

Gilbert, Jewel

From: Hatfield, David
Sent: Friday, 12 November 2004 11:48 AM
To: Gilbert, Jewel
Subject: FW: outgoing email on grains for the public register please
Sensitivity:

-----Original Message-----

From: Hatfield, David
Sent: Friday, 12 November 2004 11:24 AM
To: 'Poddar, Dave'
Subject: RE: grains

Dave

A couple of additional information requests re the grains authorisation application.

First, could you please ask the applicants to provide additional information on the methodology and key assumptions used to determine the cost savings and efficiency improvements identified in the application. We are not looking for the detailed spreadsheets or complete set of raw data, but rather a better understanding of the process by which the numbers that appear in the application were calculated.

The underlying reason for asking is primarily for the Commission to be able to attach some confidence to the proposed benefits. It would also enable us to better consider what impact changed market conditions may have - for example, the recent reduction in forecast harvest volumes.

The second request relates to ring fencing of information by the JV from relevant shareholders. Clause 18.2 (a)(i) and (ii) of the JVA make reference to the lists of information that must be kept ring fenced set out in schedule 2 - for which confidentiality was sought and granted. I wonder if you could provide a public version of schedule 2 - or at least a high level list of the types of information that would be ring fenced - to enable the Commission to refer to it in its analysis. The effectiveness of the ring fencing arrangements is an important aspect of the potential impact of the JV on ongoing competition between AWB and GrainCorp and additional public information on how it operates would enable more informed discussion by market participants of the issues.

In terms of timing, obviously the sooner we can get a response on this the better, but is within a week or so achievable?

A copy of this request will be placed on the public register.

regards

David