



Chair	Trudie Larnach	
Location	Noah's On The Beach, Newcastle	
Time and date	5:00pm Thursday 10 February 2022	
Subject	Port Waratah Coal Services Community Meeting	
Attendees	Rick Banyard Marinella Fragiacomio Lyn Kilby Clare Monkley Peter Streatfield Callan Nickerson	Port Waratah Representatives: Trudie Larnach – Manager Sustainability & Corporate Affairs Mark Feeney – Manager Operations Delivery Wayne Bower – Superintendent Operations, Carrington Terminal Glenn Cook – Specialist Environment Trevor Thompson – Environmental Engineer Megan Flanagan – Community Relations Support Officer
	Online Attendance: Scott Sharpe	
Apologies	John Hayes, Louise Askew, Terry McCauley, Mary Busted, Karen Marples	

Item 1: Welcome

Trudie welcomed the attendees of the meeting, shared an Acknowledgement of Country and provided an overview of the meeting agenda.

Item 2: Actions from previous meeting

There are no outstanding actions from 2021.

Item 3: Operations and Environment Update

Operations

Mark provided an overview of 2021. Overall it was a mixed bag with really good operational performance and some challenges also. From a COVID-19 perspective, we managed the health of our employees and contractors extremely well, and from a business continuity perspective also.

We have come through the end of this current phase very well, with 95% of our workforce double vaccinated. The COVID-19 controls that we have put in place have held us in good stead, and the business will not be going down a path of mandatory vaccination.

The Seafarer vaccination programme has been excellent as the Seafarers are unable to be vaccinated in their home ports. A total of 459 Seafarers have been vaccinated in the Port of Newcastle and approximately 190 of those were at Port Waratah. We have worked with NSW Health and made the





vaccination process work. It has been a very well managed process and there have been no operational delays or disruption to our services. We are also vaccinating Seafarers with second jabs as best we can.

Operationally we recorded our second largest year of throughput on record with 111.3 million tonnes loaded onto 1,279 vessels with zero environmental incidents in 2021.

Environment

Glenn shared an update on environmental performance. The environmental performance at the Carrington Terminal has been excellent with no reportable environmental incidents for over 3 years.

At the Kooragang Terminal we unfortunately recorded a reportable environmental incident in January 2022 which was the first reportable incident recorded in over a year for Port Waratah. The incident involved a leak from a water pipeline located at the K7 Wharf which resulted in a relatively small amount of process water discharging to the Harbour. The incident investigation indicated a rubber seal at a pipe joint had been installed incorrectly, and had worn away, resulting in the leak. The incident was reported to the regulatory agencies with appropriate mitigating controls and actions undertaken. The EPA are satisfied with our response with no further action.

Port Waratah are in the process of commissioning the third storm water storage tank at the Carrington Terminal, which is on track to be completed and operational by the end of February.

Lyn asked about the extra throughput and where the demand is coming from?

Trudie – China has been an interesting market and no coal went there in 2021, we also saw a decline in previous years. New destinations have included India, Netherlands, and Belgium. 95% of Hunter Valley Coal still goes to South East Asia with small changes to other destinations. All of the details of where the coal went will be in the Sustainability Report which will be published at the end of March.

Clare – does Port Waratah have confidence in your markets?

Trudie – yes our customers do. We have noticed a shift in quality demand from end users. The high quality Hunter Valley coal is being picked up by other markets which makes the blend quality of each cargo important.

Lyn – can you provide information on blending at the next meeting as it would be interesting.

Action: Provide coal quality information and destinations at the May meeting.





Item 4: Discussion of Community Dashboard and Community Engagement update

The Dashboard and the Community Engagement Activities were distributed with the meeting agenda and Trudie asked if there were any questions.

Rick - why are the trains going into the Carrington Terminal heavier than the trains at KCT? Tonnage at Carrington Terminal has increased and it is good to see operations working near capacity.

Mark – Overall operational intensity at Carrington Terminal was increased last year, with another shiploader in the Port out of action. We also had port closures at times, so overall the Terminal did run harder through some periods of the year however there should be no difference between the trains through each of the terminals.

Action: review coal tonnages through each terminal and provide an update to Rick.

Other information to note is our Annual Community Partners event coming up on Thursday 7 April. Save the dates will be sent soon.

The Youth Sport in Portside Suburbs funding round is open now, so let your community partners know. We saw a great take up of the funding last year and the funding was provided to a large range of junior sporting clubs.

