

MINUTES

PORT OF NEWCASTLE COMMUNITY LIAISON GROUP

ATTENDEES

Community representatives	Port of Newcastle representatives
John McLeod – Newcastle Rowing Club	Craig Carmody – CEO
Rick Banyard – Correct Planning & Consultation for Mayfield Group	Glenn Thornton – Executive Manager Projects & Assets
Graham Hardes – Carrington Community Council	Tanya McDonald – Executive Manager Corporate Affairs & Strategy
Nick Moretti – Koppers	Glen Hayward – Executive Manager Marine and Operations
John Thacker – Newcastle West Community Group	Jennifer Anderson – Senior Manager Property, Environment and Planning
John Hayes - Correct Planning & Consultation for Mayfield Group	Ross Cadell – Special Projects Director
Ryan Duckmanton – Stolthaven	Jackie Spiteri – Senior Manager ESG
Lyn Kilby – Greater Lifestyles of Wickham Group	Lindsay
Dave Williams – Stockton resident	Lindsay Crutch – Project Director
Richard Howard – Clark Shipping	Matthew Swan – Senior Manager Business Development
Chris Northam – Tim Crakanthorp’s office	Kate McArthur – Business Development Manager Trade & Container Freight
Peter Ernst – Port Authority of NSW	Noel Dent – Senior Manager Strategic Development MDT
Richard Finlay-Jones – CLEANaS, Newcastle Standup Paddle Board Club, Surfrider Foundation	Dianne Munro – Planning Manager
Greg Gocher – Thales	Lee-Ann McMurray – Property Manager
Sonia McKay – RMS	Spencer Pascoe – Business Intelligence Analyst
Trudie Larnach – PWCS	Kristie Carter – Senior Manager Corporate Affairs & Strategy
Nathan Juchau – NCIG	Emily Gallagher – Communications Advisor
Robert Aitchison – Tourism representative	
Lynne Hopson – Throsby Basin Business Chamber	

GENERAL BUSINESS

Welcome and introductions

Sarah Kiely (SK) – Community Relations & Engagement Manager

- Acknowledgement of the Traditional Owners of the lands on which the group was meeting, paying respect to Elders past, present and future.
- Zoom meeting protocols and house rules.
- SK advised Group that she had recommenced in the role of Chair and thanked Angie Francisco for her contribution.
- Apologies on behalf of Antony Shaw (Svitzer), Paul O'Rourke (Newcastle Cruising Yacht Club) and Dallas Fletcher (Honeysuckle resident).
- New member Lynne Hopson (LH), Throsby Basin Business Chamber was introduced
- Welcome and introduction to PON representatives attending the meeting.

Review of action items

- There were two action items from the previous meeting that have been closed out:
 - Summary of Sustainability Linked Loan was provided with the Minutes – complete.
 - PON responded to Richard Finlay-Jones question on notice regarding the IEA and coal exports – complete.

PON Executive Update

Craig Carmody (CC), Chief Executive Officer

- PON's priority during the current COVID-19 situation continues to be the safety of its people and community.
- Focus has been on ensuring the Port and the supply chain remain open and free of Covid-19.
- CC discussed the mental health impact of the current lockdown, noting that PON was working with staff to relieve work pressures due to increased uncertainty with Covid-19.
- CC mentioned recent media activity around the Port, noting the Federal Court's decision on the PCD.
- CC referred to a question put forward ahead of the meeting regarding PON's ability to handle 50,000 containers per year and PON's recent Mobile Harbour Crane (MHC) purchase. PON will continue to pursue opportunities to diversify.
- COVID-19 and congestion issues at Port Botany has created opportunities for PON but to get reliable and guaranteed services through Newcastle, PON would require quay cranes.
- The industry and other Australian ports were already moving to increase their capacity to handle Ultra Large Container Vessels (ULCVs).
- MHCs would allow PON to move more containers, but PON is looking to service all the containers that are generated in its catchment and currently being moved through Port of Brisbane or Port Botany.

PON Trade

- CC discussed PON's recent trade results and noted that despite trade restrictions with China, the Port remained resilient by competing in emerging markets.
- For the first quarter of this year PON was already above forecast, demonstrating that the market for Hunter coal had readjusted.
- After three years of drought it has been a remarkable year for farmers, with the continued increase in fertiliser and grain trade through PON.

- CC noted that this was good for PON's diversification story but the reliance on bulk agricultural commodities was cyclical due to the nature of the climate. This highlights the need for PON continue diversifying beyond bulk commodities
- Steel, cement, fuel and aluminium is up and trending in the right direction.

Priority Project Update

- K2 Ship Unloader: CC discussed the arrival of the new K2 Ship Unloader, highlighting how PON's investment would improve PON's current volume handling and environmental performance. The next step for this project would be to connect the new infrastructure to conveyors and sheds across Walsh Point. PON was currently talking to new potential customers and CC discussed how PON could provide as a solution, along the Port's ability to move vessels in and out quicker.
- LED Lighting: CC referred to the LED lighting project being rolled out across the Port which would see existing lights replaced with an LED alternative. This project was part of PON's ESG Strategy given it reduces the amount of energy required for its lighting infrastructure. Interchangeable coloured lights would also be installed as part of project at Dyke Point for celebrating community events and occasions post COVID-19.
- Sweeper vessel: PON's investment in a new sweeper vessel to improve its current dredging capabilities was discussed. CC explained the operation of the vessel in using a bar which is towed along the harbour floor to level out high spots. The new sweeper is expected to be in operation in the port by late 2021 / early 2022.

