

cruise capacity

The NSW Government is developing a Detailed Business Case that considers and assesses options for a potential third cruise terminal in Sydney.

Helping NSW adapt to the growing and changing cruise market is critical to ensure that Sydney responds to increasing global demand for cruising and our position as Australia's top cruise destination.

A Detailed Business Case is being developed to investigate cruise capacity, industry demand and assess two potential sites at Yarra Bay and Molineux Point near Port Botany. The project is being led by Port Authority of NSW in collaboration with NSW Treasury.

An important part of the project is seeking feedback from stakeholders and the community to help inform a potential third cruise terminal and the development of the business case.

Why do we need more cruise capacity and a third terminal?

Cruise is the fastest growing tourism sector in Australia, generating \$2.75 billion for the NSW economy, supporting around 10,000 jobs and creating about \$800 million in wages.

During the 2019/20 cruise season 350 cruise ships are forecast to visit ports across NSW, including 317 ship visits to Sydney's two terminals, the Overseas Passenger Terminal (OPT) at Circular Quay and White Bay Cruise Terminal in Balmain. This means 1.6 million passengers are visiting NSW this season alone.

During the peak season, which runs from December to March each year, the OPT operates near capacity. This means Sydney is missing cruise ship calls, as the cruise lines seeking to deploy larger ships (which are too tall to pass under the Harbour Bridge)

cannot obtain berthing slots at the terminal over the summer months.

The number of cruise ships berthing in Sydney Harbour has increased in recent years, as has the trend toward larger ship sizes. The NSW Government has worked to accommodate this demand using existing infrastructure over recent years.

Without investment in additional infrastructure, Sydney will not be able to service this demand and address capacity constraints. The Detailed Business Case is the next step in helping to ensure Sydney can respond to growing demand for cruising.

The importance of this project is recognised at both a state and national level. The NSW Government's 2018 State Infrastructure Strategy recommended the NSW Government

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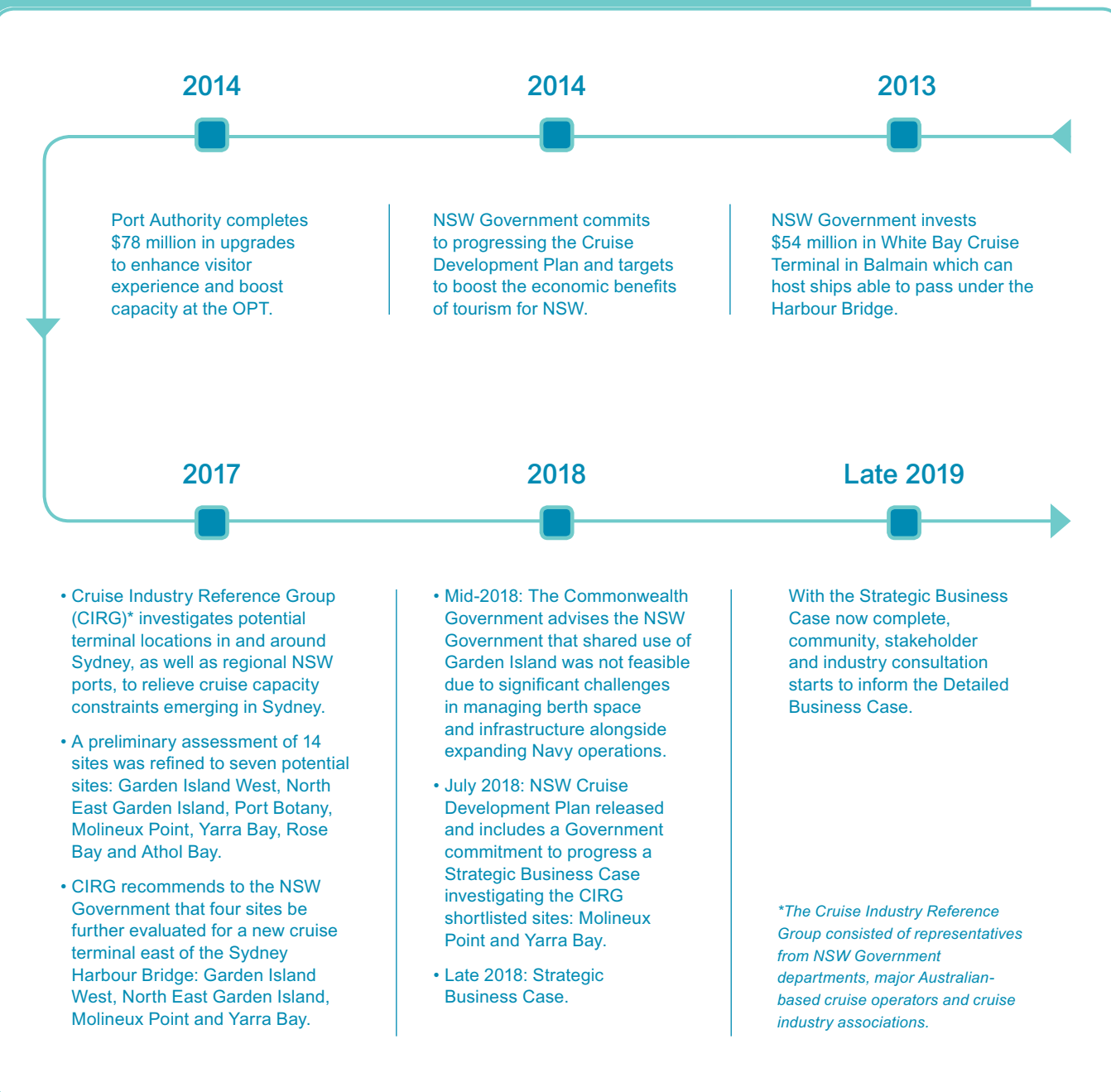
prepare a Strategic Business Case to provide additional cruise berthing capacity in Sydney.

