



VICTORIAN FREIGHT AND LOGISTICS COUNCIL

21 April 2011

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

Email: transport@acc.gov.au

Dear Mr Wing,

FORMATION OF A GRAIN SUPPLY CHAIN LOGISTICS GROUP

Following the receipt of the Australian Competition and Consumer Commission's invitation to comment on the proposed Access Undertaking lodged by GrainCorp, the Victorian Freight and Logistics Council (VFLC) submits the following letter to advise the ACCC of our recommendation of the formation of a Victorian Grain Supply Chain Logistics Group.

Prior to the 2010-11 grain harvest season, the VFLC conducted a forum in October 2010 to provide industry with a platform to discuss harvest logistics. The VFLC's consultation with producers, exporters and transport suppliers at the time indicated a lack of logistical capacity in storage and transport of the harvest, particularly for export.

Fast forward to April 2011, in addition to supply chain issues resulting from a bumper harvest, the flood events and heavy rain towards the end of 2010 and the beginning of 2011 have further exacerbated problems in the grain supply chain.

In the interests of Victoria's economy and struggling farming sector, the VFLC views it is vital for industry, with the full commitment of grain company boards (including GrainCorp), to form a Grain Supply Chain Logistics Group similar to the Hunter Valley Coal Chain to work on grain logistics optimisation. The Hunter Valley Coal Chain Group is a good example of a proactive collaboration by industry as a whole-of-supply chain approach is taken to maximise capacity and available resources, using a cooperative model that does not raise competition concerns.

The VFLC will write to Government and Industry supporting the formation of this group and would like to establish with the ACCC the importance of participation and commitment by grain companies.

Representatives of the VFLC would be pleased to discuss this issue further with the ACCC.

Yours sincerely,

Rose Elphick
Chief Executive Officer
Victorian Freight and Logistics Council

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