



## 2021: A year of progressive diversification for Port of Newcastle

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Australia's supply chains and national resilience were certainly again tested in 2021. While we had all hoped that the pandemic year of 2020 was behind us, the last 12 months have been just as, if not more, challenging, as we have worked to keep our people safe, our port productive and our future plans progressing.

The resilience that sustained the port community through last year became even more critical and supportive in 2021 and, as Chief Executive Officer of Australia's deepwater global gateway, I no doubt join my colleagues locally and around the globe in commending our industry's adaption to the 'new normal'.

Despite the challenges we have all faced, there has been a lot of strategic progression at Port of Newcastle this year; and it can be summed up in one word: diversification.

As the world's largest coal port, we know that diversification is not an option for us, it is a must do. Our diversification is critical to ensure we can create a strong, thriving port that will continue to support local jobs and the economic prosperity of NSW and the Hunter Region for generations to come. To do this we must realise projects now. It is the actions that we take now that will shape our port and our region over the next 10, 20, 50 years and beyond.

Our diversification strategy, supported by significant investment commitments, is two-pronged; underpinned by our Federal Government announced Port of Newcastle Hydrogen Hub Project and our \$2.4-billion Multi-Purpose Deepwater Container Terminal Project.

These projects not only diversify our business, but will help create a strong, thriving port that will support local jobs, future career pathways and the economic prosperity of the Hunter Region for generations to come.

With trade worth approximately \$26-billion to the national economy each year, a deepwater shipping channel operating at 50% of its capacity, significant Port land available and enviable access to national rail and road infrastructure, Port of Newcastle is opportunity rich.

From this position we have, in the last 12 months, identified new opportunities, progressed a broad range of projects and committed to investing millions of dollars in the next five years in our diversification.

Among other achievements our Port has:

- Purchased two Liebherr Mobile Harbour Cranes and associated infrastructure;
- Held a successful EOI to support an Empty Container Park at the port;
- Progressed our Mayfield site redevelopment plan;
- Progressed our Multi-Purpose Cargo Handling Facility plans;
- Invested in the ship unloader project at K2 berth;
- Pledged hundreds of thousands of dollars to supporting local community groups, reinforcing our strong Your Port, Our Community ethos.

We have handled a mix of trade for 222 years and bring more than 25 different cargoes through our deepwater global gateway, but we have our sights set on more.

Due for arrival in mid-2022, the \$28.4-million Mobile Harbour Crane investment will, within the next year, further enhance Port of Newcastle's existing project cargo, general cargo and container handling capability. In November, we released two tenders to advance the Mayfield Precinct Multi-Purpose Cargo Handling Facility, an interim body of work to diversify the Port in

preparation for the future Multi-purpose Deepwater Container Terminal. The release of these tenders for land and water side construction works again reinforces the Port's commitment to future adaption and another milestone that will go down in the Port's history books as a key step-change in our diversification journey.

Within the Mayfield Precinct, the Port has also successfully sought Expressions of Interest for a four hectare parcel of land which may be established for the creation and operation of an Empty Container Park; leveraging the abundant rail, road and land capacity available to attract additional new trade opportunities, ahead of the creation of the Multi-Purpose Deepwater Container Terminal.

At this time, it remains that the only factor preventing the port from building the container terminal is the unfair restrictions placed on container movement above a TEU cap at the Port of Newcastle. Port of Newcastle is confident that it has the ability to compete in the same market as Port Botany and NSW State Government Policy is the major constraint to this. We know there is appetite and support for a container terminal in Newcastle from NSW and international suppliers and that it would support local jobs. The development of the new Multi-purpose Deepwater Terminal will deliver cost efficiencies for businesses across New South Wales and contribute \$2.5 billion in economic activity across Australia, generating over 15,000 direct and indirect jobs.

We are firmly focused on seizing opportunities such as the container terminal, and green energy production and export, that will create a broad mix of trade opportunities that can help to support our local industry, boost jobs in addition to the 9000 positions the port directly and indirectly supports now, support future career pathways and build a prosperous local, state and national economy.

We are future-focused and community minded, and our strategic plans will pull levers that work to enable local and Australia-wide producers, businesses and manufacturers to more successfully compete in international markets.

Our port's diversification is a win-win for the region, regional NSW producers, the national economy and our international standing.

We know that ports are important and that the flow-on benefits generated from port activity are exponential. Respected

economic analysis of the contribution that Newcastle's port activity makes towards the Hunter, State and national economies, conducted by HoustonKemp, declared that the flow-on contribution to Australia's gross domestic product (GDP) is almost \$1.5 billion and it also underpins almost 9,000 full-time equivalent jobs nationally. What drives Port of Newcastle is the knowledge that, when Australia's largest east coast port is providing reliable, efficient and competitive access to global markets, the benefits flow well beyond our port and region's boundaries.

The port has long been recognised as Australia's leading energy port, dominated by thermal coal but with a growing and critical role as a gateway for renewable energy technology. Our Port of Newcastle Green Hydrogen Hub Project, supported by Macquarie and ARENA under its Advancing Renewables Program, opens the door to green energy production and export being an additional, and significant, trade opportunity for our global deepwater gateway to the world.

