



Mike Baird MP
Premier of NSW
Minister for Infrastructure
Minister for Western Sydney

MEDIA RELEASE

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**TRANSFORMING NEWCASTLE:
PORT LEASE SECURES FUNDS FOR REVITALISATION**

NSW Premier Mike Baird and Treasurer Andrew Constance today announced the successful lease of the Port of Newcastle, delivering a great result for the people of NSW and securing the funds needed for the revitalisation of Newcastle.

The NSW Government has agreed to lease the Port for 98 years to Port of Newcastle Investments, a consortium which comprises Hastings Funds Management and China Merchants.

The long-term lease will deliver gross proceeds of \$1.75 billion. This outstanding result means an extra \$1.5 billion will be invested in much-needed NSW infrastructure, with 30 per cent to be directed toward projects in rural and regional NSW.

Mr Baird confirmed \$340 million from the proceeds will be used for the revitalisation of the Newcastle CBD, in addition to the \$120 million the Government has already allocated to the project, which includes a new light rail service.

The remainder – more than \$1.2 billion – will be invested in the NSW Government's dedicated infrastructure fund, Restart NSW.

"This is a great result for Newcastle and for NSW, which demonstrates that, in contrast to the fire sales seen under NSW Labor, the NSW Liberals & Nationals Government knows how to bring the right asset to market at the right time," Mr Baird said.

"In my Budget speech last year I said Newcastle's time has finally come, and I meant it.

"This momentous result exceeds all expectations, and the scale of this transaction means the people of Newcastle and the Hunter should watch this space for further initiatives in their region, which was taken for granted by Labor for decades.

"Transactions such as this bring enduring benefits to communities and the economy, and build on the NSW Government's successful track record in recycling mature State-owned assets to deliver major infrastructure projects that will unlock opportunities for growth, jobs and economic development."

The NSW Government reached an agreement with Port of Newcastle Investments for the lease following a competitive five-month bidding process.

Treasurer Andrew Constance said the Port of Newcastle lease is the latest in a series of successful asset recycling projects, including the sale of Eraring Energy and Delta Electricity's western power stations, the long-term lease of Port Botany and Port Kembla, and the refinancing of the Sydney Desalination Plant.

"This is a sensible and sustainable approach to fulfilling our commitment to the people of NSW to build the infrastructure of the future and return quality services," Mr Constance said.

"The strong level of interest from a highly-qualified and experienced bidding field - resulting in five final bids - is a powerful endorsement of Newcastle and the Hunter and the NSW Government's ability to run a robust and transparent process."

Mr Constance said the two members of Port of Newcastle Investments are well-known, long-term global infrastructure investors, with an attractive track record in asset ownership, operations and developments.

"They have the infrastructure management experience and the resources needed to secure the ongoing development and professional management of the Port," Mr Constance said.

"I congratulate Port of Newcastle Investments on their successful bid and the NSW Government looks forward to long and productive working relationship."

Hastings Funds Management and China Merchants are equal partners in Port of Newcastle Investments. Hastings has been involved in many successful government asset transactions, including the Sydney Desalination Plant and Cairns and Mackay Airports.

China Merchants has a 140-year history as an owner and operator of ports and transport businesses. It has been operating in the trading and retail sector in Australia for more than 20 years. In 2010, it acquired leading Australian-based container pallet logistics provider, Loscam.

The NSW Government will continue to retain regulatory oversight of the Port of Newcastle as well as responsibility for a range of maritime safety and security functions, including emergency response, Harbour Master, Port Safety Operating Licence and pilotage functions.

The State will also continue to manage Nobbys Head in recognition of its significance to the local community.

Media

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