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19 December 2019

Dear Ms Hawkeswood,

Re: NSW Ports Submission on SSI-9471-Mod-1 – Capacity Increase to the Port Kembla Gas Terminal

Thank you for providing NSW Ports with the opportunity to comment on the proposed Modification (Mod 1) to SSI-9471 (the Approval) for capacity increases to the Port Kembla Gas Terminal (the Project). NSW Ports is responsible for managing the port and freight assets of Port Botany, Port Kembla, the Cooks River Intermodal Terminal and the Enfield Intermodal Logistics Centre. At NSW Ports, our focus is managing the key trade gateways connecting the people and businesses of NSW and Australia to global markets.

NSW Ports supports the Modification Application made by AIE and specifically endorses the request for the removal of Condition 6 of the Approval.

Port Kembla Gas Terminal

The Port of Port Kembla is a key infrastructure asset for NSW and an economic driver in the Illawarra region. The capacity of the port to service the growing trade needs of NSW is critical for the productivity and liveability of the State. The Port Kembla Gas Terminal has been designated as Critical State Significant Infrastructure (CSSI). This designation means that the Project is essential for the State for economic, environmental or social reasons.

As recently identified in the report 'Running on Empty' prepared by EnergyQuest for the NSW Business Chamber, gas supply to NSW and the east coast of Australia, is forecast to fall short of demand as soon as 2025 — in less than six years. The report further recommends that the NSW Government begin a program of pipeline and infrastructure upgrades to expand capacity by 2021.

The designation of the project as CSSI has negated the need for the applicant to seek landowners consent through NSW Ports for the Modification Application. However, the Approval for the Project applies to land that is managed by NSW Ports under a 99 year lease. As such, NSW Ports has a specific interest in maintaining operational flexibility of the Approval in to the future as trade needs across the State continue to grow.

Condition 6 – Limits on Operations

The existing Approval for the Project includes the following Condition of Consent:

The Proponent must not import more than 26 shipments of liquified natural gas from LNG carriers in any calendar year.

The port assets of New South Wales exist to service the needs of the State at any one time and in to the future. Putting limits on ship movements that restrict the ability to rapidly respond to trade and energy needs set a precedent that had not previously been seen by NSW Ports for commercial port facilities.

In this respect, NSW Ports strongly supports the removal of a specific Condition of Consent that limits the ability of the Port to cater for trade and energy supply demands.

Should you wish to discuss this submission further, please contact me on (02) 9316 1131 or at greg.walls@nswports.com.au.

Yours sincerely,



Greg Walls
Planning Manager