and northern NSW exporters, making NSW more internationally competitive. Closer to north and north west NSW exporters than other NSW ports.

AVAILABLE LAND – The 80 hectare Mayfield Site has the capacity to handle in excess of 2 million TEU per annum. Ample industrial land nearby to establish distribution centres for convenient imports to central, north and north west NSW.

EXISTING NATIONAL RAIL AND HEAVY VEHICLE ROAD CONNECTIONS with huge capacity for growth. Newcastle will be one of the first ports to be connected to the Inland Rail via the ARTC's Hunter Valley Network.

DEEP DRAFT VESSELS – Newcastle's shipping channel accommodates deep draft vessels (15.2 metre deep channel). It can accommodate vessels up to 10,000 TEU and the capability of even larger vessels with some ancillary channel modifications. The Port of Newcastle's channel has capacity for more than 328 million tonnes and over 10,000 ship movements per annum.

REDUCED TRAVEL TIMES will deliver efficiency gains and cost savings. While the ability to **BRING LONGER TRAINS DIRECTLY TO THE PORT** will save growers time and money.

MORE COMPETITION among shipping companies and stevedores could reduce prices for all exporters and importers in NSW.

LESS NSW GOVERNMENT SPENDING - a Newcastle container terminal requires minimal Government investment. By contrast, the Government has identified that billions of dollars in new supply chain infrastructure is needed to facilitate container growth at Port Botany and Port Kembla.

USING THE PORT OF NEWCASTLE AND ITS EXISTING SUPPLY CHAIN COULD SAVE THE GOVERNMENT MORE THAN \$1 BILLION.

CONCLUSION

It is important that the Greater Newcastle Metropolitan Plan recognises the economic value of the Port of Newcastle and its road and rail supply chains to NSW and its communities. In particular, the Plan needs to:

- Accurately define port land and key road and rail supply chains that feed into and out of the port, recognise their value to the regional and NSW economies, and protect these nationally significant assets from urban encroachment.
- Recognise the current port activities and protect these businesses and trades from urban encroachment.
- Align with the Port Master Plan including the key growth projects that Port of Newcastle has identified for the Port over the next 20 years and beyond including a container terminal, an automotive facility, and the growth of existing and new trades.
- Recognise the Port's capacity to more than double its current trade, and the capacity that exists within the road and rail supply chains that will help deliver this task.
- Create a forum for ongoing collaboration via the Committee for Greater Newcastle including representation from Port of Newcastle and Newcastle Airport who manage the region's significant global trade gateways.

We request that the NSW Government:

- Establish a level playing field for a Newcastle container terminal to allow the Port of Newcastle to compete with the other privately owned ports in New South Wales and Queensland.
- Work with NSW Government agencies and local government to ensure that there is a broad understanding of the Plan, particularly the economic importance of the region's infrastructure assets and their growth potential.
- Allocate resourcing to support the growth opportunities outlined (e.g. allocating a local Transport for NSW resource, planning for future transport upgrades, as outlined in Port of Newcastle's Submission re: the Newcastle Future Transport Strategy).
- Regularly engage with infrastructure operators, including the Port of Newcastle and Newcastle Airport, to ensure that the Plan remains in step with the plans and growth opportunities of these assets and their customers.

Port of Newcastle looks forward to further engagement with the NSW Government as it finalises and implements the Greater Newcastle Metropolitan Plan.

Utilising the Port's capacity could deliver more than \$1 billion in cost savings for the NSW Government. For example, the Port has the existing land, shipping channel and road and rail networks for a 2 million TEU container terminal.



ATTACHMENT A - OVERVIEW OF THE PORT OF NEWCASTLE

OUR ROLE

Port of Newcastle is the commercial manager of the Port and has a 98-year lease with the NSW Government. We manage:

- Trade and port development.
- 792 hectares of port land.
- Wharf and berth services.
- Maintenance of major port assets.
- Vessel scheduling.
- Dredging and survey services.
- Cruise shipping.
- Legal, planning and environmental services.
- Community and stakeholder relations.

Port of Newcastle works in partnership with the Port Authority of NSW, customers and port and supply chain service providers to run a safe and efficient port.

Newcastle is the second largest city in NSW and is part of the Hunter region. The Hunter region is the largest regional economy in Australia and is the largest regional contributor to New South Wales' gross domestic product.

The Port of Newcastle is Australia's third largest port and the largest on the east coast by tonnage. It makes a significant contribution to New South Wales trade, handling more than 167 million tonnes per annum, valued at \$24 billion.

Port activity alone contributes around \$1.6 billion and around 9,240 full time equivalent jobs per annum to the Hunter region's economy. This does not include the substantial additional economic contribution of the coal mining and agricultural industries.

