REPORT TO THE AUSTRALIAN COMPETITION AND
CONSUMER COMMISSION (ACCC) UNDER CONDITION 3 OF
INTERIM AUTHORISATION AA1000504
REPORT NO. 2

26 MAY 2020
TABLE OF CONTENTS

1. BACKGROUND ............................................................................................................................... 3
2. COMMUNICATIONS AND ACTIONS TAKEN TOWARDS ESTABLISHING MATERIAL ARRANGEMENTS .......................................................................................................................... 4
3. UPDATES ON EXISTING MATERIAL ARRANGEMENTS ............................................................. 5
1. BACKGROUND

On 24 April 2020 the ACCC granted conditional interim authorisation in respect of the application for authorisation AA1000504 lodged by the MCA.

In its decision to grant interim authorisation, the ACCC authorised companies listed in a Schedule of Participants to engage in proposed conduct as set out in paragraphs 10-14 of the decision.

Condition 3 of the decision requires the MCA to provide the ACCC with regular updates on the implementation of the proposed conduct, including any material developments and arrangements, at a frequency agreed with the ACCC.

On 5 May the ACCC advised the MCA of its view that Condition 3 reports should be provided fortnightly, with the first report to be provided on Monday 11 May 2020 or shortly thereafter.

This is the second report under Condition 3, which sets out further progress the industry has made towards ensuring the availability of critical supplies for mining operations.
2. COMMUNICATIONS AND ACTIONS TAKEN TOWARDS ESTABLISHING MATERIAL ARRANGEMENTS

The MCA has continued to engage with participants through its working groups.

Update on MCA supply chain working group

The MCA continues to facilitate collaboration to identify opportunities to meet supply shortages through the supply chain working group established following the grant of the interim authorisation.

The working group has expanded to include all companies reporting to the group that have a shortfall of correctly-specified respiratory equipment.

Participants involved in the supply chain working group provided the following updates:

- The participants are aware of ongoing reported shortfalls of about 40,000 to 50,000 masks per month
- Members of the supply chain working group have identified further potential suppliers to redress the shortfalls of masks, including co-ordinating with an Australian manufacturer on the design and fit testing of masks and preliminary discussions on a potential material arrangement to underwrite an emergency supply of masks for smaller industry participants
- Some participants had procured masks that were subsequently found to not meet the standard necessary for use in underground mining – however these masks are suitable for other uses such as complying with COVID-19 health and safety protocols. Information from a supplier possibly able to supply fit-for-purpose N95 masks were circulated to the working group.

Other preliminary discussions about material arrangements

The MCA is aware of two ongoing preliminary discussions between participants about potential material arrangements.
3. UPDATES ON EXISTING MATERIAL ARRANGEMENTS

On 15 May 2020, the MCA notified the ACCC of a material arrangement under Condition 1 of the interim authorisation whereby an industry participant would provide COVID-19 screening services to another industry participant for passengers embarking on flights to mining sites in Western Australia.