



Our Ref: A91019
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**Australian
Competition &
Consumer
Commission**

2 November 2006

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Dear

**Application for authorisation A91019
lodged by St. George (Sydney) Region of Councils
- interested party consultation**

The Australian Competition and Consumer Commission (ACCC) has received an application for authorisation from Hurstville City Council, Kogarah Municipal Council and Rockdale City Council, collectively St. George (Sydney) Region of Councils (SGROC). The applicants are seeking authorisation to jointly tender and contract for the provision of the region's waste collection services.

As a potentially interested party, you are invited to comment on SGROC's proposal.

I note that SGROC has also lodged an application for interim authorisation to commence the tender process. The ACCC seeks your comments on the request for interim authorisation by **Wednesday 15 November 2006**. Submissions can be sent by email or fax to the contacts provided at the end of this letter. The request for interim authorisation is discussed in further detail below.

Background

As you may be aware, the ACCC is the independent Australian government agency responsible for administering the *Trade Practices Act 1974* (the Act). A key objective of the Act is to prevent anti-competitive arrangements or conduct, thereby encouraging competition and efficiency in business resulting in a greater choice for consumers in price, quality and service.

The Act, however, allows the ACCC to grant immunity from legal action for anti-competitive conduct in certain circumstances. One way businesses may obtain immunity is to apply for what is known as an 'authorisation' from the ACCC.

Broadly, the ACCC may 'authorise' businesses to engage in anti-competitive arrangements or conduct where it is satisfied that the public benefit from the arrangements or conduct outweighs any public detriment. The ACCC conducts a comprehensive public consultation process before making a decision to grant or deny authorisation.



Application for authorisation by SGROC

The ACCC received an application for authorisation from SGROC on 27 October 2006. The applicants are seeking to jointly tender and contract for the provision of all waste and resource recovery (recycling) collection services for the local government areas of the three councils.

SGROC submits that a regional contract for waste collection services will give rise to significant financial, social and environmental benefits to the communities of their respective local government areas.

For details of the public benefits and detriments SGROC claims are likely to result from the proposed arrangement, please refer to the attached application for authorisation. A copy of the application is also available on the ACCC website www.accc.gov.au by following the links 'Public registers', 'Authorisations and notifications registers' and 'Authorisations register'.

Request for submissions on substantive application

To assist in its consideration of SGROC's application for authorisation, the ACCC would appreciate your comments on the likely public benefits and detriments (including the likely effect on competition) from SGROC's proposal.

If you intend to provide a submission regarding the application, please do so by **Friday 1 December 2006**.

Further information about lodging a submission with the ACCC is provided below under 'General information'.

Interim authorisation

SGROC has also requested that the ACCC grant interim authorisation to allow it to:

- prepare documentation to invite tenders from parties wishing to provide waste collection services
- evaluate tender submissions
- prepare tender recommendations to the councils' executives
- allow the councils' executives to endorse recommendations to seek to enter into contractual arrangements pending the final decision of the ACCC.

Broadly, interim authorisation allows parties to engage in the proposed conduct while the ACCC considers the substantive merits of the application.

The ACCC has previously stated that it is unlikely to grant interim authorisation where doing so would permanently alter the competitive dynamics of the market or inhibit the market from returning to its pre-interim state if authorisation is later denied, unless there are special circumstances.

The ACCC is also seeking comments from interested parties regarding SGROC's request for interim authorisation. Should you wish to comment on the application for interim authorisation, please do so by close of business **Wednesday 15 November 2006**.

General information

The ACCC asks for submissions to be in writing so they can be made publicly available on the ACCC's public register and website.

Persons lodging a submission with the ACCC may request that information in the submission be excluded from the public register. If the ACCC decides to exclude information from the public register, the ACCC may take it into account even though it is not publicly available. Guidelines for seeking to have information excluded from the public register are attached.

If you wish to lodge a submission, either regarding the application for interim authorisation or the substantive application, please address your submission to:

The General Manager
Adjudication Branch
Australian Competition and Consumer Commission
PO Box 1199
DICKSON ACT 2602

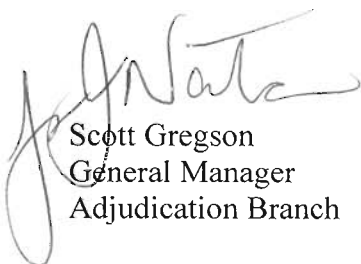
Submissions can also be lodged by email to adjudication@acc.gov.au or by facsimile on (02) 6243 1211.

Please inform us if you do not wish to make a submission at this time but would like to be informed of the progress of this application. In this regard, I would appreciate the provision of email contact details to facilitate future correspondence.

You may forward this letter to any other party who may wish to make a submission to the ACCC regarding the application for authorisation by SGROC.

This letter has been placed on the ACCC's public register and website. If you wish to discuss any aspect of this matter, please contact Nadia Cooke on (03) 9290 1478 or at nadia.cooke@acc.gov.au.

Yours sincerely



Scott Gregson
General Manager
Adjudication Branch

Interested parties

Amcor Australasia
ASK Equipment Sales
Australia Paper – Shoalhaven Mill
Brandown Pty Ltd
Breen Holdings Pty Ltd
Cleanaway Municipal Services
Collex Pty Ltd
Dial a Dump Industries
Environmental Protection Authority
Global Renewables
KAAL Australia Pty Ltd
Local Government and Shires Association of NSW
Metalcorp Recyclers Pty Ltd
MRI
New South Wales Jurisdictional Recycling Group
Norske Skog
Pioneer Waste Management Pty Ltd
Reflex Pty Ltd
Resource NSW
Rethmann Australia Environmental Services Pty Ltd
SITA Environmental Solutions
SULO
Thiess Services Pty Ltd
Total Environment Centre Inc
United Resource Management
Veolia Environmental Services
Visy Recycling
Waste Contractors and Recyclers Association of NSW
Waste Management Association of Australia
WSN Environmental Services