Close to major centres (kilometres)

- Sydney - 161 kms
- Brisbane - 781 kms
- Dubbo - 377 kms
- Convenient heavy vehicle and rail transit times to Sydney and major NSW rural centres.



Shareholders with global expertise

Port of Newcastle's shareholders are The Infrastructure Fund (TIF) and China Merchants Group.

China Merchants Group was established in 1872 as the first commercial corporation in China and now has more than \$1,000 billion in global assets under management across 18 countries.

TIF investors include industry superannuation funds representing more than 2 million members, as well as other institutional investors. It has a portfolio of Australian and overseas assets worth more than \$2.4 billion.

Port of Newcastle operates under a 98-year lease with the NSW Government which commenced in May 2014.

THE PORT OF NEWCASTLE AT A GLANCE



200 hectares of vacant port land ready for development.



Superior national road and rail network connections. Direct heavy vehicle access to the berth.



Berth side rail connection.



15.2m deep shipping channel can handle more than 10,000 ship movements and more than 328 million tonnes of trade per annum.

OVERVIEW OF THE PORT OF NEWCASTLE (CONTINUED)

The Port of Newcastle has direct road and rail connections throughout central, west, north and north-west New South Wales.

For exporters, it provides a gateway to growing international markets. For importers, it provides a cost effective and efficient way of reaching major regional and metropolitan NSW centres.

The Port of Newcastle's natural catchment area extends west to Parkes and north to Moree, taking in Dubbo, Tamworth, Armidale, Narramine and Walgett. It encompasses land rich in minerals and agriculture, meat, timber and the manufacture of steel and aluminium.



ATTACHMENT B - THE PORT'S CONTRIBUTION TO THE REGIONAL ECONOMY



\$1.6 BILLION PER ANNUM
TO GROSS REGIONAL PRODUCT

ECONOMIC IMPACT

of the Port of Newcastle, 2016/17

	Turnover (\$m)	Employment (FTE)	Household Income (\$m)	Gross Regional Product (\$m)
LOWER HUNTER				
Direct	1,763	4,722	529	914
Flow-on	1,479	4,519	371	695
TOTAL	3,242	9,240	900	1,609
NSW				
Direct	1,763	4,722	529	914
Flow-on	1,763	5,306	472	864
TOTAL	3,526	10,028	1,001	1,778
AUSTRALIA				
Direct	1,763	4,722	529	914
Flow-on	2,333	6,386	595	1,100
TOTAL	4,096	11,108	1,124	2,014

LOWER HUNTER FLOW-ON EFFECTS

for the Port of Newcastle by industry sector, 2016/17

INDUSTRY SECTOR	Output (\$M)	Employment (FTE)	Household Income (\$M)	Contribution to GRP (\$M)
Agric, forestry and fishing	7	20	1	3
Mining	7	16	1	3
Manufacturing	290	780	67	92
Electricity, gas, water and waste services	106	161	11	44
Construction	157	469	38	53
Wholesale Trade	47	145	17	23
Retail trade	74	616	35	45
Accommodation and food services	59	458	22	31
Transport, postal and warehousing	98	409	26	43
Information media and telecommunications	23	56	5	12
Financial and insurance services	115	204	27	69
Ownership of dwellings	176	0	0	136
Rental, hiring and real estate services	124	162	23	46
Professional, scientific and technical services	104	530	50	52
Administrative, public and other services	92	493	46	43
TOTAL	1,479	4,519	371	695

Source: EconSearch analysis

EVERY DOLLAR

spent in the Port of Newcastle generates a

FLOW-ON BENEFIT

for the local, state and national economies of

\$0.84 to \$1.32

TOP 5

sectors that benefit most from port-related activity were:



- 1 Manufacturing
- 2 Finance and insurance services
- 3 Ownership of dwellings
- 4 Transport and warehousing
- 5 Professional, scientific and technical services

