

PORT WARATAH COAL SERVICES COMMUNITY NEWS



Edition Two 2016



PORT WARATAH
COAL SERVICES

Pioneering Through Partnership



WELCOME TO THE PORT WARATAH COAL SERVICES COMMUNITY NEWSLETTER



It is a great pleasure to welcome you once again to Port Waratah's Community newsletter. In this edition we report on exciting developments in our business, some of which will be very visible

to our stakeholders in coming months.

Firstly though, allow me to update you on some industry aspects: as of early June, we are in the good position of being able to report an increase in coal volumes over the same period last year. For the year so far we have handled 45.1 million tonnes compared to 43.4 million tonnes last year.

This improvement reflects increased volumes in the Hunter Valley coal chain which is operating at a rate of 158.3 million tonnes per year, against a rate of 152.1 million tonnes at the same time last year. These improvements, despite the continuing low coal price environment, in my view reinforces that demand for our industry's products remain robust.

Expectations that this demand will continue, and demand for our services will therefore require us to continue to provide our fully contracted capacity with the high levels of reliability and certainty that

our customers expect. This sits behind a number of investment decisions in our terminals.

The largest investment that supports this objective is the construction of two new shiploaders for the Carrington Terminal. The existing shiploaders date from when the terminal was originally built forty years ago. They have been maintained, updated and improved over time but it has now become more cost effective to replace them with new machines.

The shiploaders will be delivered fully assembled on a heavy lift vessel early in July, following which local works will be undertaken to commission them and tie them in to our existing systems. These works are complex and will intermittently interrupt terminal operations between July and November. Once this is complete, the old shiploaders will be removed. The total project value is approximately \$60 million.

Many of our other investments support our objective to continuously improve our environmental performance. Projects to the value of \$14 million are under way or have recently been completed to improve our ability to manage water on our sites and reduce our impacts on the environment.

You can read more about these in our 2015 Sustainable Development Report available from our website.

As you know we have a long track record of investing in environmental improvement, for example through projects such as the implementation of our Intelligent Dust Management System. These projects have made an important contribution to improvements in reducing dust emissions.

It was therefore gratifying to us that the independent air quality studies recently reported publicly by the EPA confirmed that our region has good air quality most of the time by any standards. In addition, these studies confirmed that particulates in the air have a number of different sources, many of which are natural, and that coal particles make a relatively small contribution.

As always, we are keen to hear from you, show you around our terminals or provide additional information about our operations and community activities. So please do not hesitate to get in touch.

– Hennie du Plooy, CEO



SURPRISE RECOGNITION FOR TERMINAL MANAGER

Kooragang Terminal Manager Wayne Carman was awarded the Paul Harris Fellow award by The Rotary Club of Newcastle in May this year, much to his surprise.

Rotary are the driving force behind Light Up Newcastle Lantern Walk held during Chinese New Year. Rotary Clubs undertake activities to support their local community and the Lantern Walk is one of those. The recipient of funds raised from the sale of lanterns at this year's Light up Newcastle Lantern Walk benefited the Newcastle Mission to Seafarers and Newcastle Maritime Centre.

Rotarian, Maree Gleeson said "This year's Lantern Walk would not have been possible without the efforts of Wayne Carman. He has a passion for supporting the Mission to Seafarers and the Seafarers Centre."

Wayne is actively involved in Port Waratah's community investment and partnership programme and through this joined the Lantern Walk organising committee. According to Maree, "Wayne was instrumental in attracting sponsorship and generous

in kind donations." Wayne and other Port Waratah employees assisted with the set up, including providing the barricades and pack up late into the night.

The Paul Harris Fellow Award recognises the significant contribution people play in supporting their community and the fellowship it forms within Rotary. It is unusual for the award to be presented to a non-Rotarian but the Rotary Club of Newcastle was proud to nominate Wayne. Congratulations Wayne, well deserved!



