



## Did you know?:

There are numerous coal chain co-ordinated planning centres around the world and Australia where all participants of the coal chain plan and work in one facility.

In all of these centres they have reported greater efficiencies of the coal chain throughput. **The main attribute towards greater coal chain efficiencies is the co-location of the people, who plan and run the coal chain under the one roof.**

**The natural benefits that occur when participants work together in one area include:**

- Greater knowledge and understanding of the processes of the whole coal chain, not just one part of the chain
- Identifying and improving system weaknesses – removing the “blame game” and focusing on total chain solutions
- Greater appreciation of each others business and knowledge of how decisions and changes made by one part of the chain impact on other parts of the chain
- Transparency in throughput targets
- One plan and one report, everyone is working on the same plan
- Continually improving confidence in the system capacity

**When you look at the whole coal chain and the potential benefits that can come out of greater efficiencies and thus greater coal throughput....**

Some revenue statistics for the DBCC coal chain are:

- Average 3 year (2007, 2008, & 2009) per tonne price (thermal and met coal) US\$137.13
- Current fiscal year performance is 45.81 mtpa (end Feb 2009)
- Therefore average gross revenue = US\$6.2 billion

**If, for example, the throughput of the Coal Supply Chain increased by 1% - the potential benefits could be:**

- Overall gross export improvement = US\$62 million
- Royalty payment improvement to Queensland at 8.5% = \$5.3 million

**A project definitely worth doing!**

## Processes and Procedures Update:

With all Service Provider planning functions working together towards an integrated plan, a review of current processes is necessary.

The project team worked together with Senior Managers and Subject Matter Experts **Mark Nugter & Keiren Lowth** (QR National), **Steve Harris** (QR Network), **Kel Lockyer & Alex Josephsen** (DBCT) and **Rod Fischer & Dave Wassell** (PN) to design and define the new way of working together.

It was a timely workshop as the introduction of another rail operator into the coal chain will add additional complexities in communication transparency and planning. Integrated planning will assist in reducing conflicts in these areas.

The first workshop held last week gained agreement on the key principles for Tactical Planning and a second workshop has been scheduled for Operational Planning after Easter.

The new/modified procedures and processes are currently being refined and signed off. As soon as all parties have signed off on the new procedures we will update you all in detail.



The DBCC Project Team would like to wish you and your family a happy and safe Easter!



### Functions of the Coal Centre

The new Coal Centre will entail five components, four planning environments and one performance monitoring environment. Performance monitoring will identify opportunities for improvement across the four planning environments. Currently this planning is conducted in a fragmented manner, when the Centre is operational it will facilitate the integration of these plans to achieve one plan.

#### Master Planning

- Ensure planning objectives are met in line with Strategic Intent of the Memorandum of Understanding signed by the Board
- Develop annual Master Plan detailing assessment of assets over a 10 year period
- Develop options and scenarios to assist the Coal Chain Board and Leadership Team to effectively make decisions on procuring the necessary assets for future tonnage expectations

#### Long Term Planning

The Long Term planning horizon is from 12 weeks to 24 months. Develop a quarterly Long Term Plan to:

- Determine asset procurement (project works) and routine maintenance activities
- Alignment of activities to ensure that capacity is released
- Provide inputs into the system forecasting process

#### Tactical Planning

The Tactical Planning horizon is from 10 days to 12 weeks. Develop a weekly Tactical Plan to:

- Determine planned critical asset maintenance, procurement or upgrade activities
- Assessment of critical asset maintenance, procurement and upgrade activities
- Determination of coal chain throughput
- Provide inputs into the system forecast process
- Report against amount of throughput released via asset alignment

#### Operational Planning

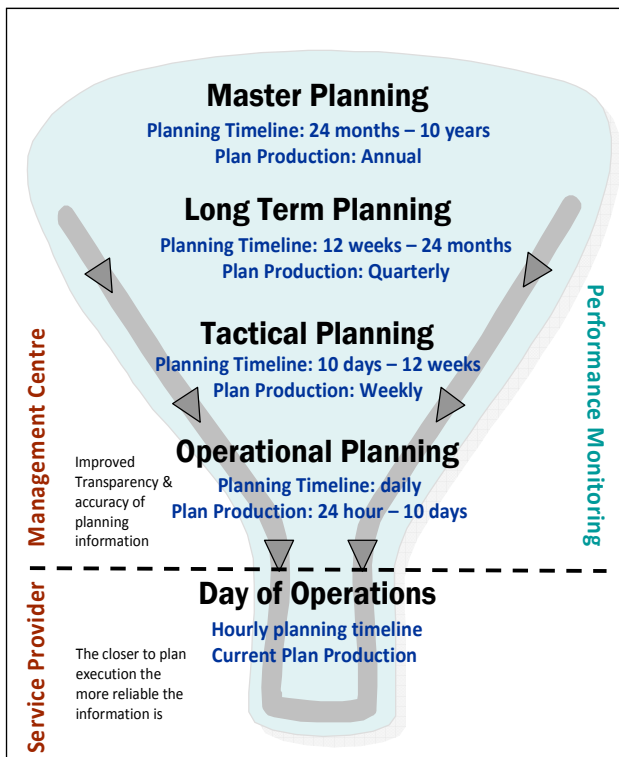
The Operational Planning horizon is from 24 hours to 10 days. Develop a daily Operational Plan to:

- Ensure transparency of plan across all operators
- Ensure coal chain asset capability is defined for 10 day period
- Determine the daily demand profile for next 10 day
- Balance asset capability, supply and demand
- Monitor planning performance
- Produce one coal chain plan

#### Performance Monitoring

- Monitor and maintain updating critical items of the Centre website
- Provisioning of reports for participants
- Manage performance management framework
- Ensure daily, weekly and monthly reporting mechanisms and processes function efficiently and effectively
- Continuously improve data integrity in the coal chain
- Develop monthly report detailing performance and budget progress
- Identify variation in performance and report on improvement requirements
- Provide inputs upstream to Operational, Tactical, Long Term and Master Planning functions

**Please note:** the DBCC Master Planning function, **does not impact staffing in any way.** The **independent DBCC Simulation Model** (being built by TSG Consulting) will reside in the Co-location Centre, and there will be a support cell for it. This will be staffed by independent DBCC contract personnel.



### Position Vacant

Hudson Recruitment have been successful in acquiring the tender to recruit a Centre Manager for the new DBCC Centre.

You will notice advertisements in all major newspapers commencing Saturday 2<sup>nd</sup> May 09.

If you have any queries about this position the contact who is managing this process is Tom Mangen from Hudson Recruitment – email: [tom.mangen@hudson.com.au](mailto:tom.mangen@hudson.com.au).

The approximate time line for appointment is June/July. Once Appointed the Centre Manager will be heavily involved in defining the new roles and responsibilities of other centre staff that will be required. These positions are expected to be advertised in July.