2016/17 JOB GENERATION

REGIONAL (Lower Hunter) **9,000**

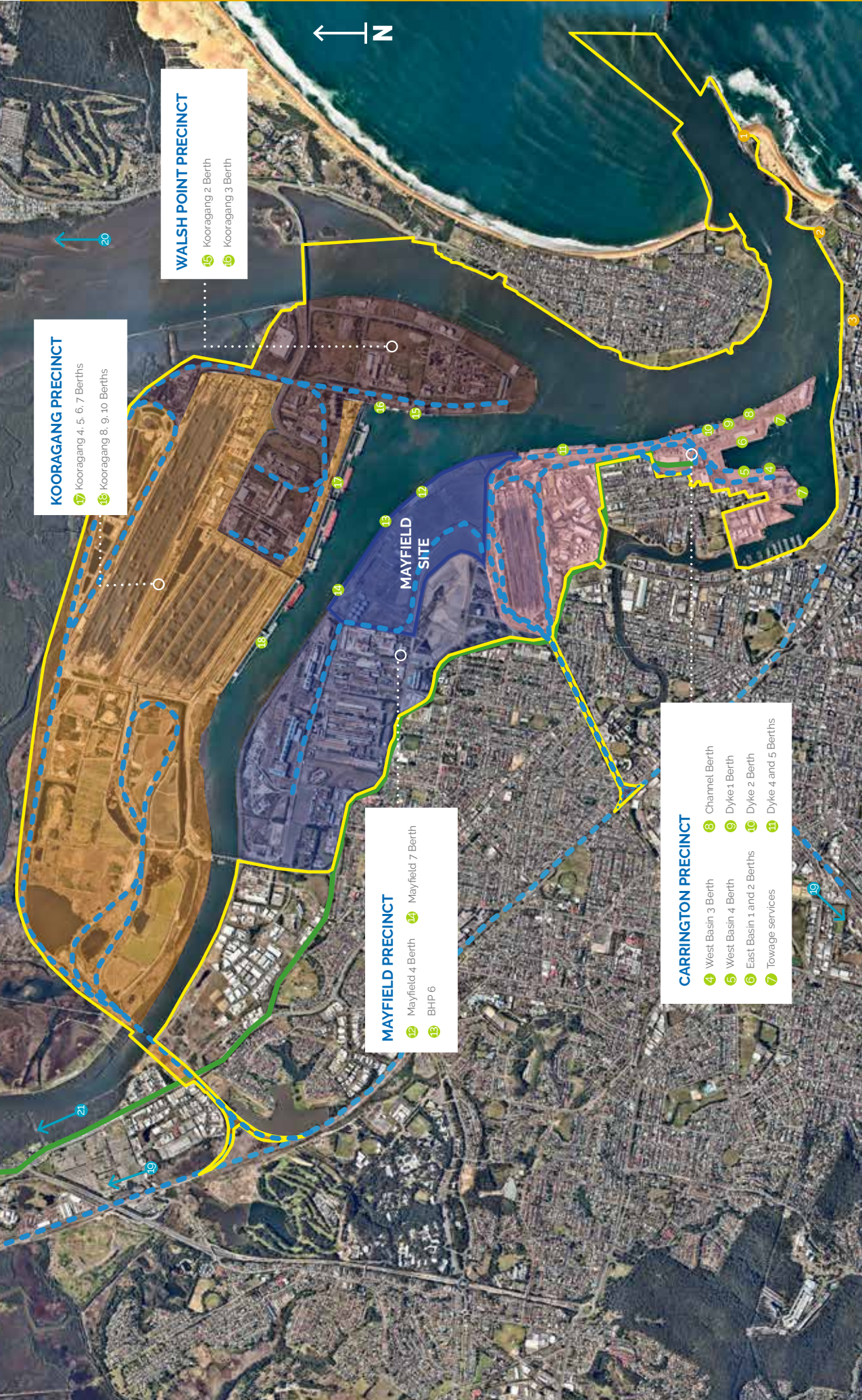
STATE (NSW) **10,000**

NATIONAL (Australia) **11,000**



Over the next five years this is forecast to increase to 10,000—12,000 jobs.

ATTACHMENT C - PORT OF NEWCASTLE MAP



ATTACHMENT D - PORT OF NEWCASTLE TRADE 2017

COMMODITY EXPORTS	MASS TONNES	TEUs	TRADE VALUE (\$ MILLION)
Aluminium	61,131	0	\$151.0
Coal	159,014,038	0	\$19,437.2
Concentrates	468,543	0	\$693.2
Machinery, Project Cargo & Vehicles	16,407	697	\$164.1
Meals & Grains	236,899	482	\$42.6
Pitch & Tar Products	103,096	0	\$71.6
Steel	104,039	290	\$22.6
Wheat	1,834,303	95	\$359.9
Other Trade	287,698	2,394	\$168.5
TOTAL EXPORTS	162,126,154	3,958	\$21,110.6
COMMODITY IMPORTS	MASS TONNES	TEUs	TRADE VALUE (\$ MILLION)
Alumina	1,106,282	0	\$285.3
Cement	251,074	0	\$18.8
Fertiliser	587,852	0	\$209.3
Fuels	1,856,427	0	\$1,131.6
Machinery, Project Cargo & Vehicles	75,087	180	\$750.7
Meals & Grains	186,176	0	\$85.2
Petroleum Coke	215,383	0	\$80.5
Pitch & Tar Products	146,724	0	\$116.3
Steel	232,102	107	\$50.4
Other Trade	253,037	5,251	\$173.2
TOTAL IMPORTS	4,910,144	5,538	\$2,901.2



- +61 2 4908 8200
- info@portofnewcastle.com.au
- www.portofnewcastle.com.au
- linkedin/portofnewcastle