



## HUNTER VALLEY COAL CHAIN COORDINATOR

3 April 2020

Australian Competition and Consumer Commission  
Attention: Jaime Martin  
GPO Box 3131  
CANBERRA ACT 2601

By email: [adjudication@acc.gov.au](mailto:adjudication@acc.gov.au)

Dear Jaime,

**Subject: HVCCC Submission in response to ACCC interested party consultation on New South Wales Minerals Council collective bargaining application for authorisation.**

On 11 March 2020, the ACCC requested submissions from interested parties in relation to the New South Wales Minerals Council collective bargaining application for authorisation (**Authorisation Application**).

### Role of HVCCC

The role of HVCCC, pursuant to its Objects, is to plan and co-ordinate the cooperative operation and alignment of the Hunter Valley coal chain to maximise coal volumes at minimum logistics costs in accordance with the agreed collective needs and contractual obligations of members.

The mining companies, on behalf of whom the Minerals Council is lodging the Authorisation Application, **and** the respondent entity, the Port of Newcastle Operations Pty Ltd, are members of HVCCC.

HVCCC has considered the Authorisation Application in the context of impacts (if any) for the whole of coal chain and having regard to the overarching obligation of HVCCC to consider the collective needs of all members. Anything that impacts or has the potential to impact movement of coal in the Hunter Valley is a consideration for HVCCC.

This submission provides an overview of HVCCC's consideration of whether approving the Authorisation Application would have an impact, either beneficial or detrimental, on HVCCC's role of maximising transport of coal through the Hunter Valley at minimum total logistics cost.

### Consideration

In what is a complex supply chain environment, streamlining processes and inputs of information to HVCCC provides opportunity for HVCCC to improve the efficiency and effectiveness of its planning and modelling service offerings to members. HVCCC's planning and modelling are key to the coal chain's operations as well as providing members with insights to inform decisions regarding investment in, and how to maximise value from, the interdependent infrastructure.

Typically, anything which narrows the potential variables within the coal chain, without reducing capacity, benefits the industry in terms of improved predictability, reduced variations between forecast and actual outcomes, and subsequent opportunities for efficiencies. Over time, efficiencies are likely to reduce overall cost.

An Authorisation establishes transparent parameters within which impacted parties can operate which provides certainty over time, thereby informing products such as HVCCC's 10-year Master Plan, *et al*, and assisting industry to achieve long-term solutions for systemic challenges. For example, the existing Hunter Valley Network Access Undertaking (HVAU) has proven complementary to enabling capacity and efficiency in the Hunter Valley Coal Chain.



In the case of this Application, however, the statutory powers of the Port Authority of NSW and the separation of roles (spanning HVCCC, terminal operators, Port of Newcastle Operations and Port Authority of NSW) that determine the eventual order and priority of vessels accessing Newcastle's port, mean that HVCCC finds it unlikely that there would be either a benefit or detriment to HVCCC's ability to meet its objects, regardless of the outcome of this application.

Please do not hesitate to contact me if you require further information.

Yours faithfully



**Pat Cooper**

CEO, Hunter Valley Coal Chain Coordinator Limited