Above left: Rotarian Maree Gleeson and Kooragang Terminal Manager Wayne Carman. Above: Light Up Newcastle Lantern Walk celebrating Chinese New Year

EPA'S LOWER HUNTER AIR QUALITY STUDIES

At Port Waratah, we know that dust is one of the key environmental concerns around our operations and we are committed to a continuous improvement programme.

The EPA have recently released two reports on air quality in the Newcastle area. The Particle Characterisation Study and the Dust Deposition Study were designed to provide clear, scientific information to the local community about air quality.

Taken together the two studies show that levels of air particles in the region overall are good by world standards, but that occasionally particle levels will spike as a result of industrial activities or seasonal weather patterns. Both studies indicated that coal is only a minor contributor to overall air quality.



With the release of the EPA studies our commitment and approach to proactive dust management continues.

We work around the clock to manage air quality. Our real-time and predictive weather analysis lets us respond quickly with our dust suppression sprays – our aim is to increase moisture levels to prevent dust emissions in the first place.

Proactive dust management is just part of our commitment to the region and we do it because it's who we are.

HAVE YOU HEARD OF MANY RIVERS AND THE GREAT WORK THEY DO?

Many Rivers Microfinance Limited (Many Rivers) is a not-for-profit organisation that supports aspiring business owners with microenterprise development support and access to finance in order to achieve their goals/aspirations. Port Waratah proudly supports the Many Rivers Newcastle operations.

You might know Dylan Dyer, Many Rivers' local Field Officer. Dylan is active in the community working very closely with his clients assisting with business planning, marketing, cash flow analysis, and record-keeping.

Lisa Sams, a client of Many Rivers, is the new owner of Pino Italian Restaurant in Islington. Through Many Rivers, Lisa obtained a loan from Westpac and received pro-bono legal support. With this support, Lisa realised her dream of running her own business when

she took over the restaurant from her previous employer Pino. "I've never owned a business before having only worked for people. It's hard and challenging but I'm getting there. I like knowing that I can make a difference to something and make people happy. Dylan has been a brilliant help."

If you would like to know more please contact Dylan Dyer on 0467 764 800 or dylan.dyer@manyivers.org.au



Above: Many Rivers client Lisa Sam

Pino Italian Restaurant
98 Maitland Road, Islington
Phone: 4961 0833

SINCE APRIL 2010
MANY RIVERS
HAS SUPPORTED

ESTABLISHED OR
EXPANDED
BUSINESSES 33



44

LOCAL
BUSINESS
OWNERS

33 LOANS TOTALLING
\$217,000



25
CONTINUE TO OPERATE

NEW ATV FOR DIXON PARK SURF LIFE SAVING CLUB

Port Waratah assisted Dixon Park Surf Life Saving Club to purchase a new All Terrain Vehicle (ATV) which is used to patrol their stretch of beach from September through to April each year. Having a reliable ATV is essential for this SLSC to transport the Inflatable Rescue Boats to and from the water for launching.

Representatives from Port Waratah and Dixon Park SLSC got together on a windy Saturday in April to celebrate our partnership and unveil the new ATV.

Below L to R: Dixon Park SLSC members Peter Brown, Geoff Padgett, Richard McWhinney, Toni O'Donoghue, Belinda Wamsley, with Port Waratah representatives, Peter Kibble, Trudie Larnach, Nick Godfrey-Smith and Lifesaver Adrian Parker



COTTON ON 2016

RUN NEWCASTLE

PORT WARATAH COAL SERVICES **Newcastle Coal**

SUNDAY 7 AUGUST

Early bird registrations are now open at:
www.newcastle.runaustralia.com.au/



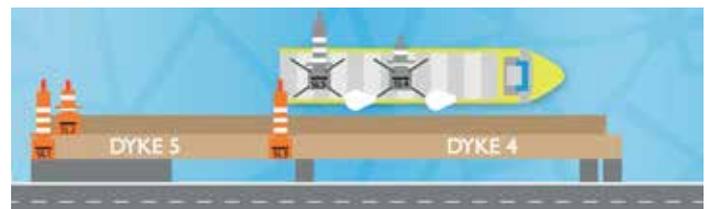
CARRINGTON SHIPLoader REPLACEMENT PROJECT

After loading more than 300 million tonnes of coal over the past 40 years, three hard working shiploaders at Port Waratah Coal Services' Carrington terminal are about to be replaced. With these shiploaders nearing the end of their lifespan, the trio will be replaced by two new shiploaders in an investment in the reliability, safety and performance of Port Waratah's Carrington operations.

