

MINUTES

PORT OF NEWCASTLE COMMUNITY LIAISON GROUP

Date: Monday 24 May 2021

Location: Port of Newcastle, Paterson Room and via Zoom

Chair: Angie Francisco, Port of Newcastle Stakeholder and Consultation Manager

Attendees

Community representatives	Port of Newcastle representatives
John McLeod – Newcastle Rowing Club	Glen Hayward – Executive Manager Marine and Operations
Rick Banyard – Correct Planning & Consultation for Mayfield Group	Jennifer Anderson – Senior Manager Property, Environment and Planning
Graham Harde – Carrington Community Council	Ross Cadell – Special Projects Director
Nick Moretti – Koppers	Sarah Kiely – Communications and Community Relations Manager
John Thacker – Newcastle West Community Group	Simon Byrnes – Chief Commercial Officer
John Hayes - Correct Planning & Consultation for Mayfield Group	Jackie Spiteri – Senior Manager ESG
Ryan Duckmanton – Stolthaven	David Morris – Property Business Development Manager
Lyn Kilby – Greater Lifestyles of Wickham Group	
Dave Williams – Stockton resident	
Richard Howard – Clark Shipping	
Chris Northam – Tim Crakanthorp’s office	
Peter Ernst – Port Authority of NSW	
Antony Shaw – Svitzer	
Richard Finlay-Jones - EcoEnviro	

General Business

Welcome and introductions – Angie Francisco (AF) - Stakeholder Engagement & Consultation Manager

- Acknowledgement of the Awabakal and Worimi peoples as the Traditional Owners of the land on which the meeting was held, paying respect to Elders past, present and future
- Meeting protocols
- Apologies on behalf of CEO Craig Carmody (CC). Glen Hayward (GH) Executive Manager Marine and Operations would present on his behalf
- Introduction of PON representatives attending the meeting
- Acknowledgement that Sarah Kiely (SK) was handing over the Chair duties and thanked SK for her contribution
- New member Peter Ernst (PE), Head of Operations, Port Authority of NSW was introduced. PE highlighted Port Authority of NSW’s role as the state’s harbour master and provider of pilotage services
- New member Antony Shaw (AS), Marine Standards Superintendent, Svitzer was also introduced. AS explained that his role was focussed on HSEQ (health, safety, environment and quality) and community

Review of action items

Nil to review

PON Executive Update – Glen Hayward (GH) – Executive Manager Marine & Operations

- Noted CC's apologies
- The recent Prime Minister (PM) visit was reflective of the importance of the port to the economy. During the visits the PM had publicly expressed his support for a container terminal. It was also noted that his visit was a direct result of the relationship that the Port has been building with the Commonwealth and other levels of government
- Multi-purpose Deepwater Terminal (MDT) update: PON was eagerly awaiting the Judge's decision on the ACCC's case
- Lyn Kilby (LK) asked if appeals were expected and GH advised that it was probable
- PON Strategic Projects: PON's focus was on delivering projects that will contribute to diversifying and growing the Hunter region's economy.
 - Delivery of the K2 unloader was a significant milestone for PON in developing a bulk precinct on Walsh Point
 - David Morris (DM) provided an update on PON's commercial property developments at Denison Street (Carrington) and Raven Street (Kooragang Island)
 - The Development Application for the Denison Street project had recently been lodged. Construction is expected in 2022-23
 - John Hayes (JH) asked what the major use of the building would be. DM responded that it would be for commercial office space that may be used for professional consulting groups looking to be close to the Newcastle CBD or relocating from other areas
 - Jackie Spiteri (JS) highlighted that the building would have a 5-star Green Building Council of Australia rating
 - John McLeod (JM) asked if potential tenants had been identified. DM responded that it was still early days as the DA had just been lodged.
 - The proposed Raven Street development is located adjacent to the PWCS administration building on Kooragang Island. PON was targeting an industrial development with facilities provided for logistics, warehousing and potentially manufacturing. The Raven Street project was a \$4.8 million investment for Newcastle and an opportunity for new or existing businesses to be located in a strategic industrial precinct. The DA for Raven Street would be lodged shortly and a 2022 construction was expected
 - Rick Banyard (RB) asked if tenants would need to be tied to port industries. PON was open to all market offerings. It could be suitable as an overflow facility for an existing tenant or may attract new tenants from other areas to the Port
 - JH asked if it had access to wharfage. DM responded that it was approximately 500-600 metres away from the nearest berth
 - LK asked if there were more flexible lease arrangements to entice Sydney based businesses to trial a relocation to Newcastle. DM advised that this was on PON's radar and there was an option for a head lease that could then be used to provide temporary / short term office spaces which was a common arrangement in Sydney
 - LK asked if PON was arranging interior decorating and DM advised that PON would provide the 'warm shell' for fitting out, which would enable tenants to make decisions around their interior design.
 - Ross Cadell (RC) commented that the building's green star credentials would be a key selling point
 - Jackie Spiteri (JS) provided an update on the Port Lighting project, advising that PON was seeking to replace its ageing lighting on key assets throughout the Port with energy efficient, low maintenance alternatives. The project was estimated to reduce PON's operational emissions by just shy of 200t CO₂e per annum. JS highlighted that part of the project involved enhancing the lighting at Dyke Point to showcase the Destiny statue and welcome sign, with coloured lighting options to deliver special messages
- JS discussed PON's refinancing which featured a sustainability linked loan – a first for an Australian port. JS explained the initiative which involved PON and its lenders agreeing to directly aligning PON's sustainability linked loan metric to its existing sustainability goals and initiatives. When PON achieves its sustainability goals, it then stands to reduce the cost of its debt.

