

Media Release

SYDNEY PORTS 2009/10 ANNUAL REPORT HIGHLIGHTS

Thursday 9 December 2010

Sydney Ports Corporation has recorded another strong financial result with net profit after tax increasing by **4 per cent to \$59 million for the 2009/10** financial year.

Sydney Ports Corporation Chief Executive Officer Grant Gilfillan, in releasing the Corporation's 2009/10 Annual Report, said it had been another record year in container trade for Sydney Ports—an indication of restored business and consumer confidence.

Mr Gilfillan said **container trade volumes through Port Botany in 2009/10 rose to 1.928 million TEUs**, a rise of 8.1 per cent on the previous financial year.

“Strong import demand and a resilient export sector have once again pushed Port Botany's container trade numbers to unprecedented levels,” Mr Gilfillan said.

“We have now seen nine years of consecutive annual container trade growth records for the Port.

The volume of container trade coming through the port of Botany has been growing at a compound annual rate of about 7 per cent since containerisation in 1969. Total trade for 2009/10 was 28.2 million mass tonnes, an increase of 1.5 per cent on the previous financial year.

The Annual Report shows that:

- Total revenue **increased by 5 per cent to \$220 million**; total expenses, including finance costs, increased by 5% to **\$135 million**; and
- With a continued focus on the provision of new infrastructure, **Sydney Ports invested \$280 million in new capital projects**, which resulted in an increase in total assets of 25 per cent to \$1.8 billion.

Mr Gilfillan said the year was also a busy period for construction activity with the **Port Botany Container Terminal Expansion project** heading into its final stages of construction.

“Dredging works were completed during 2009/10 as was the construction of the massive concrete counterfort wall units that form the perimeter of the new terminal area,” he said.

“In December 2009, the NSW Premier officially announced **Hutchison Port Holdings** as the operator for the new third container terminal (T3), which, once operational will significantly boost our import and export capacity.

Mr Gilfillan said for two years running, the Port Botany Expansion had earned the tick of approval from independent audits – conducted in August 2009 and May 2010 - which examined the project's environmental and planning impacts.

“Both audits show that the work is going beyond simply meeting the minimum requirements – it is

now achieving positive environmental outcomes.

The Third Terminal project remains on track to be handed to Hutchison Port Holdings by mid 2011 for their own infrastructure works in order to enable the terminal to be operational for trade by 2012.

Another area where the Corporation dedicated significant resources during 2009/10 was reforming the landside supply chain via the **Port Botany Landside Improvement Strategy (PBLIS)**.

“Australia’s first operational performance management scheme for ports began implementation at Port Botany in an effort to improve efficiency, consistency and transparency,” Mr Gilfillan said.

In April 2010, former NSW Ports Minister McLeay announced new regulations including penalty payments to truck carriers if stevedores fail to meet regulated standards.

Before these reforms there were no incentives for stevedores to service trucks in a quick and timely fashion. PBLIS will rectify this by implementing a performance management framework with penalty payments flowing between the stevedores and road operators directly for failure to meet regulated benchmarks.

Other milestones achieved during 2009/10 include:

- Planning and construction early work for Enfield Intermodal Logistics Centre started
- Final design for Bulk Liquids Berth 2 Project completed
- Signing of the contract to deliver a state-of-the-art vessel surveillance system for both Port Botany and Sydney Harbour
- New Sydney Ports Operations Centre at Port Botany opened

Sydney continued its reputation as Australia’s cruise ship capital, while cruise ship visits remained steady at 119, in total; about 250,000 cruise passengers visited Sydney during the financial year.

Further details from the 2009/10 Annual Report can be found at:

http://www.sydneyports.com.au/_data/assets/pdf_file/0019/14338/SPC_Annual_Report_2010.pdf

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