

09 February 2024

Australian Competition and Consumer Commission
23 Marcus Clarke Street
Canberra ACT 2601

(Submitted online via ACCC Submissions Web Form)

Attention: David Hatfield & Jaime Martin

Thank you for the invitation to make a submission. The Bloomfield Group (Bloomfield) makes the following submission in strong support of the HVCCC application.

About Bloomfield

Bloomfield is a privately owned group of Hunter based companies, directly employing around 600 people across the Hunter Valley Region. Bloomfield is underpinned by the Bloomfield Mine near Maitland and the Rix's Creek Mine north of Singleton. Both mines produce coal for export markets. Complementing its mining activities, Bloomfield has the general engineering business, Kings and a biodiesel production company, Biodiesel Industries Australia (BIA).

Bloomfield has operated continuously at the Bloomfield Mine since 1937, with the Rix's Creek Mine commencing production in 1990. With locally sourced employees, long and high standing trades apprenticeship and operator traineeship programs, extensive use of regional service and supply companies, and its charitable donations to a range of Hunter Region organisations, The Bloomfield Group is a significant long-term contributor to communities and organisations across the Hunter Region.

Bloomfield is one of the smallest volume coal producers in the Hunter Valley Coal Chain with a combined annual mine production of circa 2% of the total Hunter Valley Coal Chain throughput. Large-volume global miners dominate the Coal Chain throughput, each with production volumes typically 10-20 times that of Bloomfield. To remain a sustainable business, Bloomfield must compete with these miners throughout the chain from the mine face through to its global thermal and metallurgical customers.

The HVCCC Application

The current authorisation was approved in 2009 for port entities and although HVCCC is not directly authorised by the 2009 approval, HVCCC's services are explicitly designed to accord with that authorisation. So all interested parties including the Commission now have the benefit of being able to review and reflect upon the performance and impact of the HVCCC and the benefits that have resulted from the current authorisation.

In Bloomfield's view, without the current authorisation and without an ongoing authorisation for HVCCC's services, it would not be possible for the HVCCC to provide relative certainty, equity and optimisation for –

- Multiple producers – of varied size and in different local and export markets
- Geographically dispersed load points – reaching into the Gunnedah and Mudgee regions from the central Hunter
- Multiple service providers and associated entities –
 - 2 x coal terminal operators providing a total of 3 terminal facilities
 - 1 only rail track provider
 - Multiple above-rail providers – with large and small operators
 - Newcastle harbour entities
 - Domestic power generators

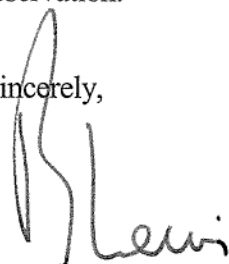
I have no doubt that without the current authorisation allowing the HVCCC to operate as it currently does, smaller producing companies like Bloomfield (and likely small service providers) would have been squeezed out of business by the resulting system inefficiencies, higher costs and imbalance of operational and financial power. The current authorisation, under which HVCCC centrally and independently coordinates the movement of coal through the whole supply chain, has shown itself to be fundamental to success in achieving the outcomes desired by both the industry and NSW government as proposed by the Greiner Review in 2008 (see attachment).

In further support that the HVCCC, in its current form, is effective and appropriate is the fact that the organisation has been independently recognised by its peers by securing global industry awards in its specific field of logistics management as well as for its organisational excellence.

Put simply, the HVCCC with the current authorisation, has been the essential catalyst to enable ongoing growth, operational stability, investment and open access for existing, new, small and large participants within the Hunter Valley Coal Chain.

The current application by HVCCC to ACCC does not seek to materially change the conduct, which was approved by its current authorisation in 2009. Given the demonstrated success and benefits resulting from the current authorisation, Bloomfield supports the application by HVCCC without reservation.

Sincerely,

A handwritten signature in black ink, appearing to read "Brett Lewis". The signature is written in a cursive style with a large initial "B".

