

20 August 2001

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Re: OFFGAR Draft Decision on the DBNGP Pipeline

Dear Sir

I write on behalf of John Holland Pty Ltd to express our concern regarding the recent OFFGAR Draft Decision.

The construction industry has endured the longest downturn since the 1970's. The result of this has been that several major Western Australian companies have either ceased trading or elected to withdraw from the State. Western Australia's health is to a large extent based on the resource sector.

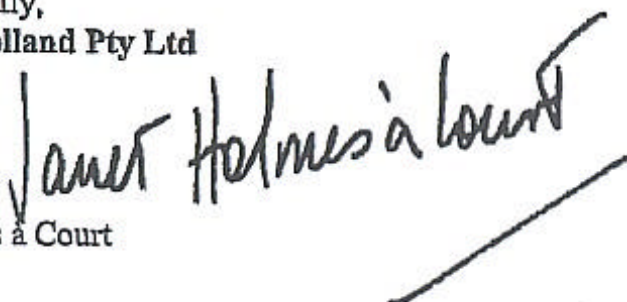
We do not believe that the Draft Decision will assist in a recovery of this sector and will reflect badly on the state and the intent of privatisation of public assets.

Our areas of concern can be summarised as:

- The ability for the operator to expand the pipeline at the proposed rates and retain a commercially viable position would be severely restricted;
- The creation of an unfair tariff regime for new customers as opposed to existing customers;
- Discouragement of exploration for and production of natural gas.
- Implementation would imply a sovereign risk issue for current and future investors in Western Australian infrastructure;
- It could be perceived that the major benefactor of the decision would be Western Power and be counter productive to the Government's stated objective of encouraging private investment in power generation;
- The investment community has serious concerns about the impacts of the Draft Decision and a negative perception regarding Western Australia would be created.

As a State we need to promote the expansion of infrastructure, project development and the attraction of new investors to Western Australia. The OFFGAR Draft Decision will not assist in these objectives.

Yours faithfully,
For John Holland Pty Ltd



Janet Holmes à Court
Chairman