



Flour Millers' Council of Australia

ABN 88 008 399 040

Telephone: (03) 9818 5899
Facsimile: (03) 9818 5890
E-mail: fmca@flourmillers.com.au

Ground Floor
83 Riversdale Road
HAWTHORN VIC 3122

21 October 2004

Mr David Hatfield
Australian Competition and Consumer Commission
PO Box 1199
DICKSON ACT 2602

Dear David

The Flour Millers Council of Australia is responding to a proposed joint-venture between the Australian Wheat Board and GrainCorp Operations concerning transport logistics and the supply chain for export grain in Queensland, New South Wales and Victoria.

We have previously made preliminary comment on 28 July 04 and have subsequently met with the Australian Wheat Board and GrainCorp to better understand and discuss issues relating to the proposal.

Subsequently, we responded to the request by the parties for interim authorization without objection.

We have considered the submission documents by the parties in support of the application for authorisation of the proposed joint-venture. We support commercial rationale for the joint-venture company in that it is a vehicle to improve coordination, efficiencies and negotiating strength of the parties involved in the logistics of the export grain supply chain. It is our view that improvements proposed can be achieved.

In summary the Flour Millers Council of Australia recognises the need for the Australian wheat industry to continue be more efficient, and therefore more competitive internationally. We therefore support the proposed joint-venture arrangement on condition, that the domestic milling industry does not incur unreasonable cost penalty, or restriction in access to continuity of supply of its raw material needs.

Yours sincerely

Graeme Lukey
Executive Director,
Flour Millers Council of Australia