

11 June 2008

Senator Ian Macdonald
Chair
Select Committee on State Government Financial Management
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Senator Macdonald:

Thank you for your letter dated 13 May 2008.

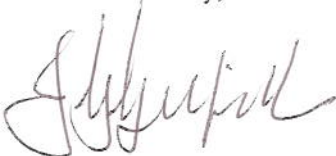
Sydney Ports Corporation's (SPC's) financial performance (and especially its profits and the reinvestment of its profits) has routinely been examined by the Productivity Commission (in its periodic financial performance monitoring reports on government trading enterprises) and the NSW Auditor-General in his annual report to the NSW Parliament. Copies of the relevant extracts from the most recent of these reports are attached for your information.

As to SPC's current major infrastructure projects, I am pleased to forward, with this letter, some information about the Port Botany Expansion and the Enfield Intermodal Logistics Centre (ILC). Planning approval has been received for both these major projects; preliminary on-site works have commenced in respect of the Port Botany Expansion; and a tender process for the civil engineering works will commence in the near future in respect of the Enfield ILC. These and a number of other SPC capital works are detailed in the NSW Government's 2008-2009 Budget Paper No. 4 (Infrastructure Statement) (copy attached). As you can observe from that Infrastructure Statement, in addition to the significant Port Botany and Enfield ILC developments, SPC has a number of other capital works in hand. It is in the process of evaluating tenders for the construction of a new marine operations centre, designing a second bulk liquids berth and planning a new passenger terminal.

This information clearly establishes that SPC and its owner, the NSW Government, are committed to investing in the future of Sydney's ports while producing a reasonable return for shareholders.

Lastly, by way of providing some general background on SPC, I enclose a copy of our last Annual Report.

Yours faithfully,



Grant Gilfillan
Chief Executive Officer