



MINISTER FOR AGRICULTURE AND FOOD; FORESTRY;  
THE MID WEST AND WHEATBELT; GREAT SOUTHERN  
LEADER OF THE GOVERNMENT IN THE LEGISLATIVE COUNCIL



08-011175  
Ref: AB 0380-08

**MINISTERIAL**

Mr Graeme Samuel  
Chairman  
Australian Competition and Consumer Commission  
GPO Box 3131  
CANBERRA ACT 2601

FILE No

DATE

DEPT/CRISM

Dear Mr Samuel

**SUPPLY CHAIN TRANSPORT COORDINATION FOR BULK GRAIN MOVEMENTS IN WESTERN AUSTRALIA**

I am writing to express support for the implementation of the 'Grain Express' proposal by Cooperative Bulk Handling Ltd (CBH) in Western Australia.

CBH has proposed the establishment of a supply chain coordination function for grain transport in Western Australia and a logistical management system that allows competition in the marketing of grain while at the same time imposing a protocol to maintain an efficient supply chain. Independent consultants have assessed the CBH proposal in a study jointly commissioned by the Department of Planning and Infrastructure and the Department of Agriculture and Food WA.

The State government supports the "Grain Express" proposal as it promotes the efficient and complementary use of the land transport modes without unduly hindering intra-modal competition. This support for CBH is predicated on a number of conditions being met:

- There will be no discrimination (in price or service) between customers of CBH with respect to grain handling and transport.
- The supply chain coordination function will be implemented within the Grain Infrastructure Group (or other approved) process with the participation of the Government, grain marketers and grain growers.
- In the event of dissatisfaction expressed by a client and not satisfactorily accommodated by those involved in the supply chain coordination, recourse will be made to the economic regulator as the final arbiter.
- New entrants are to be free to avail themselves of CBH services or not, but will be required to contribute towards the fixed costs of the land transport, storage and handling network, ie they should not have a 'free ride' with regard to infrastructure provision.

I hope you will view favourably the "Grain Express" proposal as a workable means to establish supply chain transport coordination for bulk grain movements in Western Australia at the same time as assisting opportunities for improved competition in grain marketing.

Yours sincerely

Kim Chance MLC  
MINISTER FOR AGRICULTURE AND FOOD

