

20 November 2013

NSW Department of Planning and Infrastructure  
GPO Box 39  
SYDNEY NSW 2001

### **Support for PWCS' Proposed Terminal 4 Project**

I understand PWCS' Preferred Project Report for its proposed Terminal 4 (T4) is currently on public exhibition. I write in support of the T4 project.

#### ***Background***

The Hunter Valley Coal Chain Coordinator Limited ('HVCCC') is a company limited by the guarantee of its Members, who are the coal producers and service providers operating in the Hunter Valley. PWCS, the larger of the two coal terminal operator in the Port of Newcastle, is an HVCCC Member.

The objects of HVCCC are to plan and coordinate the Hunter Valley coal chain in order to maximise the volume of coal transported through the coal chain, at minimum total logistics cost and in accordance with the agreed collective needs and contractual obligations of its Members.

In carrying out its objects, HVCCC undertakes long term capacity modelling of the coal chain and provides advice to its Members on the infrastructure and operational improvements that are required to meet the annual throughput target for the coal chain. The annual target reflects the demand for Hunter Valley coal, as contracted by coal producers with the Port of Newcastle coal terminals.

Given the nature and interdependencies of the Coal Chain, it is critical to the achievement of the throughput targets that each coal chain service provider and producer delivers their infrastructure and operational improvements as identified in HVCCC's coal chain modelling.

#### ***The economic benefits of supporting continued Coal Chain export growth***

In 2012 coal exports from the Port of Newcastle totalled 134 million tonnes ('Mt'). It is expected that in 2013 the coal chain will deliver export throughput in the order of 147Mt.

Since 2006 the coal industry invested in the order of \$4bn in coal chain infrastructure to provide the capacity needed to achieve these throughput volumes.

This investment in growing coal exports translates directly to increased royalty revenues to government and economic benefits to Hunter communities and the broader NSW and Australian communities.

The forecast for growth in export coal throughput based on coal chain contracts sees throughput increase to the order of 208Mt in the near term. However, given the capacities of the current terminals at the Port of Newcastle, the Hunter Valley coal chain is unable to meet growth projections beyond this volume, which could arise in 2018 or sooner, without the PWCS' T4 project.

To ensure that full advantage can be taken from the economic opportunity presented by demand growth, T4 must be delivered in time to meet this growth. Given the lead time for delivering a major infrastructure project such as T4 it is critical that this project receives early and favourable consideration in the planning process.

### ***Other project benefits***

In addition to the economic benefits that result directly from increasing sales of Hunter Valley export coal, the T4 project offers significant economic benefit to Newcastle, the Hunter region and NSW by generating local employment and business opportunities, both during construction of the Terminal and during future operations.

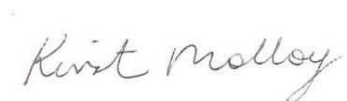
As a developer and operator of major infrastructure in the Port of Newcastle, PWCS has demonstrated that it meets its responsibilities and has been an active member of the Newcastle community. PWCS has been operating and expanding its business in Newcastle for over 30 years, contributing greatly to the local economy. As a large employer, the opportunity that PWCS provides via training and jobs for young people and security for families is significant.

Further, I understand that:

- PWCS has delivered a significant biodiversity offset package (approximately 850 ha) with land secured at Tomago, Ellalong and Brundee, as well as investing in captive breeding and research programs for the Green and Golden Bell Frog. The committed offset initiatives more than adequately offset the environmental impact on the T4 site as a result of construction of the terminal;
- PWCS has designed T4 to contain state of the art dust and noise mitigation measures, which is supported by appropriate modelling predicting cumulative levels of dust and noise as a result of T4 to remain within Government guidelines for health and amenity;
- the construction of the T4 terminal provides a significant opportunity for the private sector to fund the capping and containment of contaminants within the proposed T4 site. Without the private sector funding associated with the T4 project, the accountability for capping and containment of contaminants rests with the NSW State Government.

For these reasons HVCCC supports the timely delivery of PWCS' T4 project. Should you require further information regarding the imperatives for this project and the impacts on the Hunter Valley coal chain should it not be delivered, please do not hesitate to contact me on ph.(02) 4910 3500.

Yours sincerely



Kirsten Molloy  
**Chief Executive Officer**