- JH asked if PON can provide information on the sustainability linked loan so that he could explain it to various community groups he was involved in
ACTION: Jackie to provide a summary to be included with the Minutes (See below)
- LK asked what the length of time was for the loan. JS advised that it was five years.
- Richard Finlay-Jones (RFJ) asked if PON was aware of the bulk renewable energy purchased by the region's local Councils. JS advised that she was and thought it was an exciting initiative.
- GH provided an update on trade volumes through the port during Quarter 1 2021. It was noted that coal volumes remained within the range seen over previous years and the export market for wheat and meals & grains reached a 10 year high. Steel imports and fertiliser imports were also strong, with fuel imports back in line with previous year's levels
- LK asked if PON handled canola. GH responded that PON had a small amount come through, although most goes to Cargill for oil production
- LK mentioned coal exports to China from other countries and RC commented that he was aware there had been issues with low quality coal
- RFJ asked if PON was aware of the IEA recommendation for no new fossil fuel generation globally. AF advised that PON would need to take the question on notice
ACTION: PON to respond to RFJ question
- JH commented on the position of PON in relation to the global forum in Glasgow later this and Australia's targets
- RFJ commented that it was likely that the EU and US will place pressure on Australia to reduce emissions as its residents are the largest emitters per capita on the planet
- John McLeod (JM) asked if there was an update on the EPIK Newcastle Gasdock project. GH advised the project was still continuing to seek relevant approvals and the plan was for that area of Kooragang to be part of a future energy precinct

Sustainability Update – Jackie Spiteri (JS) – Senior Manager ESG

- Diversification remained a key priority so PON can have a sustainable operation for future generations
- Underway were the Indigenous STEM Scholarship, the Indigenous Internship, the development of PON's first 'Reflect' Reconciliation Action Plan (RAP) and the development of a Diversity & Inclusion Strategy. These projects had a number of collaboration opportunities with the University of Newcastle and other internal and external stakeholders
- LK commented that it would be good for the students to have practical exposure to the port and a real opportunity during their time with PON. JS advised that the scope of the internship program was being developed and there would be a focus on students having immersive experience at PON
- JS also noted that PON was working on refining its targets and reviewing its ESG Strategy this year.

Rain and flooding impacts on Port operations – Glen Hayward (GH) – Executive Manager Marine & Operations

- Heavy rain and flooding event in April caused flow-on impacts to the shipping channel. PON had activated its rapid survey and dredging response providing frequent updates to the Port Authority of New South Wales Harbour Master
- The targeted dredging in known siltation areas permitted loading restrictions to be removed within 3 weeks, faster than similar flood events in April 2015 and January 2016
- It was thanks to the responsiveness of the Survey and Dredging teams and PON's collaboration with the Port Authority of NSW Harbour Master, critical trade continued to move through the Port of Newcastle JH asked how the flood water affected the density of the water. GH noted that the 'fresh' water did not mix with salt water, so vessels interact differently with the water and additional tugs were sometimes required
- JH asked how the 'fresh' water affected how the vessels floated. GH agreed that there was an impact and advised that vessels have salt water and fresh water draft marks

- Trudie Larnach commented that she wanted to echo GH's sentiment and further highlight that it was a well-managed job
- GH thanked TL for her comment, noting that the terminals were also very helpful with working around the Harbour Master's requests

CLG Governance – Angie Francisco (AF) – Stakeholder Engagement and Consultation Manager

- In the spirit of continuous improvement, the CLG governance frameworks were being reviewed
- AF also noted that due to changed business requirements, there was a need to change the CLG meeting days to a Tuesday

Other business

- Rick Banyard (RB) asked if there was an update from PON on establishing a trade route between NZ and Tasmania. Rick discussed a number of potential opportunities that had progressed since the last CLG meeting. GH responded that PON's Business Development team had been looking into NZ trade
- RB commented that the Inland Rail project was progressing and referred to his letter to the Deputy Prime Minister. RB further raised that a rethink on the rail line between PON and Narrabri. He noted other ports were quickly modifying rail capability. RB also suggested a meeting between himself and other members of the community to further discuss the rail line and Tasmania and NZ trade route.

Meeting close

- AF thanked all CLG members for their attendance and closed the meeting at 6.43pm
- The next meeting is scheduled for 17 August 2021

Summary of Sustainability Linked Loan:

The arrangement includes \$515 million in sustainability-linked loans that incentivises Port of Newcastle by offering a lower margin on debt if it hits targets across a range of social and environmental metrics.

The series of five KPIs and targets aligned with Port of Newcastle's sustainability commitments, including:

1. Mental Health First Aid Training for PON employees
2. Screening of suppliers for Modern Slavery risk
3. Reducing emissions in line with a well below 2-degree science-based target
4. Progressing through the Sustainability Advantage recognition program
5. Development and implementation of an Aboriginal and Torres Strait Islander internship program

This is the first sustainability-linked financing by an Australian seaport and the first such loan in Australia to include a modern slavery assessment metric addressing all of the borrower's suppliers.

NAB acted as a core lender in the refinancing and, in its role as Sustainable Finance Structuring Coordinator, assisted in the development of both a sustainability-linked financing framework and green financing framework with Port of Newcastle.