



**Australian
Competition &
Consumer
Commission**

Our Ref: C2007/610-02
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27 April 2007

Mr Greig Duncan
Senior Site Executive
Austar Coal Mine Pty Ltd
Pelton Dp69968
Lot1/ Wollombi Rd 2325

By email: Gduncan@austarcoalmine.com.au

Dear Mr Duncan

Re: Port Waratah Coal Services application for re-authorisation of the modified Medium Term Capacity Balancing System

On 4 April 2007 the Australian Competition and Consumer Commission (ACCC) issued a draft determination proposing to grant authorisation to Port Waratah Coal Services Ltd (PWCS) to reinstate the modified Medium Term Capacity Balancing System (CBS) at the Port of Newcastle until 31 December 2007.

As you are aware, interested parties were invited to make written submissions to the ACCC in response to the draft determination by 20 April 2007.

The ACCC received one public submission from the United Mineworkers' Federation of Australia (the Mineworkers' Federation) opposing the authorisation of the CBS in its proposed form. A copy of the Mineworkers' Federation submission is provided for your information.

The Mineworkers' Federation submits that the Medium Term CBS has resulted in a significant public detriment in the form of loss of employment. In particular, it states that Austar Coal Mine (Austar) has announced the retrenchment of 79 full time equivalent employees as a result of the re-introduction of the amended Medium Term CBS.



The ACCC is currently considering this submission prior to issuing its final determination for this matter. Therefore, we would welcome any comments Austar would like to make to the ACCC on this, or any other issue arising from PWCS' application. In particular, we would be interested in receiving further information on the current situation at the Austar mine, including the cause of the announced redundancies. We would also be interested in Austar's views on the impact of the amended Medium Term CBS on production at the mine.

A copy of this letter has been placed on the ACCC's public register for this matter.

If you have any questions about the issues raised in this letter please contact Ms Jaime Martin on (03) 9290 1477 (jaimemartin@accc.gov.au) or David Hatfield on (02) 6243 1168 (david.hatfield@accc.gov.au).

Yours sincerely

A handwritten signature in black ink, appearing to be 'Scott Gregson', written over a large, faint, oval-shaped watermark or background mark.

Scott Gregson
General Manager
Adjudication