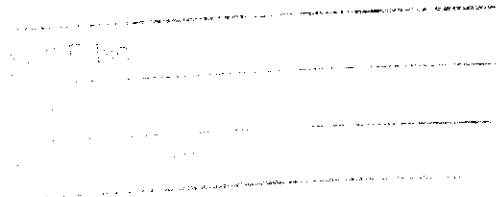




Our Reference: W2/3 Set 2 GC

General Manager  
Adjudication Branch  
Australian Competition & Consumer Commissioner  
PO Box 1199  
DICKSON ACT 2602



22 September 2004

Dear Sir/Madam,

**RE: APPLICATION FOR AUTHORISATION (A90886) LODGED BY COUNCILS OF CAMDEN, CAMPBELLTOWN CITY COUNCIL, LIVERPOOL CITY COUNCIL, WOLLONDILLY SHIRE COUNCIL AND WINGECARRIBEE COUNCIL.**

The Commission has issued a draft determination proposing to grant authorisation to the proposed arrangements as requested by the abovementioned Councils for the term of the contracts entered into under the tender process for up to a maximum of 10 years.

I am writing on behalf of Wollondilly Shire Council to support the amendment submitted by the Councils of Camden, Campbelltown, Wingecarribee and Wollondilly on 30 August 2004 to increase the maximum 10 year term of contract proposed under the subject determination to a maximum period of 20 years.

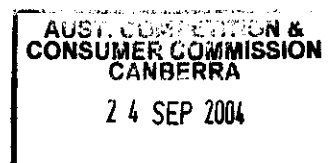
Since the application was submitted to the ACCC in 2003, the Councils have been actively working towards the preparation of tender documentation, in anticipation of a satisfactory outcome from the ACCC. It has been evident during this period and from consultation with the waste industry, that a 10 year contract term, as requested in the application, may be detrimental to the satisfactory development of a facility(s) for the Macarthur Region.

The withdrawal of Liverpool City Council from the project has reduced the quantity of material available for processing and to maintain the viability of the project, a longer time period is necessary.

It is anticipated that this project will result in the development of a multi million dollar facility for the benefit of the Macarthur Region, which over a 10 year contract period could have adverse financial consequences for the participating councils and the rate paying public. It is now considered that a contract period of not less than 20 years would allow a more realistic period where by the successful tendering company would be able to construct and operate a facility and spread their capital investment over a longer period of time and thus provide a service which would be more economically viable to the participating councils and their constituents.

Yours faithfully

  
George Coward  
Waste Management Officer  
ENVIRONMENTAL SERVICES



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