We want emerging energy technology to

have access to a similarly competitive and efficient supply chain and so have partnered, at the feasibility study stage, with a range of organisations to add strength to this future economy opportunity, gaining to date the expertise of Macquarie's Green Investment Group, Idemitsu, Keolis Downer, Lake Macquarie City Council, Snowy Hydro and Jemena. Macquarie's agriculture platform, which manages more than 4.5 million hectares of farmland across Australia, will also participate in the feasibility study, focusing on green ammonia for fertiliser production. And we are also collaborating with the University of Newcastle to research and develop new educational and career pathways.

It is these partnerships and sharing of capability, expertise and experience from the outset, that sets our Port of Newcastle Green Hydrogen Hub Project apart from others.

Embracing renewable energy trade is just part of a broader focus on creating a safe, sustainable and environmentally and socially responsible port of the future.

Over the past three years as we have

transformed our business our commitment to sustainability has been at the centre of every decision we're making and our diversification commitment.

In this time we have committed to a target-driven ESG Strategy, become the first port in Oceania to be EcoPorts certified against global benchmarking, achieved Silver Sustainability Advantage Status and our Port will, by the end of the year, be 100% powered by renewable energy supply.

We have also improved our GRESB benchmarking from 40 two years ago to 92 this year gaining us a 5-star rating and a ranking of second globally and first in our category, Oceania.

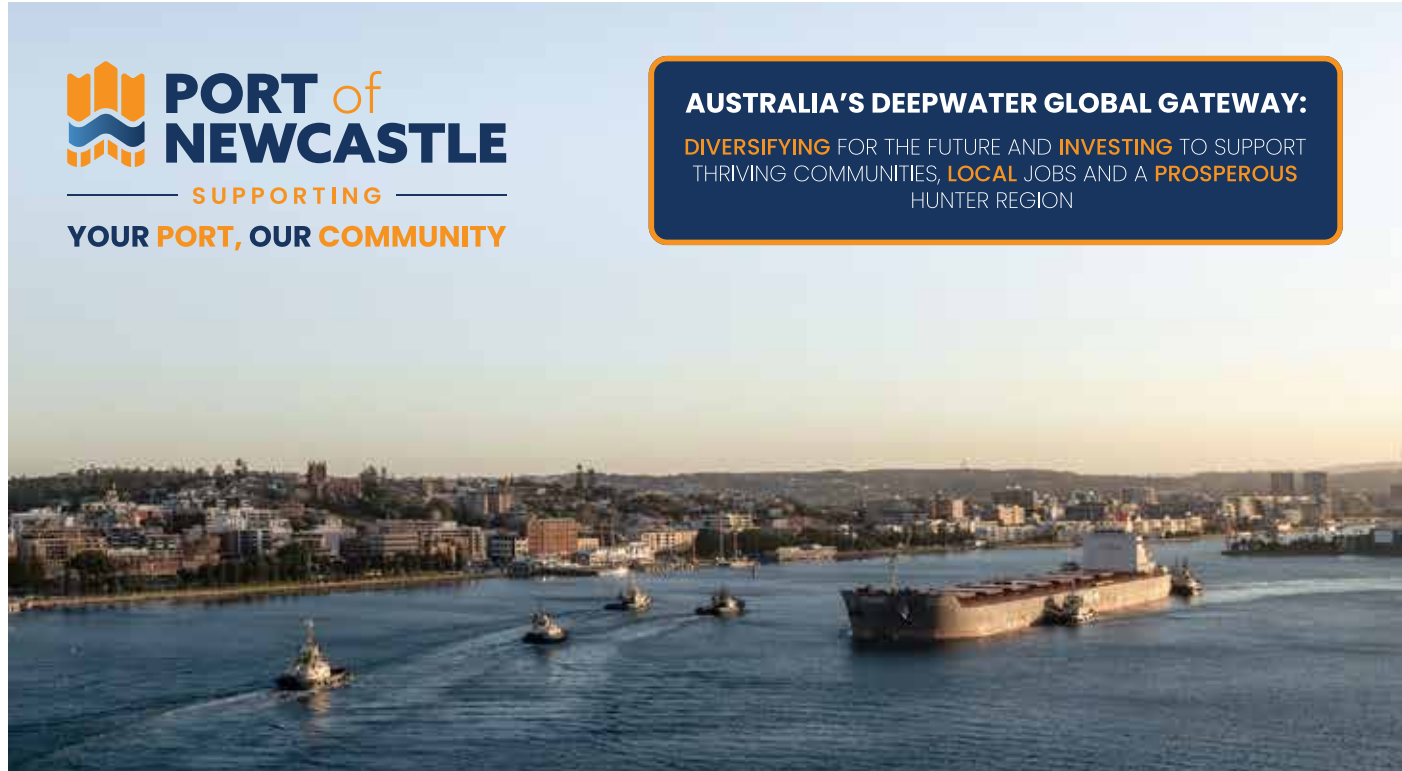
It is amazing what can be achieved in a short space of time. And we aren't done yet.

With a multi-billion-dollar capital investment programme, multiple projects underway, emerging opportunities and more as yet untapped potential, there is much work to be done, and to look forward to, in years to come at Port of Newcastle as we support our port and our community. ▲



### AUSTRALIA'S DEEPWATER GLOBAL GATEWAY:

DIVERSIFYING FOR THE FUTURE AND INVESTING TO SUPPORT THRIVING COMMUNITIES, LOCAL JOBS AND A PROSPEROUS HUNTER REGION



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