



Application for Authorisation under the Competition and Consumer Act 2010 - Hunter Valley export coal industry - coal chain coordination

NSW Minerals Council Submission – February 2024

The NSW Minerals Council (**NSWMC**) appreciates the opportunity to provide its support for the application put forward by the Hunter Valley Coal Chain Coordinator (**HVCCC**) seeking authorisation under section 88(1) of the *Competition and Consumer Act 2010* (Cth)(**CCA**) as set out in Attachment 1 to the application dated 19 December 2023.

The NSW Mining Industry

NSWMC is the peak body for mining in NSW and represents the mining, exploration, and mining services sector.

Mining underpins the strength of regional economies across NSW and has significant flow on benefits to other industries.

Across NSW the mining industry:

- Provides metals and minerals critical for delivering renewable energy, electric vehicles, and other new and emerging technologies
- Is by far the state's largest export industry by value, with coal, copper ore and concentrates and gold exports having a combined value of over \$46 billion in 2020/21¹
- Directly employs around 40,000 people predominantly in regional NSW, and supports the jobs of many thousands more people indirectly²
- Directly spent \$16.7 billion on goods and services, wages and salaries, local government payments and community contributions in NSW during 2021/22³

¹ <https://www.dfat.gov.au/sites/default/files/nsw-cef.pdf>

² <https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia-detailed/latest-release>

³ [Latest data highlights mining's record contribution to NSW economy](#)

- Supports almost 7,000 supplier businesses throughout NSW, the majority of which are located in Regional NSW⁴

Mining royalties have delivered a record \$5 billion to the NSW economy in the 2022-23, and are forecast to deliver the NSW government \$13.2 billion over the next four years, including \$2.7 billion from higher royalty rates to be introduced from 1 July 2024. The majority of these royalties are accrued from coal exports.

In terms of the economic importance of the Hunter Valley Coal Chain (HVCC), it services the coal fields in the Hunter, Gunnedah, Gloucester, Newcastle and parts of Western NSW.

Combined, these coal mining regions support around 25,000⁵ direct mining jobs, billions of dollars in direct spending on wages, salaries, goods and services, thousands of local supplier businesses, as well as the record royalties returned to the State.

An economic analysis of Survey results undertaken by NSWMC⁶ found the regional impact of the direct spending of mining companies in the regional areas of NSW serviced by the HVCC was equivalent to:

- 30% of the Gross Regional Product (GRP) of the Hunter region
- 12% of the GRP of the North West region
- 6% of the GRP of Northern NSW

Coordination of the Hunter Valley Coal Chain

The Hunter Valley export supply chain (HVCC) is the largest coal export operation in the world.

In 2023, around 145 million tonnes of coal were exported through the Port of Newcastle, with installed capacity to export well over 160 million tonnes.

Newcastle is the only practical way to export coal from the Hunter, Gunnedah, Gloucester, Newcastle and parts of Western NSW.

The HVCC is complex with multiple interconnected components. As outlined in the HVCC application, it comprises multiple coal producers (or mines), rail haulage providers, the Australian Rail Track Corporation ("ARTC"), export terminals (NCIG & PWCS) and the Port of Newcastle.

The efficient operation of the HVCC underpins the substantial economic benefits that the NSW coal mining industry delivers year on year. As has been demonstrated in the past, without an efficient and coordinated HVCC, the ability to optimise the benefits from the NSW coal is compromised.

⁴ [Latest data highlights mining's record contribution to NSW economy](#)

⁵ Coal Services October 2023 data and NSWMC Survey Results

⁶ [Latest data highlights mining's record contribution to NSW economy](#)



This includes inefficient use of rail and port infrastructure, extensive shipping queues and the constrained ability for mines to maximise export volumes. Combined these inefficiencies would potentially cost NSW billions of dollars in lost revenue.

Given the scale and complexity and the multiple stakeholders involved in its operation, it's critical there be a coordination body such as the HVCCC that is tasked with coordinating and supporting the efficient operation of the HVCC, and that it has the suitable regulatory authority and powers available to undertake its coordination role effectively.

In this regard NSWMC and its members support the application put forward by the HVCCC seeking authorisation under section 88(1) of the CCA as set out in Attachment 1 to the application dated 19 December 2023.

NSWMC
February 2024

