

Tuesday 18 June 2013

PORT STRATEGY TO REVITALISE NEWCASTLE

Newcastle will be the big winner from the offer of a long-term lease on the city's port facilities, NSW Treasurer Mike Baird said today.

The Government has announced in the 2013-14 Budget it will proceed immediately to a scoping study on offering a 99-year lease on the Port of Newcastle.

Mr Baird said if the transaction was successful, \$340 million of the proceeds would be directed towards the revitalisation of central Newcastle, to which the Government has already committed \$120 million.

"This will now go beyond a mere revitalisation: it will effectively be the rebirth of Newcastle as a modern city," Mr Baird said after delivering the Budget.

"Newcastle has been asked to make many painful adjustments in recent decades, particularly as the city's proud tradition of steel-making came to a close.

"The city's time has come.

"The Government's commitment to Newcastle's renewal will unlock its potential as a vibrant place to live and visit.

"While the renewal of Newcastle will proceed regardless, the lease of the Port will allow us to turbo-charge this priority project," said Mr Baird.

NSW Planning Minister Brad Hazzard announced the Government's vision for Newcastle last year, which includes removing the heavy rail line between Wickham and Civic so that the city is no longer divided from its beautiful harbour-front.

The extra funding that will be provided by the leasing of the Port of Newcastle will make it possible to deliver light rail in the CBD, providing the potential basis for a wider light rail service linking the CBD with surrounding suburbs and beaches.

Mr Hazzard said. "This confirms Newcastle is smack in the centre of the Liberals and Nationals Government's plan to ensure the Hunter has a bright and pivotal future in rebuilding NSW.

"The community's voice has been heard loud and clear and the Government intends that Newcastle's heart will be rejuvenated through the stimulus of a new light rail package.

"It has the potential to be the catalyst for addressing Newcastle's transport needs and to provide the basis of further light rail extensions in the future.

"If the business community needed any further confirmation that Newcastle should be a magnet for dollars for development – then this is it."

Mr Baird said any transaction would include protections for current employees and Port of Newcastle users, along the lines of the lease of Port Botany and Port Kembla.

He said the 99-year lease would not proceed unless the scoping study confirmed value for money.

“The recent transaction involving Botany and Kembla was the largest, in net terms, in the State’s history,” Mr Baird said.

“It delivered proceeds of around \$4.3 billion to be invested in the NSW Government’s infrastructure fund, Restart NSW.

“Restart will fund the Government’s commitment to the WestConnex motorway and will direct \$270 million into critical infrastructure in the Illawarra, among other projects.

“In a climate of falling revenues and our triple-A credit rating under constant threat, the only way we can fix the State’s infrastructure backlog is by recycling mature assets on our balance sheet to create the flexibility we need to invest in new ones.”

Mr Baird said the Government’s investment in the Newcastle renewal project would be coordinated through the Hunter Infrastructure and Investment Fund.

This will guarantee local expertise is applied to the project, and that any savings remain in the Hunter.

“The proposed new light rail option between Wickham and Newcastle is potentially only the beginning of a light rail system for Newcastle and the region. \$10 million will be allocated to explore the potential for this link to be the basis for light rail linking the CBD with surrounding suburbs, beaches and the broader Hunter region,” Mr Baird said.

MEDIA:

Treasurer: Imre Salusinszky 0432 535 737

Minister for Planning: Leonie Lamont 0407 591 926