

**Port of Newcastle Community Liaison Group
Meeting Minutes – Monday 21 July 2014**



Attendance	Representation
Chairperson	
Lauren Eyles	Port of Newcastle , Executive Manager Communication Services
Community Liaison Group	
Peter Francis	Port of Newcastle , Executive Manager Port Development
Bede Boyle	HunterNet , Member
John Thacker	Carrington Resident. Carrington Community Centre Management Committee
Susan Bradley	Islington Village Community Group , Member. Parks and Playgrounds Movement , Member. Throsby Villages Alliance , Delegate.
John McLeod	Newcastle Rowing Club.
Geoff Crowe	Port Waratah Coal Services , General Manager Commercial & Company Secretary.
Dr Richard Finlay-Jones	CLEANaS , Co-Founder. EcoEnviro , Director. Dixon Park Surf Life Saving Club , Member. Newcastle Stand Up Paddle Club , Co-Founder.
Kristen Kegan	Hunter Business Chamber , CEO. Alternate for Richard Anicich.
Julie Kearney	Stockton Resident. Newcastle Surf Life Saving Club , Member.
Claire Charles	Correct Planning and Consultation for Mayfield Group , Secretary
Jan Ross	City of Newcastle , Manager Tourism & Economic Development. Alternate to Jill Gaynor.
Tim Owen	State Member for Newcastle
Robert Coombs	Australian Maritime Officers Union , Industrial Officer
Ron Sorensen	Port Authority of NSW , Chief Operating Officer - Newcastle
Todd Robinson	Golder Associates , Associate – Environmental Planner
Sarah Purser	Independent Minute Taker
Guest Presenters	
Jeff Coleman	Port of Newcastle , Chief Executive Officer
Peter Dwyer	Port Authority of NSW , Harbour Master
Apologies	
Richard Anicich	Hunter Business Chamber , President
Richard Howard	Newcastle Cruising Yacht Club , CEO
Jill Gaynor	City of Newcastle , Manager, Strategic Planning Services
Abbreviations	
PON	Port of Newcastle
NPC	Newcastle Port Corporation
PA-NSW	Port Authority of NSW
CLG	Community Liaison Group

1 Welcome and Introductions

Lauren Eyles, Chairperson

Lauren welcomed all to the first Community Liaison Group meeting facilitated by Port of Newcastle. Lauren advised that Port of Newcastle was keen to continue with the CLG meetings under the existing terms of reference and membership charter (circulated).

Lauren advised that Port of Newcastle is represented at this meeting by Peter Francis, Executive Manager Port Development, and Jeff Coleman, Chief Executive Officer, who will provide an introduction to Port of Newcastle. The Port Authority of New South Wales is represented by Ron Sorensen, Chief Operating Officer – Newcastle, and Peter Dwyer, Harbour Master.

Apologies were advised and recorded. For the benefit of new members, there was a round table introduction of the committee (membership is captured in the attendance table).

2 Introduction to Port of Newcastle

Presentation by Jeff Coleman, Chief Executive Officer

Jeff advised that the focus of his presentation was to provide an overview of Port of Newcastle, and functions and responsibilities under the 98-year port lease, which commenced on 30 May 2014.

Port of Newcastle is responsible for:

- Vessel scheduling
- Property management and port development
- Trade development
- Cruise shipping
- Dredging and survey
- Wharf and berth services
- Maintenance of major port assets and
- Pricing for associated services

Port of Newcastle works closely with the NSW Government (Port Authority of NSW).

Port Authority of NSW is responsible for:

- Pilotage
- Harbour Master Functions
- The Vessel Traffic Information Centre
- Port Safety Operating Licence
- Coal framework arrangements
- Inductions to Port Authority of NSW sites
- Nobbys Headland

Port of Newcastle's Shareholders are China Merchants and The Infrastructure Fund (managed by Hastings).

They have an equal (50/50) partnership.

China Merchants Group

- Founded in 1872 and is one of China's largest state-owned enterprises.
- It was the forerunner of China's national industry and commerce (including building the first commercial shipping fleet).
- Its headquarters is located in Hong Kong with investments all around the world.
- Owns \$84 billion in assets and has approximately A\$820 billion in assets under management.
- An experienced ports operator and holds interests in 24 seaport and seaport-related investments.
- China Merchants has been operating in Australia for more than 20 years via LOSCAM (a container pallet logistic provider) and Oriental Merchant (the leading Asian food supplier to Australian supermarkets).

