MINERALS COUNCIL OF AUSTRALIA

REPORT TO THE AUSTRALIAN COMPETITION AND CONSUMER COMMISSION (ACCC) UNDER CONDITION 3 OF INTERIM AUTHORISATION AA1000504

REPORT NO. 6

28 JULY 2020
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1. BACKGROUND

On 24 April 2020 the Australian Competition and Consumer Commission (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 sixth 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 minerals industry has continued to work to understand and manage the shortfall of respirators of a certification and specification suitable for open cut and underground mining. While the immediate shortfall experienced in the period to June has eased, an underlying shortfall of approximately 50,000 masks per month continues for P2 masks suitable for open cut and underground mining, processing and mining related industrial applications.

P2/P3 masks suitable for underground mining and specialist industrial tasks remain harder to source, but miners are indicating adequate supplies in the short term provided stocks are not diverted to COVID-19 related uses.

There are some signs that shortfalls may re-emerge as a consequence of increased demand by the public combined with stock-building demand by health agencies as case numbers increase in some Australian states and globally. Naturally, front-line health demand for suitable masks must take precedence.

On the supply side, international supply chains have remained fragile, and there is continuing caution from the resource sector that any demand side pressure will quickly result in constraints to available supply.

Industry is continuing to source supplies from existing international supply lines where they are available and working to ensure domestic manufacturers are in a position to supply products to the industry in Australia should shortfalls re-emerge.

The availability of masks suitable for underground mining and specialist applications continues to rely solely on global supply chains.

Commercial arrangements for the shared COVID-19 testing at airports are expected to continue to September.