The Community Newsletter will be in letterboxes next week.

The total spend of our Community Investment via priority area and location was shared. Rick – it is good data to and suggest Port Waratah rename Newcastle Region to Newcastle LGA.

Action: agree that is a good suggestion, Port Waratah will update to Newcastle LGA

Item 5: Focus Area Discussion: Impacts of Climate Change, Economics and Transition Risks

Trudie talked through the focus area discussion topic.

The discussion topics requests from the November 2021 meeting centred around the impacts of climate change, economics and transition risks include:

- Is there any modelling being done to understand Zero Emission impact on Port Waratah's profit with the incurred loss, could this be discussed?
- What does Port Waratah's transition model look like?





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- How does Port Waratah become carbon neutral?
 - How will Port Waratah cope with sea level rising?
 - In the conversation about Zero Emissions will charges be imposed on Port Waratah's operational nature cause much of a "hit" to viability?

Climate Change Risk Assessment – Trudie provided an overview of Port Waratah's Climate change risk assessment, which can be found in the 2020 Sustainability report. We have undertaken risk assessments to assess if we can still operate and meet our capacity when we need to. When considering physical and direct risks, we considered a whole range of climate change aspects, which encompass many more aspects than just emissions reduction. For each of the aspects that we assessed, we relied on information from the City of Newcastle, which have done brilliant work for our LGA. We also took CSIRO east coast data and we relied on Bureau of Meteorology data also.

When assessing all of the aspects of climate change, we considered a 5 year horizon as well as a 20 year horizon. When assessing Sea Level Change for example, reviewing the modelling that has been done we considered what would it mean for us if the sea level changes? Do we have tolerance to continue operations? Yes we do, so the risk profile remains steady for that aspect and our infrastructure has sufficient tolerance to manage any sea level rise.

As another example, we considered drought frequency change. Throughout the last drought, we learnt a lot and we recognised our high potable water usage and a lot of work has been done on our water management system to save potable water. We also won the Love Water Award last year at the Business Hunter awards, which is great recognition of these efforts. We now have better infrastructure in place to manage our water consumption.

Lyn – how will you manage dust with water restrictions?

Trudie - we reuse the water as much as we possibly can. It is an emerging risk that we need to continue to manage. With an increased risk profile, we need to continue to monitor.

With respect to water storage, we have enough stormwater capacity in place. We also have very good weather predictive systems that help us with our operations and we have a lot of confidence in our systems, so we are in a good place.

Overall, the whole Climate Change Review and Assessment came out as moderate and we will focus our attention on the aspects with an increased risk profile.

Rick – have you thought of connecting the water systems under the harbour between Kooragang and Carrington?





Trudie - No, not something that we have considered as it would be very expensive and it is not something that we would benefit from as our water management systems at each Terminal are adequate.

Callan – how did you respond to the recent tsunami threat?

Mark – the event was led by the Harbour Master. Monitoring was put in place and pilots observed different tides and movements, with no operational or safety impact. There was also a low low tide which was taken into consideration and there was no impact.

Callan – Newcastle City Council sea level rise information and the CSIRO information doesn't take into account the impact of erosion at Stockton. If the peninsula was to break, for example, they are still working through what impact that would have.

Emissions Reporting and Data

Each year Port Waratah is required to report greenhouse gas (GHG) emissions and energy consumption to the Federal Government through the National Greenhouse and Energy Reporting Scheme (NGERS).

Scope 1 (direct) emissions are released as a direct result of a Port Waratah activity. For Port Waratah NGERS Reporting, they are from;

- Diesel fuel consumption, and
- Unleaded fuel consumption

Scope 2 (indirect) emissions are produced from the generation of electricity consumed by Port Waratah.

Scope 3 (indirect) emissions are not required to be reported under NGERS. These are indirect emissions other than Scope 2, generated as a result of Port Waratah's activities, but from sources not owned or within Port Waratah's operational control.

Emissions are the sum of Carbon Dioxide, Methane and Nitrous Oxide measured in tonnes of Carbon Dioxide equivalent (t CO₂-e)

Trudie advised that the [Clean Energy Regulator site](#) has all the data if you'd like to access it.

2020/2021 resulted in a slight decrease (-0.1%) in total emissions compared to last year and 7 of the last 8 have seen a year on year reduction. 2020/2021 overall emissions were the second lowest in 10 years (behind 2017/2018).