The Infrastructure Fund (managed by Hastings)

- Hastings is a specialist global fund manager with more than \$7.4 billion in funds under management. It manages infrastructure investments on behalf of 9 million Australian superannuants.
- Its infrastructure assets include the M5 South West Motorway, Sydney Desalination Plant, Perth, Gold Coast and Melbourne Airports, the Port of Portland (Victoria), and the New Royal Adelaide Hospital.
- Hastings' investment in Port of Newcastle is on behalf of the Private Capital Group's Infrastructure Fund. This is an open ended unit trust with investments in long-life infrastructure assets. It represents 2 million members Australia-wide.

Port of Newcastle's Board Members are:

- Jane Park – Hastings Board Representative
- Andrew Fellowes – Hastings Board Representative
- Dr Liming (Raymond) Yu – China Merchants Board Representative
- Maochun (Richard) Li – China Merchants Board Representative
- Jeff Coleman – CEO, Port of Newcastle

Jeff explained that his role as CEO of Port of Newcastle is to run the business. He provided an overview of his industry experience which includes 13 years with the Port of Brisbane (including almost 10 as CEO), which is the largest Port Corporation in Australia in terms of revenue, assets and trade and the third largest container port. Jeff has since worked with Hastings on the port lease process.

Port of Newcastle's Executive Leadership Team is:

- Jeff Coleman, Chief Executive Officer
- Michael Dowzer, Executive Manager Commercial
- Peter Francis, Executive Manager Port Development
- Keith Wilks, Executive Manager Operations
- Mark Brown, Chief Financial Officer (Acting)
- Tony Houlcroft, Executive Manager People & Safety
- Lauren Eyles, Executive Manager Communication Services

Jeff acknowledged that Port of Newcastle's Executives transferred from Newcastle Port Corporation to Port of Newcastle, bringing with them around 50 years of experience in managing the port and an understanding of the local market and issues. He said that, in total, 85 employees transferred to Port of Newcastle at the commencement of the long-term lease, and will continue to perform their roles and contribute to the future of the port. Jeff advised that this is the team that runs the business.

Vision and Values

- Jeff advised that Port of Newcastle's vision is to maintain Newcastle's position as one of the leading and most efficient global scale coal export ports and facilitate continued growth and development of existing and new trades in a sustainable manner.
- Port of Newcastle's values are safety, teamwork, initiative, performance, customer service and delivering on promises.
- Jeff advised that Port of Newcastle's mission is to promote and support the prosperity of the Hunter Region and New South Wales in a sustainable manner. He highlighted that Newcastle is a leading, globally-significant port, which is important to the local, state and national economy.
- Port of Newcastle will work with the port community to develop existing trade and grow new trade.
- The vast majority of trade through the port is coal and this will continue to be an important commodity going forward. In 2013-14, the port handled 159.6 million tonnes in trade throughput (trade value: \$15.5 billion), including 154.4 million tonnes of coal (trade value: \$13.6 billion).
- There are 40 other commodities handled by the port, and Port of Newcastle will look to establish additional trades.
- The Port of Newcastle is an integral part of the Hunter Region and New South Wales. The port relies on the hinterland and vice versa.
- Port of Newcastle's business is about infrastructure.

Going forward, Port of Newcastle will:

- Provide a helping hand to the supply chain and add value where possible.

- Maintain a safe and rewarding workplace for all employees.
- Promote and facilitate improvements to supply chain performance.
- Collaborate with stakeholders to deliver the benefits of trade growth, including surrounding communities.
- Manage environmental impacts of port operations and development.
- Deliver effective commercial outcomes for customers.
- Undertake sustainable investment and deliver commercial returns for its Shareholders.

Jeff advised that Port of Newcastle's priorities for the first six months are to maintain a port-wide focus on safety and an efficient port, deliver its transition plan, and build relationships with its stakeholders.

