Gateways for growth - investing to support New South Wales' growing trade volumes

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As key trade gateways for our nation, our ports tell the story of 2020. From droughts to bushfires, industrial action and a global pandemic, Port Botany and Port Kembla have continued to adapt to keep trade and the economy moving. Despite these challenges, NSW Ports and port operators have continued to invest in initiatives that will support New South Wales into the future, as our population and trade volumes grow.

As an essential service and key infrastructure asset for the nation, Port Botany handles around one third of Australia's container volume and 99.6 per cent of New South Wales' container volume. To put this into perspective, if you live in Sydney, nearly half (42 per cent) of all goods in your household (including food and beverages) have arrived in a container through the port.

Throughout 2020, we have been investing in ongoing maintenance of port infrastructure, including wharves and berths to ensure they are able to handle the larger vessels that are now visiting, and in the future will visit, Port Botany. In the last financial year, we saw the arrival of 105 vessels with capacity of 8,000 TEU or more, compared with just 37 ships in FY19. This includes the largest capacity container vessel to ever call at Port Botany, the CMA CGM Ural, which at 10,622 TEU, is nearly double the size of the typical container ship visiting the port. Port Botany is well equipped to handle these big ships, with current port infrastructure able to handle vessels up to 15,000 TEU today.

We have also continued to invest in landside infrastructure initiatives, to grow the movement of containers on rail. Port Botany is the only port in Australia with on-dock rail at every container terminal, and together with our stevedores, we are investing in a staged programme to increase our on-dock rail capacity to 3 million TEU at the port. The first phase of $190 million, with Patrick Terminals, is progressing well, with operations due to commence in early 2021.

Another example involving industry collaboration, was bringing online new empty container storage capacity to help with empty container congestion within the New South Wales supply chain. This included creation of an additional 4,500 TEU at ACFS in Port Botany, which commenced operations in August, and the opening of a new empty container park operated by Tyne Container Services on Simblist Road in June, which delivered an additional 5,000 TEU empty container capacity.

Port Kembla

Port Kembla has exciting growth opportunities ahead. In addition to being the site for New South Wales' second container terminal once Port Botany nears capacity, we recently signed a long-term lease with Australian Industrial Energy to construct and operate Australia's first ever LNG Import Terminal at Port Kembla. The Port Kembla Gas Terminal (PKGT) is approved to bring an additional 52 ships per year, carrying 100 petajoules of LPG to the port. Construction is forecast to take up to 20 months, putting the project on track to supply more than 75 per cent of New South Wales' gas needs by the end of 2022. We are thrilled to bring a new trade to Port Kembla, supporting its growth as an energy hub and providing diversification and growth for the Illawarra region.

Sustainably supporting New South Wales

Looking to the future, sustainable operations and sustainable growth continue to be at the forefront of our approach to managing our port and intermodal assets. We continue to lead the way in Australia with our environmental shipping incentive (ESI) programme, which rewards ships with higher standards of emissions performance through financial incentives. As part of the World Ports Sustainability Program, our ports are the first in Australia to offer an ESI programme. In the past 12 months, more than 570 vessel visits have qualified for an ESI incentive, a significant increase during this period.

These investments in sustainability and infrastructure capacity will ensure that these key trade gateways continue to effectively service New South Wales' long-term growing trade needs.