



HVCCC

HUNTER VALLEY
COAL CHAIN
COORDINATOR

Hunter Valley Coal Chain Coordinator

Submission

Australian Rail Track Corporation's 2017 Hunter Valley Access Undertaking

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1. HVCCC Response to Key Issue

In our submissions on the HVAU proposals HVCCC have focussed on key changes that have the potential to impact the industry and its efficient running, and/or the enablement of capacity and the impacts of a potential change of ownership. HVCCC do not have visibility or involvement in the commercial aspects of the HVAU so commentary has not been provided on these aspects or from this point of reference.

HVCCC's focus and objects are to plan and co-ordinate the cooperative operation and alignment of the Coal Chain to maximise coal volumes at minimum logistics costs in accordance with the agreed collective needs and contractual obligations of Producers and Service Providers. HVCCC was incorporated in 2009 as an independent entity, funded by the industry to meet those objects.

HVCCC have played a key role, in conjunction with the 2011 HVAU and Port of Newcastle's long term Commercial Framework Agreement (2009 agreement with PWCS, NCIG and NPC), in enabling capacity and supporting growth of the industry, and more recently focussing on coal chain efficiency. These constructs have supported the long-term solutions to systemic challenges experienced by the industry.

It is critical that the engagement, consultation and information exchange between ARTC and HVCCC continues to be enabled to ensure HVCCC's role as an independent entity providing services and benefits to the whole industry can be achieved.

HVCCC's role in the 2017 HVAU is very similar to that of the 2011 HVAU. Additional steps on the HVCCC / ARTC consultation process relating to capacity management are welcomed. We recommend an additional RCG endorsement for determinations on the definition of HVCCC as that definition is set out in the 2017 HVAU.

1.1. Other changes from 2016 HVAU to the 2017 HVAU

1.1.1. Information gathering

HVCCC supports the request for information provision included at section 1.5 of the 2017 HVAU.

1.1.2. Term

HVCCC supports the proposed reduction of the term of the 2017 HVAU from 10.5 years to 9.5 years.

1.1.3. Privatisation

In circumstances of change of ownership of ARTC, the HVAU may be at risk. It is the view of HVCCC that it is critical to ensure an effective access regime to support industry efficiency and stability in the event of any sale of ARTC and that this needs to be considered by relevant Regulatory bodies.

1.2. Other Issues

1.2.1. Definition of HVCCC

The 2017 (and 2011) HVAU define HVCCC as follows:

“HVCCC” means the Hunter Valley Coal Chain Coordinator, or where that body no longer exists, or has been reconstituted, renamed, replaced or whose functions have been removed or transferred to another body or agency, is a reference to the body which has the responsibility to most closely perform functions of the first mentioned body as reasonably determined by ARTC.

HVCCC recommends any determination relating to the definition of HVCCC be required to be endorsed by the RCG, in addition to ARTC’s determination, so as to ensure support for the Industry construct represented by HVCCC.