Stakeholders:

- Port of Newcastle is outward looking and wants to engage with customers and the community. Jeff said that he has met with many port stakeholders (and will continue to meet with stakeholders) to gain an understanding of what issues there are.
- Feedback received thus far indicates there is strong goodwill for the success of the port, and Port of Newcastle intends to build on that.
- Port of Newcastle will invest in the community and port industry via the Community and Industry Partnerships Programs. Guidelines have been distributed to CLG members. Applications are due by 30 July (Community Partnerships Program) and 22 August (Industry Partnerships Program).

Transition requirements

Jeff said that Port of Newcastle is required to:

- Publish a Port Development Plan to inform government and the community of its five year development plan. This will be available on Port of Newcastle's website in December 2014.
- Complete an Environmental Management Plan within 6 months of the commencement of the lease. This is well underway and will be submitted to the NSW Government.

The Port Lease

- The lease is a public document and provides a snapshot as to what Port of Newcastle is allowed and not allowed to do. The NSW Government's objective in granting the lease is that the port continues to be a major seaborne trade gateway for New South Wales.
- Jeff advised that the lease includes the management of 792 hectares of port land. Port of Newcastle will work with its customers and tenants to grow and diversify the port's trade, including cruise shipping. Preparations for the 2014-15 cruise season are going well and the port is set to receive 13 cruise ship visits from seven cruise brands including brands from France, Portugal and Italy. He acknowledged that this brings an economic benefit to the city and the region.
- Port of Newcastle has taken on responsibility for the dredge which runs 12 hours per day, 7 days per week to maintain the depth and ensure that the harbour is safe for commercial shipping and recreational boating.
- The lease is available via the NSW Land and Property website: www.lpi.nsw.gov.au. To download the port lease and sub lease:
 - Click on Online shop
 - Click on Title Search
 - Click on Dealing image
 - Enter the Dealing numbers (A1631867 and A1631868)
- The port lease specifies that Port of Newcastle is to use the port land for port related use (as outlined in the State Environmental Planning Policy [Three Ports] 2013). The lease rules out the following types of developments: hotel; hospital; sport or recreation facility; residential development; retail shopping facility; or wind turbine generator or wind farm (with the exception of the Ausgrid wind turbine which is permitted until the end of the lease to Ausgrid). Jeff acknowledged that the Ausgrid lease expires in August 2018, and that the land is required for a swing basin to provide enhanced navigation capacity in the south arm of the Hunter River.
- Under the lease, Port of Newcastle is required to maintain public access to Newcastle and Stockton breakwaters. Port of Newcastle is also required to maintain a number of roads within the port, and is working with police and local authorities to curb the dangerous street racing and anti-social behaviour that has been occurring on Greenleaf Road, under Stockton Bridge.
- The lease also requires Port of Newcastle to comply with the Environmental Protection Licences that it holds, and to provide trade statistics on a monthly basis (via its website).

Trade

- Jeff acknowledged that, while the coal industry experienced challenging times in 2013-14, coal exports still grew by about 9%. The port's other trades are smaller but are still important to the port. In 2013-14 the Port of Newcastle handled 159.6 million tonnes in trade with a value of \$15.5 billion. Of this, coal comprised 154.4 million tonnes (value: \$13.6 billion). Jeff explained that trade is driven by the market. E.g. At the moment, a container terminal is not commercially viable.

Discussion

- **T4:** It was confirmed that Port of Newcastle will be making a presentation to the Planning Assessment Commission (PAC) in support of T4.
- **Was Newcastle Port Corporation's 30 year Draft Strategic Development Plan still relevant?:** The thinking that went into it will continue to be useful.
- **Would Port of Newcastle build a port side rail line or a rail freight bypass to make the inner suburban line freight free?:** No. This is beyond the scope of PON's business or influence. PON will be part of discussions with government and industry re: the supply chain, but is not a rail owner/operator.
- **Wind turbine:** The Kooragang Island wind turbine is owned by Ausgrid and is located on port land under lease until August 2018. The site is required for a swing basin to provide enhanced navigation capacity in the south arm of the Hunter River. Richard Finlay-Jones of CLEANas noted that the community is supportive of the turbine and would like it left there until 2018, and advised that CLEANas has put in a bid to acquire the turbine. Jeff advised that Port of Newcastle is open to discussing this, but the turbine will need to be removed by the end of the lease, and there would need to be adequate security to ensure the removal of the machine at the end of the lease.

