

PORT WARATAH COAL SERVICES

**BUSINESS
COVERAGE**



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Major contributors to the world's
largest coal exporting port



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Coal mining has been a pillar of the Australian economy for more than 200 years.

First exported from the Port of Newcastle in 1799 on a ship bound for India, the precious natural resource has provided hundreds of thousands of jobs, billions of dollars in Government royalties and the fuel needed to fire up electricity networks and steelmaking industries across Australia and around the world.

While there are many businesses along the Hunter Valley's bustling coal chain that have contributed to Newcastle becoming the world's largest coal exporting port, one company in particular has played a major role in this

success during the past 40 years – Port Waratah Coal Services.

THE MAKING OF A MILESTONE

Port Waratah Coal Services was established in 1976 by a group of Hunter Valley coal producers and Japanese coal customers, who stepped in when the company responsible for building a new coal loader at the Port of Newcastle ran into financial difficulties.

After completing construction of the project at the Carrington site, Port Waratah officially began commercial operation in October 1976, with a throughput capacity of 16 million tonnes per annum (mtpa).

Six years later the company expanded



the Carrington Terminal to its current capacity of 25 mtpa and in the four decades since its establishment, the site has loaded more than 300 million tonnes of coal onto ships bound for international ports – enough to fill 150,000 Olympic-sized swimming pools!

Of course Port Waratah wasn't the first coal loader in operation at Newcastle, but it was easily the biggest – and it became even bigger in 1990 when the company purchased Kooragang Coal Loader Limited, located on nearby Kooragang Island.

The acquisition brought Port Waratah's total capacity at its two sites to 46 mtpa – almost three times what it had begun with 14 years earlier.

As international demand for the high quality product coming out of the NSW coalfields grew, so too did the capacity of Port Waratah.

A series of expansion projects were undertaken by the company at its Kooragang site over the years, with the most recent in 2013 bringing Port Waratah it to its current total approved capacity of 145 mtpa; 25 mtpa at Carrington and 120 mtpa at Kooragang, which is now the largest standalone coal export terminal in the world.

SECRETS TO SUCCESS

With the company reaching its significant 40-year milestone in 2016, Port Waratah General Manager – Operations, Shaun





Sears, said a commitment to continuous improvement and a history of pioneering through partnerships were crucial to Port Waratah's success.

"For a business to be successful over a 40-year period and continuing to grow in one of the largest cities of Australia, I think that milestone is very significant; for us, for the community and for our employees," he said.

"The fact that we've got a continuous improvement ethos and we continue to follow that in a whole range of areas, internally and with external stakeholders including the community, is a critical part of being in operation for 40 years and continuing to evolve.

"Pioneering through partnerships has also become a part of our spirit because we've always been two things, a pioneer and a partner. I think that neatly sums up what we've been all about over the last 40 years."

These partnerships have taken many forms according to Mr Sears, including everything from community relationships to commercial concerns.

"In the area of our community partnerships, we're very conscious that we operate two very large coal export terminals in the CBD of Newcastle," he said.

"We value the local community, we're part of the local community and we like to contribute and support the local community."

This includes Port Waratah's Community Investment and Partnership

Program, which contributes \$750,000 to a range of community programs and initiatives each year.

Port Waratah also has a history of pioneering and collaboration when it comes to more commercial interests, including playing a lead role in creating what is now known as the Hunter Valley Coal Chain Coordinator (HVCCC).

Originally established as a trial between Port Waratah and rail haulage provider Pacific National, it was designed to provide centralised planning of the movement of coal in order to improve capacity and efficiencies across the Hunter Valley coal chain.

The HVCCC now operates as an independent entity encompassing all Hunter coal producers and service providers, planning and co-ordinating the co-operative daily operation and long term capacity of the coal chain.

"We are a large supply chain that is competing in an international market so collaboration in the planning and execution environment is very critical to the success of it," Mr Sears said.

"If you consider the Port of Newcastle last year (2015) exported 164 million tonnes of product and coal was 158 million tonnes of that, or 96.5 per cent of the product, to do that out of a single port with a single entrance and exit you need to collaborate to get the best outcome."

INVESTING IN THE FUTURE

While the HVCCC may be planning for the future of the entire coal chain, Port

Waratah has also been examining what the next 40 years may hold for their Carrington and Kooragang terminals.

Central to this planning process in recent years has been consideration of the ageing ship loaders at the Carrington site, which have been maintained and upgraded – but not replaced – since being commissioned in the 1970s.

Five years ago Port Waratah made the decision to replace the three original ship loaders with two state-of-the-art modern equivalents as part of a \$60 million project.

The ship loaders, which were designed in Austria and manufactured in China,

were delivered to the Carrington site by a heavy lift vessel in July, 2016 and were fully operational by December.

Careful planning ensured the replacement project had no effect on Port Waratah's ship loading activities for the year, with the Carrington and Kooragang sites shipping 109.5mt in 2016.

This was up on the previous year's efforts (108.9mt), although not quite as high as Port Waratah's record year in 2011 when the two sites totalled 111.9mt between them.

Mr Sears said the investment in the new ship loaders showed confidence not only in the future of the company, but in the



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Hunter coal mining industry as a whole.

“The two new ship loaders that we’ve installed are modern day equivalents of the old ones, they have a capacity of 3000 tonnes per hour each, they have significant improvements in technology, operation, safety aspects and environmental aspects, allowing Carrington to operate at its designed capacity or above with two ship loaders, rather than the three,” he said.

“The existing ship loaders have been in operation for 40 years and we expect the new ship loaders to be in operation for that period of time too, which is a great boost of confidence for

the local community, the mining region and industry as well as our Carrington employees and all employees and contractors that work with Port Waratah.

“The coal industry has been in operation from more than 200 years, it started from shovels and picks and tall ships and it’s evolved into the highly sophisticated technology and skills that our workforce has got today.

“We’re proud of that history of 200 years of mining and proud of the 40 years that Port Waratah has been part of that evolution of the supply chain and we’re hoping to be part of that in the longer term.”

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