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### Hunter coal industry wins transport and logistics innovation award

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The Hunter coal industry has won an inaugural NSW Government award for innovation excellence for its efforts in streamlining the Hunter Valley coal chain.

The 'Award for Excellence in Supply Chain Innovation in NSW' was presented to the Hunter Valley Coal Chain Logistics Team (HVCCLT) at the Smart Conference Awards on June 11.

The HVCCLT consists of organisations responsible for transporting coal from Hunter mines to port and onto ships for export, and includes Port Waratah Coal Services, Pacific National, Newcastle Port Corporation, the Australian Rail Track Corporation, Railcorp, Queensland Rail, and the Rail Infrastructure Corporation.

"The Hunter Valley Coal Chain Logistics Team (HVCCLT) is a very worthy winner of this inaugural award given its remarkable efforts to improve the efficiency of the Hunter Valley coal chain," Minister for State Development Ian Macdonald said.

"The HVCCLT has proven that by working together with the aid of smart planning and technology, and treating the Hunter coal chain as a single system, significant improvements can be achieved.

"With a dedicated team of 30 professionals, a relatively small budget and a can-do culture, the HVCCLT has managed some extraordinary achievements and provided an innovative model for other industries to follow."

The Award for Excellence in Supply Chain Innovation in NSW, sponsored by the Department of State and Regional Development (DSRD), recognises and encourages innovation excellence in our transport and logistics industry.

The Hunter Valley coal chain is considered the world's largest and most complex coal operation, and is responsible for some \$15 billion in annual export revenue.

Streamlining this massive operation has involved intensive 'end to end' coal chain planning, scheduling and coordination encompassing some 1,000 kilometres of rail track, over 15,000 annual train deliveries, 35 coal mines, the berthing and loading of more than 1,100 export vessels (in 2008) and the handling of 80 different coal blends.

HVCCLT's coordinated planning approach resulted in annual Hunter coal exports reaching 92 million tonnes in 2008, an eight per cent increase from 2007.

In late 2008, the coal chain achieved some significant milestones by delivering a new daily record when the coal chain railed and dispatched 343,801 tonnes of coal, surpassing the previous record of 328,329 tonnes which had been set only two weeks earlier.

A cornerstone of the HVCCLT's efforts has been a \$6 million integrated planning system which offers a daily plan for the scheduling of core coal chain activities such as train movements, cargo assemblies, stockpile arrangements and vessel movements.

A state-of-the-art coal chain simulation model helps identify infrastructure required to deliver forecast growth in coal movements and a detailed optimisation model developed with the CSIRO helps assess the benefits of proposed improvements and infrastructure initiatives.

Innovative simulation and optimisation modelling helps capture the effects of unpredictable events that can affect coal chain performance, and zero in on the best decisions needed to maximise coal throughput.

The HVCCLT team has also been working with the University of Newcastle's School of Mathematical and Physical Sciences on a landmark research initiative to bolster its simulation and optimisation capabilities.

Freight logistics in NSW accounts for up to 11.2 per cent, or \$34.3 billion of the State's economy, with the industry supported by some 29,000 businesses and 174,000 employees.