3 General Business

- It was agreed that future meetings be recorded to assist with the accuracy of minutes.
- Correspondence has been received from Bede Boyle, nominating Tony Cade (CEO of Hunternet) as a replacement member.
- Guidelines for PNI's Community and Industry Partnership Programs were distributed to members.
- Actions arising from the previous meeting: Peter Dwyer, Harbour Master, to present at this meeting.

4 Port Authority of New South Wales

Update by Ron Sorensen, Chief Operating Officer - Newcastle

- Following the commencement of the port lease, on 1 July, the three residual government port corporations (Sydney, Newcastle and Kembla) have amalgamated into one entity.
- The Port Authority of NSW's Chairman is Nicholas Whitlam and the Chief Executive Officer is Grant Gilfillan, who was CEO for Newcastle Port Corporation for the past 12 months and took the business through the lease process.
- There are approximately 300 employees, including 75 in Newcastle.
- PA-NSW is responsible for port safety, Harbour Masters and regulatory incident response.
- In the future there will be six board members including: Grant Gilfillan; Nick Whitlam; two from Sydney; one from Port Kembla; and one from Newcastle. There is still one directorship to be filled to take it to seven directors.
- This is a state-owned corporation. It is not funded by Government, so will need to produce income. Each port within the PA-NSW will need to make its own profit.

4 Other Business

Nil.

5 Shipping & Safety

Presentation by Peter Dwyer, Harbour Master, Port Authority of NSW.

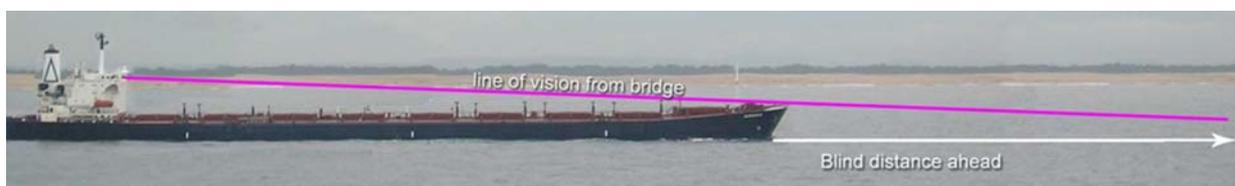
Peter provided a detailed presentation to the group re: the safe recreational use of the harbour.

Shipping

- Maximum vessel size (main channel to Kooragang) is 300 metres LOA x 50m beam. This is equivalent to 3 football fields.

Entrance Channel	<ul style="list-style-type: none"> 240m between breakwaters 185m abeam of Nobbys 17.7m depth 1220m seaward 15.2m depth main channel. Swing Area in Horseshoe
Steel Works Channel	<ul style="list-style-type: none"> 180m wide, 15.2m depth Swing Basin 580m diameter
Basin	<ul style="list-style-type: none"> Enter via Cut 122m wide 12.8m depth

- The Vessel Traffic Information Centre (VTIC) provides information and monitors vessel movement. This is not like Air Traffic Control; in Maritime, information is passed on but decision making stays with the Vessel's Master.
- VTIC monitors VHF Channel 09 which is the port working channel. It is recommended that small boat operators tune into this channel as it is the easiest way to monitor shipping movements
- The shipping schedule is available on the Newcastle Port Corporation website (<http://www.newportcorp.com.au>) or by monitoring Channel 09.
- The expectation of PA-NSW is to manage anchorage on behalf of the community. The port limit extends in a circle three miles from Nobbys where PA-NSW has the legal ability to give direction and provide advice to vessels.
- To reduce the number of vessels allowed into anchorage there is a Vessel Arrival System. Should a ship move, PA-NSW receives an alarm and will make contact with the ship to check what its intentions are.
- PA-NSW provides weather warnings and assists vessels to move in the right direction accordingly. Some vessels may chose not to leave and PA-NSW will continue its alerts (that the Harbour Master has advised that conditions will become unsuitable and recommends for the vessel to leave anchorage and go out and drift).
- Vessel sizes are: **Cape** (can load between 90,000 and 180,000 tonnes); **Panamax** (can load between 50,000 and 90,000 tonnes); **Handy Max** (can load between 35,000 and 50,000 tonnes); and **Handy** (can load between 20,000 and 30,000 tonnes). The port also receives Tankers, Car Carriers, and Cruise Vessels.
- Details on the vessel *Shin Onoe* were provided as an example of the scale of a vessel and its manoeuvring capabilities. The distance from the Birubi buoy at the horseshoe to the harbour entrance is 1 nautical mile. When a ship is moving at 11 knots, it can take around 10 minutes to stop and a distance of 1.3 miles. Tugs are used for manoeuvring vessels and to mitigate risk. It can take up to half a mile for a ship to turn 90 degrees.
- There is a blind distance where nothing on the water can be seen from the bridge. This can be up to 650 metres. If you are on the water and can't see the bridge of the ship, the master can't see you.



