



13 September 2011

Mr Anthony Wing  
General Manager  
Transport and General Prices Oversight  
ACCC  
GPO Box 520  
Melbourne VIC 3001

Dear Mr Wing

**Re: ACCC Draft Decision regarding CBH Proposed 2011 Undertaking**

Gavilon supports the ACCC's preliminary view not to accept the Proposed 2011 Undertaking as lodged by CBH on 31 March 2011. As our concerns were directed towards the introduction of the proposed base load capacity allocation system, we are pleased to see that the proposal to introduce this method of capacity allocation, in its current form, is considered inappropriate.

Gavilon notes however, the ACCC "considers that in principle, there may be benefits in an appropriate base load capacity allocation system, in terms of improved efficiency of port operations, promotion of efficient investment by exporters in complementary up-country infrastructure that requires certainty of access to port capacity and resulting promotion of competition in upstream markets". Due to the unique nature of the Australian grain industry, it is Gavilon's current view that it is highly unlikely that a base load capacity allocation system would promote appropriate competition for grain grower's grain or allow new grain exporters to freely enter and compete in the Western Australian grain market.

Gavilon remains committed to providing ongoing feedback to the ACCC on this matter and would welcome any opportunity to provide further information.

Yours sincerely

**Matt Rutter**  
*General Manager Origination*  
Gavilon Grain Australia Pty Ltd