

23 November 2010

Ms Carolyn Malouf
Committee Clerk
Parliament House
GPO Box A11
PERTH WA 6837

www.cbh.com.au

Dear Ms Malouf,

Standing Committee on Estimates and Financial Operations

Answers to supplementary questions

Question A1 – Least cost pathway by region

As indicated during the hearings apart from areas within the Kwinana zone where the TAP currently applies, rail is the most economic means of transport to port.

Information has been provided on a confidential basis to the SGNC consultants on road and rail comparisons based on actual contracted rates across the network.

Price information on grower freight rates and related charges from all operating receival sites can be obtained from the CBH website.

Question A2 – Origin of loads from the Kwinana zone

CBH maintains details of which grower delivers to which receival site but does not have details on the exact origin of the grain.

At this stage the specific information requested is unavailable from current analysis of our data base.

Question A3 – Location of rapid load rail facilities

The information requested is detailed below;

RAPID RAIL STATEWIDE LIST								
SITE	CELL SET-UP	YEAR BUILT	OVER RAIL CAPACITY	TOTAL TRAIN CAPACITY(tonnes)	DIFFERENCE	RECLAIM RATE(mins)	TPH Out Load	LOOP LENGTH (wgnos)
Avon	8 Concrete Cells(1400)	1966	11200	1400			800	60
Avon	8 Concrete Cells(2200)	1978	11200	1500	700	120	800	60
Beacon	2 x 1,000	2001	2000	2200	200	45	500	50
Bodallin	4 Concrete Cells(2200)	1999	4200	2100	0	0	800	30
Brookton	4 x 500	1992	2000					
Burracoppin	2 Concrete Cells(2200)	1967	2100	2100			800	30
Carnamah	2 x 1,350	2003	2700	2640	60		1000	60
Carrabin	2 Concrete Cells(2200)	1999	2100	2100			800	30
Cranbrook	2 x 1,000	2001	2000					
Cunderdin	2 Concrete Cells(2200)	1986	2100	1400	0	0	500	20
Doodlakine	2 Concrete Cells(2200)	1966	2800	1400			600	20
Grass Patch	3 x 1,100	2002	3300	3500	200	35	1750	50
Hyden	4 x 500	1993	2000	2700	700	120	800	47(XU/XV/XT) 56 (XW)
Kalannie	4 x 500	1993	2000	2700	700	120	800	55 xv's
Kellerberrin	4 Concrete Cells(2200)	1980	5600	1400			600	20
Koorda	2 x 1,350	2007	2700	2900	200	30	1000	
Kulin	2 x 1,000	2000	2000					
Lake Grace	3 x 1,100	2008	3300					
McLevie	2 x 1,000	2000	2000	2200	200	30	900	50
Meckering	2 Concrete Cells(2200)	1986	4400	1500	700	120	800	20
Merredin	4 Concrete Cells(2200)	1966	5600	2800			900	40
Merredin	4 Concrete Cells(1400)	1978	5600	2800			900	40
MGC	4 x 1,000	1988	4000	4851	851	60	2000	63
Miling	2 x 1,000	2000	2000	2200	200	30	900	
Mingenew	4 x 500	1994	2000					
Mukinbudin	4 x 500	1994	2000	2500	500	100	500	50
Newdegate	4 x 500	1995	2000					
Quairading	2 x 1,100	2002	2200	2200	0	0	700	50
Tammin	4 Concrete Cells(1600)	1960	4000	1400	0	0	400	20
Tammin	5 Concrete Cells(1850)	1966	4700	1400	0	0	500	20
Three Springs	5 Concrete Cells(1600)	1960	5500	2200		200	500	15
Trayning	4 Concrete Cells(1600)	1955	2600	2580	0	0	400	20
Southern Cross	2 Concrete Cells(2200)	1967	2100	2100			800	30
Wyalkatchem	4 x 500	1993	2000	2900	900	210	500	
York	3 x 1,350	2008	4050	2700	0	0	1400	50

Question A4 – Unloading truck rates for rail to rail transfers at Merredin

The origin of the \$3.50 charge extends back 50 years to when the Government agreed to pay the cost of the transfer of tonnages from the narrow gauge to the standard gauge line. The cost which remains the current best estimate includes charges for capital, electricity and labour costs.

The charge is only now transparent because ARG isolated the cost from their network based pricing model to a site based costing model in November 2008 charging only the Merredin feeder sites.

Additional supplementary questions

1. How much cross subsidisation on freight and handling costs, especially on tier 3 lines is carried out by CBH?

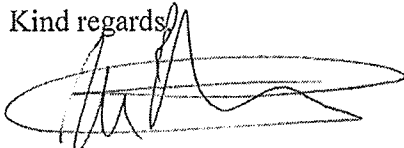
CBH is a cooperative and as such does not distribute dividends but reinvests profits back into storage and handling facilities and other assets including ports and rail rapid loading facilities. As a consequence a level of subsidization occurs across all operations and capital spend.

In relation to rail, the below rail operator WestNet charges CBH higher access and GTK rates in the Kwinana zone which is the largest zone by tonnage compared to the other three zones in which rail is utilised thus subsidising costs across the network. It apparently charges the same for the highly efficient Standard Gauge GTK rate as it does the highly inefficient 16TAL line sections.

2. Please provide details to the Committee, regarding issues that CBH has or had with the Australian Competition and Consumer Council (ACCC) and how CBH had addressed the requirements or undertakings that have been ordered by the ACCC

Details in relation to relevant matters in which CBH have been involved with the ACCC are publicly available on the ACCC website.

Kind regards,



Matthew Mews
Road and Rail Contracts Manager