

14 December 2007

The General Manager
Adjudication Branch
Australian Competition & Consumer Commission
GPO Box 3131
Canberra ACT 2601

By email: adjudication@accc.gov.au

Dear Sir,



RESOURCE PACIFIC LIMITED
ACN 106 177 708

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**Newcastle Port Corporation
applications for authorisation – A91072 – A91074**

Background

Resource Pacific Limited (*RPL*) is a coal producer, with one operating mine at Newpac No 1 Colliery at Ravensworth in the Hunter Valley, New South Wales.

Conditional Support for the Applications

RPL conditionally supports the applications by Newcastle Port Corporation for the following reasons:

- The ACCC has declined to approve the applications by Port Waratah Coal Services (*PWCS*), Pacific National and QR National numbered A91068 – A91070, which RPL believes is the best approach for 2008. Given the excess demand versus capacity currently evident with the Hunter Valley Coal Chain (*HVCC*), a control system is still paramount to limit the level of demurrage paid by coal producers.
- RPL believes that the CBS system has significant shortcomings in that it has failed to adequately control the shipping queue. However it is better than the alternative of no control system prior to the industry achieving a workable solution going forward.
- The applications seek to apply a similar system to the existing CBS but basing the system for 2008 on nominated tonnages for 2007. RPL does not accept 2007 nominations as relevant for 2008. All producers hold take or pay binding nominations with PWCS for 2008 and if the system applies during 2008, RPL believes it must be based on these 2008 binding nominations.
- It is paramount that the coal industry arrives at a workable solution to the capacity limitations of the HVCC prior to 2011. In order to achieve some working space, RPL is willing to accept a CBS system, based on 2008 binding nominations for 3 months; ie from 1 January 2008 to 31 March 2008.

Yours faithfully,

Steve Matthews
Company Secretary
and Senior Commercial Manager