COVID-19 management

- CC discussed PON's agile workplace strategy and feedback received from employees. It was noted the arrangements had allowed PON to respond quickly to the latest lockdown to keep vessel schedulers, wharf officers, dredge crew and the wider port community safe. All systems put in place during the last lockdown were able to be reactivated in response to the current lockdown.
- Currently, PON is not aware of any confirmed cases of COVID-19 amongst its staff or contractors.

Questions

- CC referred to a question on notice from John Hayes (JH) regarding the MDT and container handling capacity at Mayfield. CC advised that legal sensitivities need to be considered and so he can't comment in detail due to the court case being under appeal at present.
- CC also referred to a question on notice from JH regarding port rail. It was noted that the NSW government's consultation process for the Lower Hunter Freight Rail Proposal was not planned until 2056. CC noted that PON currently had the rail capacity it needed and discussing otherwise suggested that PON required the government to invest billions of dollars in rail to support the MDT development – which was untrue.
- CC referred to a question on notice from Richard Finlay-Jones regarding PON setting a deadline to cease coal exports from Newcastle. CC acknowledged that PON was an open access port and it was required to move all products in and out. CC also mentioned the international community would make decisions on their energy mixes and PON had no influence over that. CC noted it was important for PON to have a diversified business to prepare for a decline in coal demand and enable a transition and stated that PON was focussed on diversifying its business to give more opportunities to the Hunter region and for new economic activity.

- Lyn Kilby (LK) asked, based on the CEOs indication that details of some matters could not be discussed as they pertain to legal matters, PON would keep a low profile in relation to media with the current court cases that were underway. LK also referred to a recent article in the Weekend Australian magazine about Parkes and the movement of freight from these areas. CC acknowledged there was broader context about PON's positioning and referred to Kristie Carter (KC) to respond. KC noted that we had found out voice in recent media in view of legal sensitivities and that there was a great opportunity for PON to further develop a proactive narrative and tell the broader story of the Port and Hunter region.
- CC mentioned that since commencing at the Port in 2018 his focus has been on the container terminal project, but he acknowledged that, with ro-ro, wind turbines, hydrogen and the repositioning of PON as an Energy Port, PON is focusing on maximising a range of short to medium term opportunities.
- Richard Howard (RH) asked what the top priority projects were for PON. Craig listed the K2 ship unloader, associated conveyors and sheds, Mayfield development, MHCs and landside development to support containers, infrastructure developments within the whole Carrington Basin area and ensuring ESG remained essential to PON's strategy as key priorities for PON.
- CC concluded his update and highlighted the next CLG meeting in November, acknowledging that he hoped the group would be able to meet in person.

PON Operations Update

Glen Hayward (GH), Executive Manager Marine & Operations

- GH mentioned the PON sweeper vessel investment and how it would support the Port in managing flood events more efficiently. It would also provide greater flexibility to reach areas that the David Allan dredger was unable to. GH added that there was ESG value through the purchase through combining the sweeper vessel with the dredger, with studies showing it would reduce emissions through less dredger movements out to the sea dumping area.
- GH discussed the work PON's operations team was doing with Port stakeholders to ensure COVID-19 did not get into the community or the supply chain.
- Vessel movements were on track, which was a good result for the first 6 months considering flood events, rail outage and K10 crane going out of service.
- GH referred to a recent donation that PON had made to the TasBull Foundation to enable seafarers to access wi-fi while they were in the Port. PON was also working with the local police, terminals and Port Authority of NSW to help seafarers to get to medical appointments
- GH also mentioned the recent ARTC rail outage and the collaboration with all Port stakeholders to manage the impact.

PON Projects Update

Glenn Thornton (GT), Executive Manager Projects & Assets

- GT discussed the expansion of the Projects team in past 18 months, demonstrating PON's commitment to building diversified infrastructure at the Port of Newcastle. The team now includes project delivery, maintenance, MDT and major projects, utilities and an asset management team.
- GT discussed the K2 ship unloader project, with the new infrastructure constructed in Vietnam by Tenova Takraff. The project represented a \$40 million commitment by PON to increase its bulk handling capability and enhance its ability to move more ships.
- GT advised that PON had placed an order for two MHCs with Liebherr. It was noted that the MHCs were not intended to be a container terminal. It would give PON the ability to handle containers on ships up to 2,000 TEU, along with breakbulk and project cargo. It was part of the

multi-purpose cargo handling facility at Mayfield, which PON had existing approval for. The cranes are expected to arrive in late July 2022 to ensure we align with Australia's strict biosecurity rules in relation to any potential risk from the European Stink Bug.