Brett Lewis

Managing Director / Chief Executive Officer



THE HON. JOE TRIPODI MP
MINISTER FOR FINANCE
MINISTER FOR INFRASTRUCTURE
MINISTER FOR REGULATORY REFORM
MINISTER FOR PORTS AND WATERWAYS

M E D I A R E L E A S E

Plan to end coal supply chain deadlock

December 12, 2008

Ports Minister Joe Tripodi has delivered a breakthrough proposal to end the deadlock over the allocation of future port capacity in the Hunter Valley coal industry.

Mr Tripodi said the Government's comprehensive plan provided an access regime that would open the gate for massive investment, while satisfying the concerns of existing producers.

"This proposal will secure growth in the coal industry well into the future by promoting local and international investment and competition in the Hunter.

"The Government broadly accepts the Industry Agreement presented by Nick Greiner in July.

"But our response addresses the two key issues Mr Greiner left unresolved - securing access for new entrants and ensuring the growth of the coal terminal capacity," Mr Tripodi said.

The key elements of the Government's proposal are:

- Triggers requiring terminals to build new capacity on demand;
- Long term contracts to underpin investment in terminal capacity;
- Industry levy to help fund new terminal infrastructure where required;
- Guaranteed access for new entrants and expanding producers;
- Business and planning certainty for existing producers;
- Protection for small producers; and
- Proposal for a 4th coal terminal.

Mr Tripodi said under the plan, Port Waratah Coal Services would be given the opportunity to lease additional government land and build a fourth coal terminal on Kooragang Island.

Industry expects a fourth coal terminal could provide up to 90Mtpa of additional capacity, allowing the Hunter coal industry to bring in up to \$23 billion in export revenue.

Minister for the Hunter and Newcastle MP Jodi McKay said the proposal was a breakthrough for the Hunter and would ensure the coal industry continues to provide jobs and economic opportunities for the region.

“This will provide for the continued growth of the coal industry in the Hunter Valley and allow exports to triple from current levels.”

Mr Tripodi has welcomed industry support for the proposal, including:

Port Waratah Coal Services (PWCS)

The Chair of PWCS Professor Eileen Doyle: “This is a highly significant and historic plan that looks set to finally iron out a multitude of inefficiencies that have hampered the Hunter Valley Coal Chain for so many years.

“Whilst some details need to be sorted, the plan appears to strike a balance between giving existing miners the certainty they need to invest in infrastructure and increase output, and giving new entrants the certainty they need to access the port.”

Coal & Allied (Rio Tinto)

A spokesman for Rio Tinto subsidiary Coal & Allied: “Mr Tripodi’s response... contains the essential elements required for the long-term growth of the Hunter Valley coal industry.

“It allows for long-term contracts ... and allows for a new terminal which will provide confidence for investment well into the future.”

BHP Billiton

Dave Murray, President Energy Coal: “BHP Billiton is encouraged by the NSW Government responding to the Industry Proposal and we see continued dialogue with the Government as critical to the delivery of our growth plans for NSW.”

Idemitsu Resources

Executive General Manager (NSW) of Idemitsu Australia Resources Mr Peter Wilkinson: “We believe this proposal will provide certainty for companies wanting to explore and develop coal resources in NSW.”

Xstrata Coal

Chief Executive of Xstrata Coal Mr Peter Freyberg : “Xstrata Coal welcomes the announcement by the Minister for Ports, Joe Tripodi on the potential long term solution and, particularly, the fourth coal loader.

“These are important steps to unlocking the long term value of an industry vital to the NSW and national economies.”

Bloomfield Collieries

Managing Director William Cant: “I am very pleased that the initiatives of Minister Tripodi, in particular the Greiner Review, together with the work of many in the industry, has produced a Proposal that I believe will underpin the future growth of the Hunter Valley Coal industry for large, small and new producers.”

Mr Tripodi said negotiations with industry had produced a fair and flexible solution.

“While it would have been easy to just accept the original Industry Agreement, it’s our job to make decisions in the interests of the State.

“This is the world’s largest coal export port. We had to get it right.”

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