Addressing cruise capacity was also recognised as a priority initiative on Infrastructure Australia's 2019 Infrastructure Priority List and cruise capacity constraints and flow-on impacts on domestic tourism were listed as key challenges in Infrastructure Australia's recently released 2019 Australian Infrastructure Audit.

Indicative project timeline (subject to project approval)



Key milestones to address cruise capacity and inform site selection of Yarra Bay and Molineux Point



How were Yarra Bay and Molineux Point selected as site options?

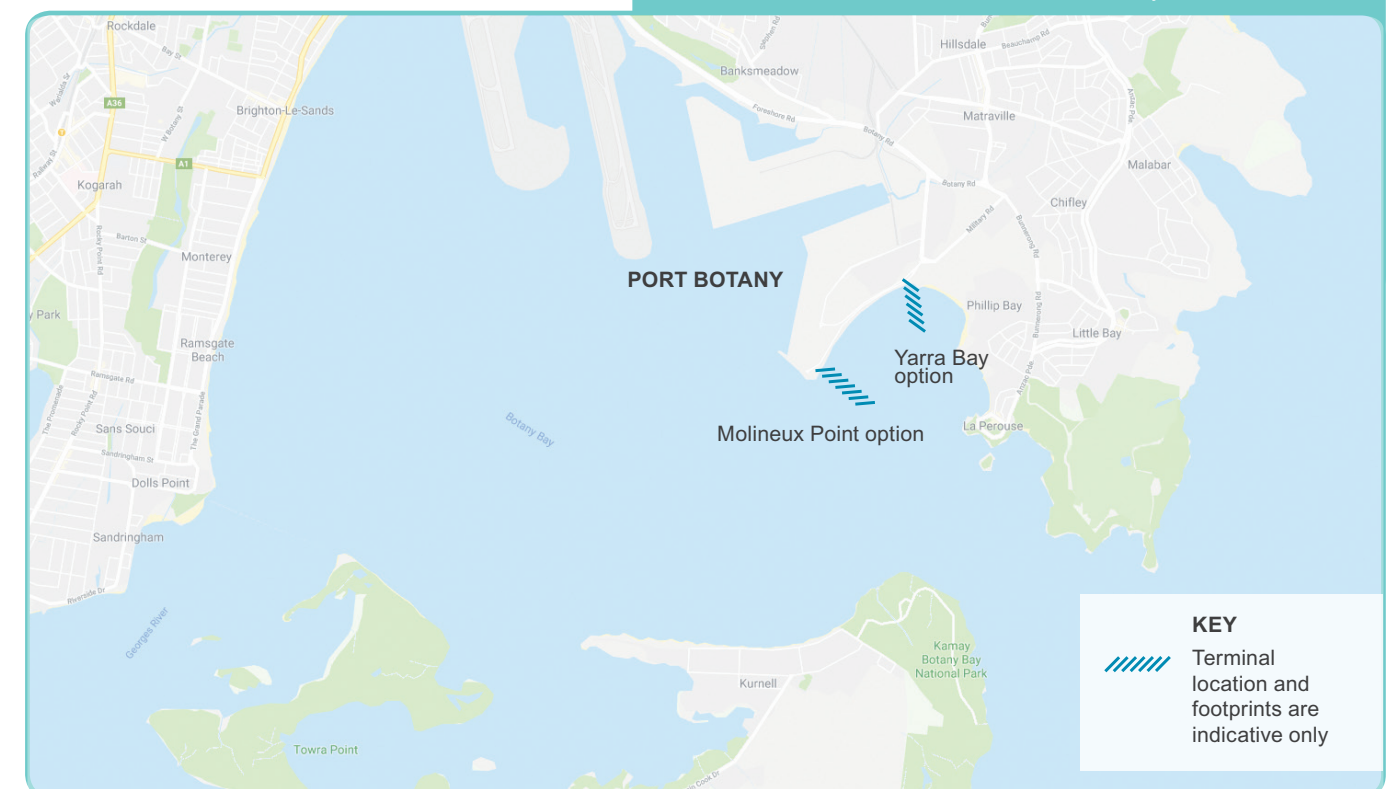
The NSW Government has worked alongside the cruise and tourism industry for several years to explore options for addressing capacity constraints in Sydney. Factors that have determined site suitability include ease of navigation, marine conditions, access, transport, environment and residential suitability.

