



New South Wales

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DEPARTMENT OF PRIMARY INDUSTRIES

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18 FEB 2005

Ms Joanne Palisi
A/g General Manager
Adjudication Branch
Australian Competition and Consumer Commission
PO Box 1199
DICKSON ACT 2602

Dear Ms Palisi

Re: Applications for Authorisation A30233-A30235 lodged by GrainCorp Operations, AWB Ltd and Export Grain Logistics

Thank you for your letter of 20 December 2004 and the opportunity to comment on the draft Final Determination of the above applications to establish a joint venture to manage export grain freight and logistics in the eastern States.

I note that in developing its draft Final Determination, the Commission has consulted widely with interested parties and that the respective Farmers' Associations in NSW, Victoria and Queensland have supported the joint venture. I also note that your analysis indicates that any potential detrimental impacts from the joint venture will be outweighed by 5-15% efficiency gains in transport and handling costs, which could also flow on to other traders and domestic market participants.

The proponents have claimed that the joint venture is designed to improve the coordination of grain exports and reduce supply chain costs and, hence, improve the competitiveness of Australian grain growers. I would support the position of the NSW Farmers' Association in requesting that there be transparency in the dealings between GrainCorp Operations, AWB Ltd and Export Grain Logistics and that the impact of the joint venture on supply chain competitiveness be closely monitored to ensure that these benefits are in fact realised.

The NSW Department of Primary Industries does not intend to seek a conference or make a further written submission on the draft Final Determination.

Yours sincerely

B D BUFFIER
DIRECTOR-GENERAL

