



Australian  
Competition &  
Consumer  
Commission

Our Ref: C2008/945  
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8 March 2011

Mr Bill Keane  
Partner  
Corrs Chambers Westgarth  
Level 15  
240 St Georges Terrace  
PERTH WA 6000

*By email: [Bill.Keane@corrs.com.au](mailto:Bill.Keane@corrs.com.au)*

Dear Mr Keane

**Cooperative Bulk Handling Limited (CBH) exclusive dealing notification N93439 –  
request for further information**

To assist in its consideration of the above listed notification the Australian Competition and Consumer Commission (ACCC) requests that CBH provide the following additional information in relation to its operations.

*CBH's fees and charges*

On 18 June 2010 the ACCC asked CBH for information about how CBH calculated or otherwise determined the following fees:

- up-country receival charge
- outturn fees
- fobbing fee (consisting of the upfront marketer fee and export fee)
- any other fees that CBH charges grain exporters as part of the CBH grain supply chain.

The ACCC asked CBH to provide a detailed description of each calculation including the individual cost breakdown of each service included in each of these fees.

In response, CBH stated the following:

CBH does not have detailed cost breakdowns of each component of the service. CBH does not cost its services based on the marginal cost model. CBH's charging structure has evolved over time from fees that were prescribed by the Western Australian Minister for Agriculture.

1. Please confirm that CBH is unable to provide additional information about how it calculated or determined the fees listed above. Alternatively, if CBH is able to provide additional information about how these fees are calculated, please do so.

*CBH's outturn fees*

CBH introduced new pricing structures for the 2009/10 harvest which included raising the domestic outturn fee from \$3.20 per tonne to \$8.50 per tonne for outturn by road and from \$5.70 per tonne to \$11 per tonne for outturn by rail. In announcing these changes CBH stated that the changes were as a result of an extensive review of its costs of providing services undertaken in response to deregulation of bulk wheat exports and the requirement for it to provide equitable access to its port facilities.

CBH stated that this process highlighted the need to adjust the pricing structure to better reflect the true cost of the CBH Group's services and facilities throughout the supply chain and that the new pricing structure would better represent the true cost and value of the CBH Group's services

2. Please provide the ACCC with a copy of all work done as part of this review that was taken into account in determining the level of outturn fees for the 2009/10 season.

Please note, the ACCC is not requesting a summary of the reviews findings, other than summaries prepared at the time as part of the review, or comments from CBH about the reviews findings. Rather, the ACCC is requesting copies of work done as part of the review. If CBH does wish to provide additional information or comments about these fees please clearly distinguish the additional information or comments provided from the information that formed part of the review.

The ACCC anticipates that some of the information forming part of CBH's review may be commercially sensitive. As you are aware, CBH is able to request that such information be excluded from the ACCC's public register.



EXCLUDED FROM  
PUBLIC REGISTER

*CBH's storage network*

4. Please provide the following information about the structure of CBH's storage network:
  - The construction type or types of storage structure at each of CBH's receival sites (i.e. fixed wall hard top bunker, fixed wall soft top bunker, expandable wall soft top bunker, mobile bunker, tower silo, etc)

- The storage capacity of each receival site. Where a receival site has more than one type of storage structure please provide this information disaggregated by storage type.
- The year in which each storage structure was built.
- The assumed asset life of each storage structure.
- Taking into account past refurbishments/upgrades, the expected remaining asset life of each storage structure.

Please provide the requested information by Tuesday 22 March 2011.



If you wish to discuss any aspect of this matter, please do not hesitate to contact Gavin Jones on (03) 9290 1475.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Richard Chadwick'.

Richard Chadwick  
General Manager  
Adjudication Branch

EXCLUDED FROM  
PUBLIC REGISTER