

1 September 2014

Ms Lyn Camilleri
Acting Deputy General Manager
Infrastructure & Transport – Access & Pricing
Infrastructure Regulation Division
Email: transport@accc.gov.au

Dear Ms Camilleri,

RE: Co-operative Bulk Handling Limited's Proposed 2014-17 Port Terminal Services Access Undertaking

The Western Australian Farmers Federation (Inc) (WAFarmers) represents over 4,000 members, the majority of whom grow grain as a component business. WAFarmers has the largest membership base of any agricultural lobby group in Western Australia. This information is included to provide a clear understanding of the numbers and capacity of grain producers represented in the following submission.

Grain growers in Western Australia (WA) are well served by the grower-owned, Co-operative Bulk Handling (CBH), in the storage and handling of their grain. In 2013, 30% of CBH members were WAFarmers members. CBH is a co-operative owned and controlled by more than 4300 growers in WA who are collectively and individually active, therefore growers expect CBH to operate in the best interests of their farming businesses.

WAFarmers welcomes the opportunity to address the Australian Competition and Consumer Commission (ACCC) regarding Co-operative Bulk Handling's (CBH's) proposed changes to their long term capacity allocation process. WAFarmers make the following comments in response to the questions provided by the ACCC:

- WAFarmers supports that the proposed clause provides sufficient clarity, certainty and transparency about the method by which CBH allocates LTA capacity should it be oversubscribed.

This organisation considers that the additional clause would allow CBH additional flexibility in managing congestion as it arises, and has considered as best as possible, the views from its customers in order to promote efficiency in the future operations of the facility. Greater flexibility will enable CBH to better service customers, ensuring WA remains an attractive option for grain accumulation.

- WAFarmers agrees that the proposed allocation method (for example including historical exports of customers) is suitable and considers the interests of different industry participants.

In its submission to the ACCC, CBH considered the views from 14 customers in order to determine the most appropriate method for allocating capacity in the case of oversubscription and proposes the ability to use historical records, which potentially provides some certainty across all customers.

- Smaller or new exporters have been provided with sufficient opportunity to obtain capacity and there is sufficient protection from potential issues of discrimination or hindering as there has been evidence of new entrants under proposals by CBH.

The LTA process has introduced new customers previously unable to export from Western Australia and secure capacity through the auction process, and these customers have been allowed entry without previous historical records. This provides a good opportunity for new entrants to increase and decrease their market share accordingly.

WAFarmers strongly supports the sustainability of Western Australian grain growers, and offering grower's greater security of access through LTA agreements. It is in grower's best interests to have a fair and equitable system and WAFarmers believes that the proposed changes to the access undertaking by CBH can help deliver this to the benefit of the industry.

Yours sincerely



Kim Simpson
Grain Council President
The Western Australian Farmers Federation