

PORT WARATAH COAL SERVICES COMMUNITY NEWS



Edition Three 2015



PORT WARATAH
COAL SERVICES

Pioneering Through Partnership



WELCOME TO THE PORT WARATAH COAL SERVICES COMMUNITY NEWSLETTER



As we approach the end of another year it is my pleasure to again introduce Port Waratah's Community newsletter; report on some of our activities and provide our community stakeholders

with additional insight into our business.

Let me start however with a brief summary of the status of our operations: the challenging market conditions for coal – most clearly exhibited through low and declining prices – continue to receive much publicity. While there is no expectation yet that a significant turnaround is on the horizon, it is also important to note that coal output from the Hunter Valley industry is roughly on par with last year – which was a record year for volumes.

Indeed in August, Port Waratah had its biggest month since December 2014 when we handled 10.1 million tonnes in the month. The industry has also been operating much more efficiently than in the past with the most visible change being the reduction in the queue of vessels: a vessel queue of less than ten is becoming common with the associated benefits being lower wait times and lower demurrage costs.

In this edition we proudly report that Port Waratah has received recognition from the Hunter Business Chamber through being awarded its award for 'Contribution to the Region' at its annual awards ceremony. This recognises not only the contribution of our services to the coal industry but extends to recognising the value of our community contributions and commitment to environmental leading practice. In accepting the award I noted two important aspects: firstly that much of the community value we deliver is made possible only by the efforts of our valued community partners, and secondly that the benefits that flow from our activities into the community are benefits that has its origins in the long term commitments of the Hunter Valley coal industry.

You are probably aware that the Terminal 4 project recently passed the final State approval hurdle, with the Planning Assessment Commission's determination that the project is approved. The process is however not complete yet, with the next step being the Commonwealth Department of the Environment's assessments of the biodiversity impacts. This process is

well under way and we expect that it may be completed before the end of the year.

The next five years – the period for which the State approval is valid – will be very important for the project. As I have noted before, Terminal 4 will only be required (and built) once the existing terminals are fully utilised. This will require significant further growth in the coal industry which I expect will only occur if the market environment improves materially from where it is today.

As always, it is our pleasure and privilege to share this information on our operations with you. We truly believe that our relationships with stakeholders should be based on trust, which requires us to be as open and transparent about our achievements and challenges as possible. Part of this relationship is that we invite your feedback, so if you have any comments or wish to see any other information in this communication, please do not hesitate to let us know.

With best wishes for the season,

– Hennie du Plooy, CEO

KEY FACTS ABOUT THE TERMINAL 4 PROJECT

Based on the approval granted through the Planning Assessment Commission, the Terminal 4 project will feature:

- 70 million tonnes throughput per annum (likely to be built in stages depending on demand)
- Two rail receival stations
- Four stockpiles
- Two shiploaders

Technology has helped us plan a responsible and balanced Terminal for the future:

- Independent experts have undertaken complex modelling of Terminal 4, including cumulative impacts, and it is predicted that the surrounding suburbs will stay within government standards – including standards for health.
- This and other technology will continue at the Terminal 4 site. The Project is predicated to comply with the NSW Industrial Noise Policy in residential areas. When assessed cumulatively, it is expected to comply with current Kooragang Terminal compliance levels.

- All trains will arrive and depart via the Sandgate train line. Port Waratah does not own or manage rail infrastructure, train wagons or locomotives.
- To compensate for any impact on local flora and fauna. We have secured three substantial biodiversity offsets. These include the Brundee offset site (204 ha) for Green and Golden Bell Frogs, the Tomago offset site (238 ha) for saltmarsh, migratory birds and other estuary dependent species, and the Ellalong Lagoon offset site (410 ha).
- Port Waratah has agreed to enter into a Voluntary Planning Agreement (VPA) with Newcastle Council in which we will pay:
 - \$582,140 representing developer contributions to offset potential impact on Council services and public amenities
 - Contribution of \$1.5 million to be made upon final decision to proceed with the Project
 - Twelve months after the initial \$1.5 million, commence annual payments of \$400,000 for twenty-five years.



COMMUNITY UPDATE – OUT AND ABOUT IN THE COMMUNITY

Clean Up Throsby Creek

Seeing the end results of hard work was a satisfying feeling for 40 Port Waratah employees teaming with local community members and students from Carrington and Islington Public Schools. Together they conducted the second Throsby Mangrove Makeover collecting six cubic metres of rubbish.

Newcastle City Council were also on hand to assist with the clean-up and to teach the local students the importance of mangrove areas to our local waterways. Taking advantage of a low tide, on a warm September day everyone grabbed some gloves and a plastic bag and headed into the mangroves. The rubbish was mostly plastic bottles and general litter, however there was construction waste removed as well.

Carrington Terminal Manager, Steve Rigby said “the success, in my opinion, not only includes the improved state of the mangrove area but also our interaction with the different stakeholders to deliver a positive outcome to our local community. I’d like to thank everyone who contributed to the success of the makeover.”



Contribution to the Region Award



Above: L to R: Gary Ellem, Alyce Barnes, Meredith Lindsay, Libby Delgatto, Rhonda Scruton, Hennie du Plooy, Karen Soper, Wayne Carman, Steve Rigby and Laura Harkins-Small.

