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Email: freight@transport.nsw.gov.au

Business Sydney thanks Transport for NSW for the opportunity to offer this submission in relation to consideration of the NSW Freight and Ports Plan and the Government's position that Port Kembla has been identified as the location for the development of a future container terminal to augment capacity of Port Botany.

ABOUT BUSINESS SYDNEY

Could I first please present an outline of Business Sydney's role in representing the interests of the business community. Business Sydney advocates, influences and delivers policies and outcomes to drive economic growth and create opportunities to invest, work, live and visit the city. For nearly 200 years, it has worked to advance Sydney as a global, competitive, and liveable city.

Its network includes leading businesses across financial and professional services, construction and development, health, education, arts and culture, tourism and hospitality, as well as technology, transport, and logistics.

Through Business Sydney's association with Business NSW and My Business, it also influences and delivers on a state and national platform.

Business Sydney can proudly trace its history to 1826 when the Sydney Chamber of Commerce was established as the first organisation of its kind in the fledgling colony.

In 2006, it became the Sydney Business Chamber and now to reflect a broader reach, influence, and strength, the organisation transformed to become Business Sydney.

INTRODUCTION

Having weighed up the current position and taken into account the views of the business community including our own members, Business Sydney has concluded that the focus on Port Kembla as the site of another container terminal is premature and that Port Botany has significant potential for capacity growth that can continue to cater for Sydney's freight handling needs for decades.

Business Sydney also believes that the premature focus on Port Kembla sends a worrying signal to the business community, especially the many companies that currently import freight via the existing Port Botany infrastructure. Bringing Port Kembla into the mix at this premature stage raises concerns about additional supply chain costs remembering that the vast majority of freight landed at Port Botany — around 90% — is bound for recipients within 50km of the port.

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Commentary about Port Kembla as an additional container port raises concern among businesses that their supply chain costs will only increase sharply. We know that supply chain costs already loom large in the minds of business operators during the current cost of living crisis and its impact on commercial activity. Our parent body, Business NSW regularly publishes its quarterly Business Conditions Survey. In successive surveys, supply chain costs have been among the major issues having a serious effect on profitability and confidence to retain employees and to recruit more.

We don't want to see actions that can add to the cost of doing business or creating an unsettling environment when conditions are already tough enough for existing businesses.

In our view, Transport for NSW would be better served by focusing on capturing every opportunity to maximise Port Botany's potential before bringing Port Kembla into active consideration many years before it is necessary. Maximising capacity at Port Botany is the best way to stabilise costs for the benefit of businesses and consumers.

Devoting resources to Port Kembla as an additional container port at this premature stage does not seem to be a cost effective course of action. It also raises concern in the wider community that major road arteries would be choked with heavy vehicles moving goods from Port Kembla to Sydney.

Business Sydney believes the Government's attention should be focused on making Port Botany as efficient and effective as possible and in a way that retains and makes use of vital areas of industrial land set aside for maritime and commercial purposes. In short, the interests of businesses and people operating and living in the Greater Sydney basin should be preeminent.

The freight industry has made multimillion capital investments in Port Botany. It is not unreasonable for them to then expect that Port Botany will be developed to its maximum capacity. There is no reason to be injecting more money into competing ports at Port Kembla or Newcastle when existing arrangements work and with road and rail infrastructure in place to facilitate Port Botany's growth.

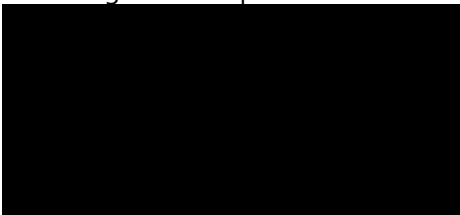
Keeping container port and supply chain costs as low as possible is the key and the way to do it is to optimise existing infrastructure and investments, not invest in new facilities when it is far from being needed.

We are already seeing the latter in microcosm with the shipment of motor vehicles through Port Kembla. The vehicles then have to be shipped to Sydney at additional cost to reach buyers in the main market for new vehicles.

Business Sydney believes strongly that Port Botany's current operators need certainty commensurate with their massive capital investment in the facility. We think the focus should be on driving Port Botany's growth potential. As we are advised, there is scope to more than double Port Botany's current capacity.

Just as Sydney is blessed to have an international airport within sight of its CBD, we are blessed to have in close proximity the major container port serving the needs of Greater Sydney. We need to ensure that this remains the position for as long as possible into the future.

We urge the Government to listen to the views and recommendations of the operators that have invested significant capital into Port Botany and wish to see it reach its full potential.



Paul Nicolaou
Executive Director
Business Sydney