

18 February 2019

Premature port investments will result in higher costs for NSW

A report by KPMG on long-term container needs of NSW has confirmed Port Botany is the State's key container port, and a new container terminal will not be needed until the mid-2040s.

The report found the NSW Government's container port strategy, which would see Port Kembla developed as the next container port in NSW to augment capacity at Port Botany, still stands as the most efficient and effective way of meeting the State's container export and import demands.

The KPMG report, titled [Quay conclusions: Finding the best choices for additional port capacity in NSW](#) finds:

- Premature port investments will result in higher costs for NSW businesses and families;
- Port Kembla makes the most sense for containers, but only once Botany nears capacity; and,
- Containers at the Port of Newcastle makes the least sense for NSW and would impose the highest overall costs and offer the lowest overall benefit.

Speaking at the launch of the KPMG report in Sydney this morning NSW Ports CEO, Marika Calfas, said KPMG has confirmed Port Botany will remain the first choice in container freight. "Port Botany is closer, better and cheaper for most container freight in NSW," Ms Calfas said.

"Port Botany is less than half full, is directly connected to dedicated freight rail, road and intermodal infrastructure and is supported by modern warehousing and logistics facilities in Sydney's west and south west.

"The KPMG modelling shows Port Kembla is the obvious next choice for the state's next container port, once Port Botany nears capacity.

"It is less than half the distance to Sydney's booming west and south west and has better existing and planned freight infrastructure connections than a container terminal at Newcastle.

"It's the population and business needs of NSW that determine the most efficient container terminal locations.

"NSW container ports are most efficient when close to consumers and connected to the market by good rail, road and intermodal infrastructure.

"Sydney and the south west population is set to grow from 5 million now to 6.5 million by 2036. Port Botany then Port Kembla makes sense as the ports to service this growth and is the right decision for the people and businesses of NSW." Ms Calfas said.

The report found that 80 per cent of containers are consumed within 40 km of Port Botany, with massive Commonwealth, state and port investments made over the past 10 years to develop a major freight and logistics sector in Sydney's west and south west growth areas.

According to KPMG's research, the current proposal for a container port in Newcastle had significant issues including being furthest away from the freight consumption and employment growth in western Sydney and the most expensive to develop, connect and use for containers.

Even with massive taxpayer investments in rail and road projects, a container port at Newcastle would introduce thousands of heavy vehicles onto Newcastle's streets, the F3 motorway and across Sydney the report found.

-ENDS-

About NSW Ports

Our vision is to be a world class port and logistics manager driving sustainable growth.

NSW Ports manages Port Botany and Port Kembla, key export and import gateways connecting to global and domestic markets, and the Enfield Intermodal Logistics Centre and the Cooks River Intermodal Terminal.

NSW Ports is a private consortium of leading institutional investors: IFM Investors (including Cbus, HESTA and Hostplus), AustralianSuper, Tawreed Investments Limited and Q Super. Our shareholders represent over six million Australian superannuation fund members and are long term investors with interests in a range of Australian infrastructure assets.

Media Contact: Paul Matthews: paul.matthews@nswports.com.au; 0458 566 179