

7 October 2022

Business Hunter Welcomes Port Bill

The region's peak voice for business, **Business Hunter**, has welcomed notice from Lake Macquarie MP Greg Piper to introduce a Private Members Bill to state parliament, potentially paving the way for further diversification of activity and trade at the Port of Newcastle.

As reported last week, the bill will remove a clause from the Port of Newcastle's agreement with the government which requires it to pay compensation for any container movements over a set cap.

Business Hunter CEO, Bob Hawes said the 'Port of Newcastle Extinguishment of Liability Bill 2022' would help level the playing field and allow the market to determine where efficiencies and cost savings lie in container trade along the east coast of Australia.

"Local businesses are experiencing pressure from significant delays and sharp increases in freight costs, which ultimately dampen economic growth. Unlocking the container capabilities at the Port of Newcastle broadens choice for businesses importing and exporting freight, potentially unlocking significant benefits across the Hunter and the state" said Mr Hawes.

A Productivity Commission draft report published last month - [Lifting productivity at Australia's container ports](#), revealed higher productivity at Australia's container ports is achievable and would deliver significant benefits. The report noted "*inefficiencies at Australia's major container ports directly cost the Australian economy an estimated \$605 million a year, and lack of competition in some parts of the maritime logistics system, including container terminal services, means consumers pay too much*".

Mr Hawes said the report details that \$316 million of this estimated cost is attributable to Sydney, which is the likely import and export point for many regional businesses.

"If we can increase competition and allow the market to determine if it's cheaper and quicker to freight materials through the Port of Newcastle, businesses and for that matter the consuming public, should have that option and the Productivity Commission report notes they don't at present."

The Productivity Commission report found that the biggest problems for Australian ports overwhelmingly relate to containerised shipping, with Australia's major container ports ranked among the worst performing 20 per cent of ports globally, with the exception of Brisbane, which was ranked among the bottom 30 per cent.

"I can't imagine stakeholders in the port related freight and logistics industry would believe this ranking to be acceptable or sustainable given the growth ambitions of the nation" Mr Hawes noted.

"The pandemic has exposed weaknesses in our global supply chains and as key elements of that supply chain look for cost saving alternatives, it's clear there is an opportunity to be realised in Newcastle. As a greenfield container site first proposed on the former BHP main site decades ago in

the 1990's, Newcastle offers a rare opportunity to build a bespoke, world-class facility from the ground up, something last realised in Western Australia way back in 1983."

"We're keen to see the full details of Greg Piper's bill and sincerely believe there will be a lot to be gained by stakeholders from across the region getting behind it," Mr Hawes added.

Media: Bob Hawes 0418 496 745