Why isn't Garden Island being explored as an option for a cruise terminal?

Garden Island is located on the southern side of Sydney Harbour. The Commonwealth Government has ruled out Garden Island as an option as the Garden Island Defence Precinct incorporates the Australian Navy's primary operational base on Australia's east coast. The NSW Government recognises the strategic

and economic importance of Garden Island as an operational Navy base, as well as its historical and cultural value for the community. No sites at Garden Island will therefore be considered as part of the Detailed Business Case.

Potential cruise terminal locations at Yarra Bay and Molineux Point



Next steps

How can stakeholders and community members be involved?

Consultation with local stakeholders has started. Community information sessions will be held in coming months to allow the community to meet the project team, ask questions and provide feedback for a potential preferred site option. Please register for project updates at www.yoursaycruisecapacity.com.au to receive details of when information sessions will be held. Through consultation we want to understand:

- how the community uses and what they value about the local area, to help minimise potential construction and operational impacts
- ideas that local community and stakeholders may have for how the area might be used in the future, if a potential terminal progressed.

During this time, we will also engage with cruise operators and the broader industry, as the NSW Government assesses the viability of the options, potential partnering and financing arrangements, and undertakes further detailed technical studies.

In early 2020 we will hold another round of information sessions to update the community on the project's progress and provide more information about a potential site option.

The Detailed Business Case will be submitted to the NSW Government for consideration in 2020. If a preferred site is approved by the

NSW Government to progress to project delivery, further consultation will take place as part of other project approvals – including the public exhibition of an Environmental Impact Statement (EIS).

When would a third cruise terminal in Sydney be operational?

Should the project be approved to progress by the NSW Government a range of factors would influence the timing of project approvals and delivery. The timeframe for a State Significant Infrastructure (SSI) or State Significant Development (SSD) application and EIS typically takes one to two years. If the project is approved the procurement, design and construction of a terminal would take several years. If the project progresses, more details about timing would be provided to community and industry stakeholders at each stage.

Local traffic impacts

We understand Port Botany is a busy area and that managing traffic and transport impacts of a potential cruise terminal is critical. Traffic flows associated with a cruise terminal will be modelled by technical specialists in close consultation with other relevant government authorities, including Transport for NSW and local councils. The assessment will consider movements generated by passenger arrivals and departures, potential public transport solutions, and the use of vehicles to service and supply provisions to vessels. Other nearby projects such as Sydney Gateway and the Port Botany Freight Line Duplication

are underway to relieve congestion on the road networks and information from these projects is also being incorporated into planning for a potential terminal.

Environmental impacts

In developing the Detailed Business Case, a wide range of issues are being considered. Detailed environmental studies will be completed considering potential construction and operational impacts on the land and marine environment, operational noise and pollution, marine life, seagrass and fishing, as well as Indigenous and European heritage.

If the project is approved to progress to delivery, a separate SSI or SSD application, including an EIS would be prepared. The EIS is a planning approval document that would include further detailed technical and environmental studies of the preferred cruise terminal site. An EIS would be placed on public exhibition for further comment and consultation.



About Port Authority of NSW

Port Authority manages the navigation, security and operational safety needs of commercial shipping in Sydney Harbour, Port Botany, Newcastle Harbour, Port Kembla, Eden and Yamba. With over 6,000 visits from trade and cruise vessels each year, the ports of New South Wales contribute billions of dollars to our economy; create thousands of jobs and support countless businesses.

Port Authority works 24/7 to ensure the safety of these ships, the security of our working ports and the protection of our marine environment.

The NSW Government is committed to keeping stakeholders and the community updated as the project progresses and using their feedback to inform the project.

For more information and to subscribe to project updates visit www.yoursaycruisecapacity.com.au call 1800 717 530 or email: haveyoursaycruise@portauthoritynsw.com.au



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