In August, Port Waratah Coal Services was named the winner of the 2015 Hunter Business Chamber Award in the category Contribution to the Region. Accepting the award, Hennie du Plooy said “This award recognises the positive impact we make in the region through the wide range of activities we undertake, from the indispensable service we provide to our customers, to the economic contribution of our employment, purchases and contracts, to our community stakeholders and the beneficiaries of our Community Partnerships and Investment Programme. In all these spheres, internally and externally, we consistently strive to build relationships based on trust”.

“The award recognises the efforts of many people inside and outside our business; employees as well as external stakeholders and community partners. I wish to express my thanks and congratulations to all who made this possible. At a time when the benefits and community impacts of our business and industry are frequently challenged, this is an opportunity to unequivocally share the positives of the contribution we make.”



TERMINAL 4

Terminal 4 Receives Planning Approval from NSW State Government

Port Waratah Coal Services welcomes the approval, subject to conditions, of the Terminal 4 Project by the Planning Assessment Commission (PAC).

After almost five years, the approval marks a significant and very welcome milestone for the Terminal 4 Project and the local coal industry.

The world has changed since we originally lodged the application for Terminal 4 in 2010 and the need for extra coal export capacity is not so immediate.

Despite this, planning certainty will allow the industry to respond in good time if additional capacity is required. The PAC's determination also provides the community with certainty about the conditions that would apply to a development.

The assessment process has been lengthy and detailed, with significant opportunities for community input.

The process to date has involved around 1,700 days of assessment, dozens of individual technical studies, over 125 days of public exhibition and over 30 hours of public hearings.

“Port Waratah welcomes and values the contributions made by many in the community in the process to date,” said Port Waratah CEO Hennie du Plooy.

The Project will now be reviewed by the Commonwealth Government under the Environmental Protection and Biodiversity Conservation Act (EPBC), specifically in relation to the Project impact on ecology.



Beanies for Brain Cancer

In July Kooragang employees donned their beanies and enjoyed a bacon and egg roll for breakfast whilst helping support the Mark Hughes Foundation's (MHF) Beanie for Brain Cancer Day.

Guest of honour Mark Hughes addressed the breakfast and told of his personal battle with brain cancer. "Brain cancer is the leading cause of cancer death in children under 10 and adults under 40," Mark said.

MHF announced funding of the MHF Brain Cancer Bio Bank – a state of the art Brain Cancer Bio Bank incorporated into

the existing structure of the Hunter Cancer Bio Bank located at the Hunter Medical Research Institute (HMRI) to provide researchers open access to a broad range of quality brain cancer tissues and related blood samples. Every dollar raised goes straight into brain cancer research at HMRI.

Thanks to support of Port Waratah and employees, \$1,565 was donated to the Mark Hughes Foundation; \$685 was collected at the breakfast and \$880 from other donations and fundraisers.

UPDATE ON OUR OPERATIONS

Emergency Response

The Kooragang and Carrington Terminals take part in a number of emergency response drills each year. So far in 2015, there have been six emergency evacuation exercises at Kooragang alone, including an environmental response, and three Initial Response Drills.

The Initial Response Drills are designed to help our Initial Responders practice their skills and hone their techniques. This year we are running a cardiac arrest scenario for each shift, with the assistance of our First Aid and Initial Response training provider, St John's. The feedback from emergency drill participants is that they are a positive learning experience, which provides them with hands on practical involvement. Since implementing Initial Response Drills in 2009, our Initial Responders report they feel more comfortable and competent when responding to real emergencies on site.



A DAY IN THE LIFE OF OUR ENVIRONMENT TEAM

Port Waratah's Environmental Team of four are kept busy, with no two days the same. Our team continually review and endeavour to identify opportunities for improvement in our environmental management system. As well as assisting with environmental monitoring and providing advice to our operations here are some of the other things they've achieved this year.

- Delivered operational employee training environmental sessions
- Completed site based operations documents for water management systems
- Updated noise criteria in engineering specifications and delivery of relevant training
- Undertaken environmental audits across both sites including spill kit equipment
- Use of dust suppressant and implementation of weed management at Fines Disposal Facility at Kooragang
- Investigating potential improvements for surface water management
- Legal compliance training for supervisors



- Support for LED light replacements on shiploaders at Kooragang
- Conduct strategy workshops and information sessions with employees on the development of strategic plans
- Completion and submission of all statutory reports required by consents, licences and legislation
- Support and attendance for Port Waratah Community meetings



Above: Another Run Newcastle has been run and won, raising \$98,305 for the John Hunter Hospital's Adolescent Ward. Port Waratah and neighbours, NCI, joined forces to co-sponsor the event which was aptly named, Newcastle Coal Terminals Run Newcastle, with a strong contingent of Port Waratah employees and families coming out to support the event.

TERMINAL 4 PROJECT

\$4.8 
BILLION PROJECT

310 
HECTARE SITE



CAPACITY FOR
70M
TONNES P.A.

4 
COAL
STOCKPILE PADS

3 
SHIP
BERTHS

850 ^{HA}
BIODIVERSITY
OFFSET SITES



4 
ARRIVAL
RAIL TRACKS
CONVERGING TO
2 DUMP STATIONS

4 DEPARTURE
RAIL TRACKS

DURING PEAK CONSTRUCTION



2,900
DIRECT AND
INDIRECT JOBS



\$770M
PER YEAR INTO THE
HUNTER ECONOMY



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Cover Page: Shiploader conveyor
at the Kooragang Wharf looking east.

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