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Wheat Export Marketing Arrangements
Productivity Commission,
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I make this submission in my personal capacity as a grain producer in Western Australia and not in my capacity as a director of Co-operative Bulk Handling Limited (CBH). The views set out in this submission are my own and do not constitute the official position of CBH.

I welcome a deregulated wheat export market, as last season Australian wheat was sold into several new markets it had not been sold into for many years and growers had the choice of several marketers to know the true World price for their wheat.

Is Accreditation of Marketers the most efficient way to deal with wheat exports? While the accreditation process is robust, there is no guarantee of payment for growers. Growers are aware of this and therefore beg the question of the value of the process?

Wheat exports are no different in nature to barley, lupins or canola, which are now deregulated in every state of Australia. As a wheat grower in an export reliant state, I urge you to consider completing the work that WEMA started and fully deregulating the wheat export industry in Australia and reducing the final layer of additional regulation and cost in the wheat industry. There is no need any longer as growers have adapted to the change.

If the Government feels that some form of oversight is required, a model similar to the Essential Services Commission of South Australia for barley exports could be considered, whereby companies pay a licensing fee and attest to a number of statements being true and correct. If any of this information be found to be not absolutely correct, the company loses its licence to export grain. The Marketers are relatively free to conduct their business provided they do not contravene any conditions. There is no need for an onerous monitoring body that costs growers money at the end of the day.

CBH is a cooperative, owned and controlled by Western Australian grain growers.

I was involved in the merger of CBH and Grain Pool in 2002 which resulted in considerable savings to Growers in WA through the synergies of two great companies working together. However the Access Requirements of deregulation have meant most of those Synergies have disappeared.

As a Director of CBH I understand the effort and cost required to meet the ACCC Access Undertaking required by CBH/Grain Pool to become an Accredited Marketer of wheat.

As a grower, I find it frustrating that despite promising deregulation and the opportunity for wheat growers to take back some of the bargaining power in terms of who we store and sell our wheat to, we are still being forced by Government regulation to pay the costs of re-regulation of the storage and handling network through increased compliance and the access requirements. These costs ultimately come out of my pocket and I have not been able to identify any benefit from this whatsoever.

Add to this the fact that CBH is bound by the Bulk Handling Act to provide fair and Reasonable access to its infrastructure, has no previous history of denying fair and reasonable access to any of its facilities, I find the extra costs hard to bear in a time of increasing production costs and decreasing world prices for grain.

My recommendation would be to take the costly regulation out of the free marketing for wheat and make more possible for farmers to be profitable.

Yours Sincerely,
Steve Tilbrook

