



**Australian
Competition &
Consumer
Commission**

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Our Ref: A91338
Contact Officer: Jaime Martin
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31 October 2012

Matthew Bull
Herbert Smith Freehills
Level 38
345 Queen Street
Brisbane QLD 4000

Via email: matthew.bull@hsf.com

Dear Mr Bull

**Surat Basin and Bowen Basin coal producers' application for authorisation A91338
– request for further information**

I refer to the above mentioned application for authorisation lodged with the Australian Competition and Consumer Commission (the ACCC) on 18 October 2012.

To assist the ACCC's consideration of the Applicants' request for interim authorisation, please provide further information on the following issues:

1. The supporting submission to the application outlines that the construction of the Nathan Dam Project is expected to commence in late 2015. SunWater has advised producers that the project will not proceed until it has secured sufficient demand from producers, and that all contractual arrangements will need to be in place prior to the proposed construction start date. In this regard, the Applicants have estimated that contract negotiations will take in excess of 18 months to complete.
 - a) Please provide further information about the key dates involved with the Nathan Dam Project. In your response, please outline any firm deadlines for the execution of contracts that SunWater has provided to the industry.

2. In support of the request for interim authorisation, the Applicants have also submitted that 'they wish to engage with SunWater in relation to the *commercial structure of the Project* as early as possible'.
 - a) Please explain what this means. In your response, please identify the specific issues the Applicants seek to collectively negotiate with SunWater in regards to the *commercial structure* of the project under any interim authorisation.
3. Please provide further information about how the collective bargaining process is proposed to be conducted in practice, including the composition of the group that will be engaged in negotiations with SunWater.

The ACCC would appreciate if you could arrange for it to receive a response to these issues by cob, **2 November 2012**.

This letter has been placed on the ACCC's public register. If you wish to discuss any aspect of this matter, please do not hesitate to contact Ms Jaime Martin on (03) 9290 1477 (or at jaime.martin@acc.gov.au) or myself on (02) 6243 1266 (or at david.hatfield@acc.gov.au).

Yours sincerely



David Hatfield
Director
Adjudication Branch