- It is the Pilot's role to manage risk and deliver the vessel efficiently through the application of knowledge and ship handling skills. It takes approximately two years to train a Pilot, and Ship Handling Safety and Marine Pilotage Safety Guidelines are utilised. Training includes time in a simulator in Launceston to ensure the Pilot has the skills to perform in any foreseeable risk situation.
- Pilot transfer is done 80% by helicopter and 20% by boat. The best conditions for both transfer methods are when the ship is not rolling or bouncing around too much.
- There are designated flight paths from a helipad at Dyke Point up the channel. During the day travel is via Stockton at 1,000 feet and at night at 1,500 feet, which is designed to keep clear of residential areas as much as possible. There may be an occasional requirement to travel along the entrance channel due to weather conditions or other traffic.
- Once the Pilot is on board, information is exchanged with the Ship's Master who will give the Pilot the vessel's manoeuvring characteristics. The Pilot Passage Plan will show profile of passage where tags indicate where to make the berthing manoeuvre and mooring process. On completion of the information exchange, the Pilot is responsible for conduct of the vessel and the Master is required to ensure the Pilot's directions are carried out. In a legal sense, the Master remains in command.
- English is the maritime language of the world.
- Pilotage is essentially based on an application of visual skills. The Pilot will have a visual picture in their mind of how things should look and will make adjustments accordingly. Reference marks around the port assist to see the way a ship is moving and to ascertain position.
- In the approach to the port, there is a separation and restricted area. Consideration is given to wind/weather, size of ship, swell/wave and depth of water to predict how the vessel is going to move. It is important for the ship to achieve a turn so that it is not encumbered. It is important for other water users to understand that a vessel travelling at 10 knots will cover one mile in 6 minutes, which is often underestimated by recreational users.

Safety Warnings & Measures

- Sound signals: **one long blast** indicates that a vessel nearing a bend and/or of obstruction; and **five short blasts** is a "wake up" signal when there doesn't seem to be sufficient action from another vessel.
- Small vessels are not always easy for larger vessels to see and their intentions are not always clear. If there is not a particular need to be in the channel, please don't be there.

To stay safe

- Look out for ships and determine which way they are moving.
- Stay a safe distance away.
- Act early, so that you are able to move out of the way.
- Make sure your intentions are clear so the ship understands what you are doing.
- Ensure you can be seen. At night, always have navigation lights on.
- Familiarise yourself with shipping channels and fairway – know where you are going.
- Inform yourself of scheduled shipping movements.
- Stay clear of channels when ships are entering or departing the Port.
- Do not anchor in channels.
- Be aware of the wakes from large vessels and tugs.
- Take a look at the website <http://www.maritime.nsw.gov.au/bigships/index.html>

Discussion:

- **City-side cruise terminal – is it possible?:** No. There is not enough water there and it would require a significant amount of dredging.
- **Safe boating:** Ron Sorensen said it is a harbour for all to use, but the channel is not the place to be when there is a ship moving. Boats and ships can happily coexist if small boats avoid being in the wrong place at the wrong time.

- **Are there any rules re: paddling near tug boats?:** It was recommended that paddlers maintain a safe distance, as the skipper of a vessel has a lot of things going on and it would be unwise to get close to a ship or tug wake. In addition, it is also not always easy to see people on paddleboards. The advice was given to be seen, make your intent clear, and avoid crossing in front of a vessel.

Next Meeting:

Monday 22 September 2014

Travelodge Hotel Newcastle

5.30pm to 7.00 p.m.