It is expected that the shiploaders will arrive at our Carrington Terminal via the water in July. The shiploaders are fully constructed and will be installed and commissioned by the end of November. The shiploaders have been designed and built to modern safety, environmental and technological standards. Although the shiploaders will essentially be the same design as the current loaders, we have integrated operational, safety and environmental learnings from the last forty years into the new design.

While the new shiploaders have been manufactured overseas, Port Waratah has been committed to contributing to the local economy. The project is managed by a locally based team, with \$22 million spent in Australia (and \$9 million locally) on products and services including engineering, training, quality assurance, construction management, water and electrical systems.

We have developed a short animation to explain what will be taking place on the wharf during the second half of 2016 which you can find on our website.



LICENCE TO OPERATE FRAMEWORK

SOCIAL IMPACTS & CONTRIBUTIONS AND GOVERNANCE

We launched our Licence to Operate (LTO) framework in our 2015 Sustainable Development Report and promised to share more about how we are integrating the LTO Framework into our everyday work. In this edition we will focus on the key themes of Social Impacts & Contributions and Governance. How are we aiming to meet these goals? Behind the LTO framework we have developed a project portfolio that can be delivered to achieve our objectives. One project in the categories People and Policies & Systems is the development and implementation of a 'Diversity Strategy'. Another project in the Community and Regulation and Licencing categories is the 'Community Attitude Survey'.

LICENCE TO OPERATE FRAMEWORK



REGULATORY COMPLIANCE – PROACTIVE MANAGEMENT & INDUSTRY LEADERSHIP UNDERSTANDING & MEETING STAKEHOLDER EXPECTATIONS

SOCIAL IMPACTS & CONTRIBUTIONS



OUR APPROACH:

To leverage our resources and knowledge to contribute to a sustainable and vibrant Newcastle while minimising impacts on the community.

GOVERNANCE



OUR APPROACH:

To have an interdependent culture which achieves beyond regulatory compliance outcomes, in line with our values and stakeholder expectations.

GOALS

PEOPLE

Our culture encourages our people to strive for excellence in operational delivery and provides them the opportunity to achieve what they value doing and being.

COMMUNITY

We create shared-value for our stakeholders and seek to have a positive impact. We work in partnership to make Newcastle a smart, liveable and sustainable city.

ECONOMIC

We work in partnership to build a diverse and resilient local economy and seek to increase value for our customers. We operate within a sustainable and responsible supply chain.

GOALS

REGULATION AND LICENCING

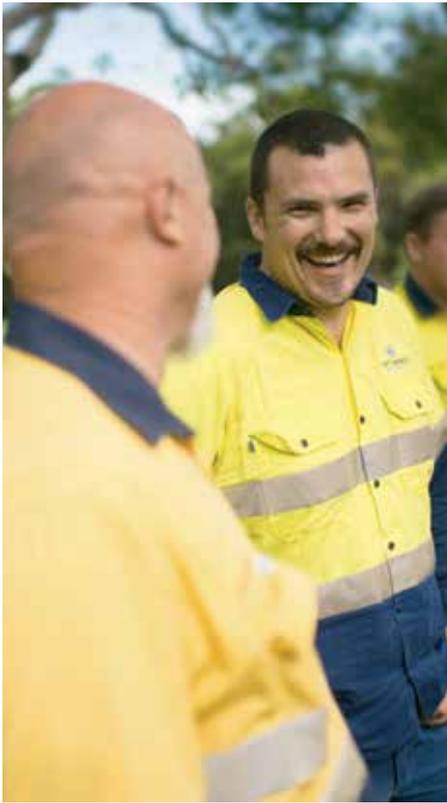
We measure our performance based on our own values and in consideration of our stakeholders' expectations, even if this requires us to perform better than compliance standards.