Scope 1 (direct) emissions were 451 t CO₂-e which is a 6.8% decrease compared to last year, or 33 t CO₂-e.





The 5 Year reduction is 14.3% (75 tonnes).

The 10 Year reduction is 47.4% (407 tonnes).

Scope 2 (indirect) emissions represent the significant majority of Port Waratah's emissions at 99.62% of the total.

Rick -Does Port Waratah use E10 or unleaded fuel?

Trevor - We don't have any unleaded fuel facilities on site, it is purchased from the service station and our procedure is to use E10, when available, in our vehicles.

Rick – are electric vehicles coming soon?

Trevor – There are currently no commercially available electric vehicles that suit our needs. Around Australia, electric vehicle trials are continuing, and manufacturers are releasing more and more electric/hybrid models that may be suitable. It is something that we consider as part of our vehicle replacement strategy. We expect that in the next 5 to 10 years the vehicle landscape will be significantly different than today.

Emissions Intensity

Despite an increase then relative stabilisation in overall tonnes handled since 2012/2013, Port Waratah has sustained a downward trend in greenhouse gas (GHG) emissions intensity, with our total GHG emissions intensity for 2020/2021 being 0.541kg CO₂-e per tonne handled, and our Scope 2 GHG emissions intensity being 0.539 kg CO₂-e per tonne handled.

Relative to 10 years ago (2010/2011), the tonnes handled at Port Waratah have increased 15% (190Mt to 219Mt), however total electricity consumed has only increased 6%. In the same time total emissions (Scope 1 & 2) have reduced by 5%. Scope 1 emissions have almost halved, largely driven by a 2/3 reduction in our unleaded vehicles emissions. As a result, emissions per tonne have reduced by 15%. This is a reduction of 114 kg CO₂-e per 1000 tonnes of coal handled, or 10 tonnes CO₂-e per average vessel loaded by Port Waratah in 2021.

Electricity Efficiency Improvements

2021 was our most efficient year to date, with a 0.6% improvement from our target (3yr average 2018-2020) to 0.6652kWh per tonne handled. 0.6% doesn't sound like much, however it is equivalent to 851,000kWh less electricity consumed, or the annual consumption of 170 Newcastle households. Compared to 10 years ago, our efficiency improvement is equivalent to a 12.4 million kWh reduction in electricity, or 2,500 Newcastle households.





Improvements largely fall under three banners:

- Electricity reduction initiatives – physical changes that result in the consumption of less electricity (e.g. LED lighting upgrades and lighting timers).
- Operational efficiencies – improvement to how we operate resulting in better overall loading/unloading rates. Improved rates ensure equipment does not need to operate for as long for the same tonnage. Key initiatives in this space have been reducing the time for vessel hatch changes, minimising time between trains, and ‘smoothing’ the operation of our conveyor systems.
- Reliability improvements – improving reliability means less unexpected stoppages and delays. We track this through improvements in ‘mean time between failure’, ‘mean time to return’, as well as rates of asset availability, utilisation and overall integrity.

Future improvements will continue to fall under these three areas, however continued advances in commercially viable technology will play a critical role. Port Waratah continues to investigate, trial and adopt initiatives to improve our efficiency to ensure we continue to deliver the services our coal chain partners in a reliable, cost effective manner, whilst improving our sustainable performance for the wider community.

Rick - If Port Waratah would consider installing solar panels and where would we put them?

Trudie - Studies have been done on roof tops and spare land and it wasn't viable when we looked at it several years ago, but in 2022 we will be reassessing the business case, as well as other options for self-generated electricity.

Workshop Discussion

Questions to prompt discussion:

- What companies do you see as leaders in **adapting to** climate change impacts?
- What companies do you see as leaders in **reducing** their climate change impacts?
- What industries do you think are performing well in energy transition?
- What are your views on risks to Port Waratah's viability regarding reducing emissions?

Callan – Newcastle City Council are doing a great job on fleet plans to replace vehicles to electric. Other projects include electric vehicle charging stations around the city, and a solar farm at Summerhill is a sign that they are serious about change. Solar panels at Kooragang Terminal would be a similarly good sign to the community.

Rick – there may also be potential for a wind turbine.





Clare – advised to consider all options for locating solar panels, as roof top solar may be problematic for access and maintenance.

Rick also noted the good work with the water projects that Port Waratah have implemented in recent years. He commended Port Waratah on taking the challenge of how to best use water and he observed that Port Waratah are obviously on the same path with electricity efficiency.

