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### REFINANCING OF PORT BOTANY & DESAL PLANT TO FUND MAJOR INFRASTRUCTURE PROJECTS

The NSW Liberals & Nationals Government today announced plans to refinance State-owned assets at Port Botany, in addition to the leasing of the Sydney Desalination Plant, to fund priority infrastructure projects.

Treasurer Mike Baird said it is anticipated the Port Botany facility will be refinanced under a 99-year lease with a view to completing the transaction in the first half of 2013.

“The Port Botany assets include three container terminals with six container vessel berths, increasing to 11 berths upon completion of the Terminal 3 expansion project in 2012, and a bulk liquids berth,” Mr Baird said.

“The recent \$2.1 billion transaction of a 99-year lease to operate the Port of Brisbane demonstrated strong private sector interest in operating port facilities and the value that can be realised for taxpayers.

“Having the private sector acquire a long-term lease to operate Port Botany will improve efficiencies and enable the NSW Government to invest in priority infrastructure, both of which will enhance ongoing productivity.

“The proceeds from the transaction will be invested in Restart NSW – the fund established by the NSW Government to deliver vital infrastructure projects, with 30 per cent of the fund to be reserved for projects in regional areas.

“A major constraint on the Government’s ability to fund priority infrastructure is the level of debt and unfunded superannuation liabilities on the State’s balance sheet that was inherited from Labor.

“The transaction proceeds will be used to deliver that priority infrastructure, such as Pacific Highway and Princes Highway upgrades.”

Mr Baird said the refinancing transaction for the desalination plant was progressing well and Expressions of Interest would be sought from prospective interested parties by late-2011, with the aim of completing the transaction by mid-2012.

“Advisors to the Sydney Desalination Plant refinancing process were appointed by Sydney Water in July and are now actively working with NSW Treasury and the NSW Government on progressing the transaction,” Mr Baird said.

“Proceeds from this refinancing will also be allocated to Restart NSW.”

Ports Minister Duncan Gay said private management of Port Botany will allow port businesses to focus on efficiency and service outcomes such as enhancing the operation of the supply chain.

“The Government will ensure key public interest outcomes are protected,” Mr Gay said.

“This transaction only relates to Port Botany facilities and does not apply to Port of Newcastle or Port Kembla. A pre-transaction scoping study will be undertaken and will include an assessment of the best way to deal with Sydney Ports Corporation’s residual Sydney Harbour facilities,” Mr Gay said.

The NSW Government will immediately commence preliminary work for the transaction process. Based on a similar timetable to the Port of Brisbane sale, the sale process should run between October 2012 and March 2013, with completion by mid- 2013.

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