

Office of the Director-General



Queensland
Government

Department of
Primary Industries and Fisheries

Reference: 05/06350

09 MAY 2005

Mr Scott Gregson
Acting General Manager
Adjudication Branch
Australian Competition and Consumer Commission
PO Box 1199
Dickson ACT 2602

Dear Mr Gregson

Final determination of an application for an authorisation under the *Trade Practices Act 1974* for a grain industry joint venture.

I refer to your letter of 15 April 2005 in regard to a final determination by the Australian Competition and Consumer Commission (ACCC) in regard to an authorisation under the *Trade Practices Act 1974* (TPA) for the creation and operation of a joint venture in the grain industry involving GrainCorp Operations Limited (GrainCorp), AWB Limited (AWB) and Export Grain Logistics Pty Ltd (EGL).

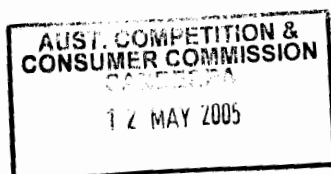
I note that the ACCC initially gave interim authorisation to the joint venture in October 2004, and that the determination of 15 April 2005 means that a final TPA authorisation is now in place for the joint venture up to 31 December 2009, subject to the ACCC being satisfied that measures can be developed that will ensure that confidential information that is supplied to EGL by third parties (that is to say, customers of EGL other than GrainCorp and AWB) will not be provided to or used inappropriately by the EGL shareholding companies (namely GrainCorp and AWB).

I agree with the ACCC's decision.

The whole point of the joint venture is to streamline the logistics of handling grain in Eastern Australia, that is to say, in Queensland, New South Wales and Victoria, and especially grain intended for export from grain terminals at locations such as Fishermen's Island in Brisbane, Gladstone, Newcastle (Kooragang Island), Port Kembla and Melbourne (Appleton Dock).

This should result in significant cost savings and Queensland's grain growers are expected to be amongst the principal beneficiaries.

Mission Vision
Profitable primary industries for Queensland
Maximise the economic potential of Queensland primary industries on a sustainable basis



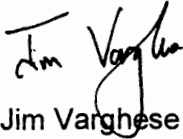
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The Queensland Department of Primary Industries and Fisheries (DPI&F) is an economic development agency that has a simple single mission – to ensure profitable primary industries.

In the case of the grain industry, this will be facilitated by the EGL joint venture, and especially once the present drought ends and the industry can hopefully experience a run of much improved growing seasons for both the summer and winter grain crops.

Thank you for the opportunity for DPI&F to provide comment. I have nominated Mr Harold Brown, Manager, Industry Issues, Strategic Policy as this Department's nominee to handle any further inquiries in respect of this matter . Mr Brown can be contacted on telephone: 07 3239 3211 or email: harold.brown@dpi.qld.gov.au.

Yours sincerely



Jim Varghese
Director-General