Trudie asked if there are any other suggestions for businesses or industries that we could look at?

It was suggested that Ampcontrol would be good to have a conversation with, the same as with high end battery providers.

Rick suggested revisiting the idea of direct loading from train to vessel.

Lyn took the opportunity to remind the group that when we first started these discussions we were focussed on water run off, lighting efficiency, dust management and look where we are now. It all takes time and lots of discussions over a long period of time.

Mark – we appreciate the conversations and the thought-provoking ideas that come out of these discussions.

Callan – people want to work for an organisation that are socially responsible, use electric vehicles and are diverse in their hiring practices. It has been noted that Port Waratah have promoted diversity through the advertisement of its female employees, as an example. It is about undertaking the projects to send the right signals to the community.

Rick – it is critical to employ the right people in your organisation.

Lyn – expressed pride in the progress stating Port Waratah started the meetings with the community and now other businesses are also engaging with the community in a similar manner. Strategic and regional level planning has improved significantly.

Item 6: General Business

Trudie asked for feedback on the new format for the meeting. Community Stakeholders express agreed it was very positive.

Callan advised that the Stockton SLSC raised just under \$25,000 from the Australia Day Harbour Swim this year. It was a terrific fundraising result and Callan thanked Port Waratah for their contribution to the





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event. If anyone would like to purchase one of the special edition beach towels from the swim, email Callan and he will bring them to the next meeting.

The next meeting will be held on Thursday 12 May, hopefully at the venue of a community partner and our focus area discussion will be social licence and opportunities to support/celebrate community.

Meeting dates for the remainder of the year are:

- Thursday 12 May
- Thursday 11 August
- Thursday 10 November

Trudie thanked participants for attending the meeting and for the useful discussion.

Meeting closed at 7:16pm





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Appendix 1 – Material Topic Workshop Summary (Key: Black is suggestion from community member, Blue is commentary from the workshop discussion)

Q1 Impacts of Climate Change, Economics and Transition Risks	Q2 Social Licence and opportunities to support community	Q3 Regional Infrastructure Matters, Impacts/ Benefits for Community	Q4 Strategic Planning and Direction (forward looking from 2023)	Additional suggestions (not included in the agreed themes)
Is there any modelling being done to begin to understand Zero Emission impact on PWCs profit with the incurred loss, could this be discussed?	Is the PWCS social licence changing?	The importance of having double stacked rail line from the Port of Newcastle to the inland Port of Narrabri. Will PWCS actively support the concept? This project will incorporate a more efficient coal corridor and the replacement of the Ardglenn Tunnel.	Outline the next 5 years i.e. Strategic Plan. Or table it for early 2022.	The closing strategy for PWCS: Timetable; What will be left on the sites when PWCS leaves; How will the close down be funded? Closure Planning Overview Provided Q4 2021
What does the PWCS transition model look like?	A Kooragang visitor information location where operations can be viewed with PWCS, coal industry and port information can be passively provided. A recognised tourist spot KI over C for higher traffic.		Is PWCs facing any infrastructure limitations within 5 years?	
How does PWCS propose to become carbon neutral?	The Tourism potential of PWCS	The necessity for the Port Side Rail line. Will PWCS actively support the concept?	Are there matters pending that PWCs consider a priority coming into 2022?	More Pac-Man and equivalents. Ongoing transparent data to be provided
	Recording and presenting the history of Newcastle as a Coal Port			
In the conversation about Zero emissions will charges imposed on PWCs operational nature cause much of a “hit” to viability?	PWCS collaborating with surrounding conservation areas i.e. National Parks for continued development but also for visitor access with walkways or viewing platforms for key areas.	Discussion for the two topics above noted these views and provided an understanding of Port Waratah’s position. Port Waratah acknowledged community request to advocate for community views in various forums.	CEO Strategic Planning overview and subsequent discussion covered the above three topics in Q4 2021. Plans for a forward-looking discussion to be tabled at Q4 2022 meeting.	Local community impacts and interactions discussed as ongoing process. To be covered in regular meeting updates.
			Does PWCS see opportunities to change business directions that will enable continued use of the site/s for new or emerging industries?	
How will PWCS cope with sea level rising?	PWCS contributing to and assisting community vibrance and progression	The importance of the Novacastrian Highway (A major dual carriageway roadway from Nelsons Bay to South Swansea)		All of the above. Agreement with suggested topics noted.
	Discussion to include Local Voices results and planning in this theme.			

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