POLICIES AND SYSTEMS

We have integrated LTO principles throughout all of our policies, systems and procedures.

CULTURE AND CAPACITY

Our employees understand the LTO framework and are able to apply it to their work.



DIVERSITY STRATEGY

We have recently completed a Diversity Study for Port Waratah. A cross section of employees were interviewed as part of that process and were asked questions on their perspective on diversity and inclusiveness at Port Waratah.

The study asked:
How do you define diversity?
Some the responses were:

“A little bit of everything. Flexible, flexible working hours, care about employees”
“Means equal opportunity regardless of gender and race”
“It’s about difference for all sorts of reasons”

In the first stage of our Diversity Strategy we are focussing on:

1. Improving our knowledge base and understanding;
2. Increase our visible commitment and involvement; and
3. Leveraging existing policies and awareness.

We also asked the question in our Community Attitude survey: *How important do you think it is for a business to have a diversity strategy in place?* The response was a high level of agreement of importance with 43.2% of people thinking it was extremely important for a company to have a diversity strategy. This aligns with our views that it is important for us to implement this work.

The ultimate objective of developing and implementing a Diversity strategy is to grow an organisation that looks and feels different and is therefore stronger, more inclusive, flexible and more successful. This does not happen by itself, and that’s why we have developed and will implement the diversity strategy to help us achieve our LTO goals.

COMMUNITY ATTITUDE SURVEY

In April we undertook our third biannual community attitude survey. The telephone survey of 500 people across Newcastle with a focus on residents in surrounding suburbs helps us understand perceptions of Port Waratah and our activities.

Understanding and meeting stakeholder expectations is important to us and it’s an overarching principle in our LTO framework. One way we do this is by analysing the results from the survey in detail and feeding back these results into business planning.

What did we learn from this survey?

We asked respondents do they have any concerns about Port Waratah’s activities. 54.8% of respondents did not have any concerns, this is an increase of 29.8% since the same question was asked in late 2013.

See the back page for more survey results.

How would you like us to communicate with you? NEWSLETTERS LOCAL MEDIA ONLINE

What do you think about the community attitude survey results?

Where would you like to see our community investment go?

How do you feel about Port Waratah’s activities?

2016 COMMUNITY ATTITUDE SURVEY **WHAT WE HEARD FROM YOU**

WHAT FIRST COMES TO MIND WHEN YOU THINK ABOUT **PORT WARATAH?**

EMPLOYMENT **NOISE** **COAL / COMPLAINTS**
LOCAL ECONOMY **RESPECTED** **COAL LOADING**
KOORAGANG **NEWCASTLE** **PORTS / SHIPS**
INDUSTRY **COMMUNITY** **INFRASTRUCTURE** **CARRINGTON**
ENVIRONMENTAL IMPACTS **POLLUTION** **RESPONSIBLE** **DIRTY** **SECURE** **SUPPORTIVE**
EXPORTS **HEALTH** **TRAINS** **NECESSITY** **T4** **GREENHOUSE GASES** **DUST**

54.8%

- NO
- YES
- DON'T KNOW



We compared the environmental performance results for this survey against previous years and found:

- More concern about dust and the environment generally
- Similar concern about noise and traffic
- Less concern about greenhouse gas and specifically health related air quality impacts

44.6%

For the **44.6%** who did have concerns, the top 3 were:

ENVIRONMENTAL IMPACTS **30.5%**
78%
DUST **13.9%**
NOISE

WHERE WOULD YOU LIKE TO SEE **COMMUNITY INVESTMENT** GO?

1 **SPORTING TEAMS/EVENTS**

INFRASTRUCTURE

LOCAL COMMUNITY GROUPS



PORT WARATAH
COAL SERVICES

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Cover Page: Dixon Park Surf lifesaver Adrian Parker showing Port Waratah's Peter Kibble the Club's new All Terrain Vehicle

If you would like to comment on Port Waratah Community News, please email contact_us@pwcs.com.au

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