



28 February 2018

Monica Gibson
Director Regions, Hunter
Department of Planning & Environment

I write to make comment on the Draft Greater Newcastle Metropolitan Plan 2036, specifically as it relates to Port Waratah Coal Services (PWCS) loading operations at Carrington.

By way of background the Hunter Valley Coal Chain Coordinator (HVCCC) oversees the world's biggest and most advanced coal supply chain, which exported 160 million tonnes of coal worth in excess of 16 billion dollars in 2017. An industry-member body incorporated in 2009, the HVCCC has a unique and highly-valued function. The only body with a 'helicopter view' of the entire coal chain, the HVCCC closely analyses coal chain activity and makes short, medium and long-term planning recommendations and guides the industry on critical infrastructure investment.

It is significant that the HVCCC formed amidst a period of industrial unrest, when coal chain participants couldn't agree on key planning and investment matters and the industry was caught out by insufficient infrastructure and record vessel queues resulting in crippling demurrage penalties. Guided by the HVCCC, the coal chain now functions with unprecedented cooperation from all participants, resulting in a new era of efficiency, stability, certainty and security. The HVCCC is recognised as an innovator and global leader in supply chain management.

One of the most critical aspects of coal chain operations is vessel loading in the Port of Newcastle. With that, I draw attention to the reference on page 84 of the Draft Greater Newcastle Metropolitan Plan 2036 which indicates The Port of Newcastle, Newcastle City Council and the NSW Department of Planning and Environment will "investigate the potential to relocate coal export facilities and bulk fuel storages away from residential areas and explore options to renew the Carrington Precinct for alternative uses (including tourism)."

The Carrington terminal has been in operation for 42 years and currently loads up to 25 million tonnes of coal annually. The terminal's role in the coal chain is vital because it is suited to load the smaller "Handy" size vessels, whereas loading activity at Kooragang Island typically caters for larger vessels. These arrangements maximise overall loading capability at the Port of Newcastle. The Carrington terminal is also important because, unlike the Kooragang Island loading terminals, it has approvals to receive coal from customers by both rail and road, a point of flexibility enabling coal throughput to be maximised. The Carrington terminal is a recognised "Global Gateway" connecting the Hunter Valley region with a global market.



The suggestion that the Carrington terminal may be relocated is at odds with long-term commercial arrangements that provide certainty and security for the coal industry. These arrangements are the result of exhaustive industry and government cooperation, and endorsement by both the New South Wales and Federal Governments. It is widely known and understood that the coal chain is very much relying on Carrington as a loading facility for the long-term. There are no known alternatives to the Carrington loading facility: it is difficult to see where or how the vessel-loading capacity loss would be made up if the Carrington terminal was to close.

Please make contact if further clarification may assist.

Regards,



Kirsten Molloy
CEO