- Port wide ESG LED lighting project was also discussed. GT mentioned this was a \$1.3 million project, won by local firm GDW and will make a huge difference around the port. It would provide significant ESG enhancements for the port, as well a reduction in maintenance costs. The project was due to be completed by the end of 2021.
- GT discussed the work that was continuing on the Carrington Engine House. More than \$1 million had been committed by PON to restore the Carrington Engine House.
- Tippler Footbridge replacement project was mentioned. The bridge was built in the 1960s and PON has an obligation to maintain the bridge in a functioning and safe condition for public access to the adjacent foreshore area. Project is due for completion by the end of 2021.

Questions

- JH asked what the throughput of containers using the MHCs could be. GT advised that this would depend on the market, but the manufacturers indicate the machines should be able to handle approximately 50,000 containers per year. JH responded that this was positive to hear and noted that Tomago Aluminium was currently exporting their product through Port Botany, so it would be good to see this trade exported through Newcastle.
- GT confirmed PON's MHCs could handle this trade, as the two MHCs could work in tandem to handle the extra weight if required.
- RH asked if the Tippler Footbridge project would be a full replacement or just a refurbishment. GT responded that it would be a combination, with the main priority being a safe facility for the public to access the foreshore area.

PON Sustainability Update Jackie Spiteri (JS), Senior Manager ESG

- JS discussed the progress PON was making in relation to energy and greenhouse emissions
- PON's CO2 emissions performance has been significantly reduced due to the renewable energy contract now in place.
- 100% renewables for PON electricity are targeted to be in place by the end of the year.
- Scope 1 emissions from the combustion of fuel for PON vehicle fleet had also seen a reduction due to PON's electric vehicle transition.
- PON remains below the 2021 2 degree SBTi target for its trajectory for Scope 1 and 2 emissions.
- JS also discussed PON's social performance as part of its ESG strategy regarding mental health first aiders and gender balance across the business, particularly the steady increase in female staff in management positions.

Questions

- JH asked if there would be further movement in PON acquiring more electric vehicles? JS advised there was only 25% more to go as PON had committed to 100%, with the only limitation being a suitable work ute becoming available on the Australian market.
- Richard Finlay-Jones (RFJ) also asked how PON managed supply chain emissions in relation to its ESG goals. JS responded that PON acknowledged the importance of the emissions associated with the burning of coal but that PON did not have direct control over those

emissions associated with coal. Despite not having direct control PON recognise the global shift towards alternative energy sources and are ensuring that the Port is well positioned for the future through our diversification strategy. The recent renewable energy contract has supported tenants operating within PONs embedded networks to reduce their Scope 2 emissions. PON was having regular conversations with a whole range of stakeholders around opportunities to reduce emissions and there was a lot of appetite.

- Dave Williams (DW) asked a question regarding seafarers and mental health. JS and GH confirmed the partnership in place with the Mission to Seafarers and highlighted the work that they do in supporting seafarers. PON also referred to the recent Wi-Fi initiative that provides seafarers access to wifi when in port so they can contact friends and family.
ACTION: Sarah to follow up for more information from DW and share with the Group.
- RFJ asked a further question around PON working with its customers to support the transition to renewables. JS responded that this had been addressed in the discussions around PON's embedded network, individual conversations with port customers and tenants were ongoing.

Other business

- SK asked the group if they had any other business to raise
- JH asked what depth was required for Ultra Large Container Vessels (ULCVs). CC responded that an ULCV is 15,000 TEU plus, which is shallower than a coal vessel but the challenge would be the width and length.
- CC discussed his predictions around ULCVs arriving in Australia and noted that other ports were now developing their infrastructure so they could handle these vessels. PON will be targeting the largest ULVCs as the infrastructure will need to be built in the future anyway.
- JH asked what the clearances were. Lindsay Crutch (LC) confirmed PON had the correct depth for all classes of container vessels. He noted that a 24,000 TEU vessel required approximately 16m depth but they did not always sail full.
- CC referred back to a comment from DW in the Zoom Chat function regarding the lived experience of mental health and Port workers. CC mentioned the training all staff were required to undertake last year, including a session with a prominent footballer who had had his own mental health struggles. Paul Chapman (PC) confirmed that a number of different mental health programs continued to be staged throughout the year which were run by PON's WHS team.
- Rick Banyard (RB) asked if there had been any further progress on connecting PON to the Inland Rail and Narrabri for container freight. Ross Cadell (RC) responded that he had had conversations with infrastructure representatives in Canberra and it was not currently on their radar. RC had also met with the Narrabri Mayor and Council General Manager and conversations were ongoing. Ardglen Tunnel was also not on their radar for double stacking.
- RB noted he would like to see Ardglen Tunnel placed on Infrastructure Australia priority list next year. RC confirmed this was unlikely, based on the discussions he had had.
- RB commented that Ardglen Tunnel was a critical step in allowing double stacking, noting the safety issues that could cut all freight off from PON if there was an incident.

Meeting close

- SK thanked all CLG members and the PON team for their attendance and closed the meeting at 5.30pm
- The next meeting is scheduled for 23 November (by invitation only) at 4pm.