

Member Update

Title: Nominations and Submissions, GTA Location Differentials

Update No.: 05 of 12

Date of Issue: 26 March 2012

Distribution

- GTA Members – primary contact list. Please circulate to all appropriate internal parties

1. Recommendation – Nominations for New Site LD's allocations or Removal

The GTA Transport, Storage and Ports Committee are calling on nominations for all new grain storage facilities wishing to receive a GTA Location Differential values for the 2012-2013 season.

GTA strongly advises storage operators nominate all their Grain Storage and Handling Assets for the purpose of a GTA Location Differential.

2. Recommendation - Issues with the current Location Differentials

The GTA Transport, Storage and Ports Committee are calling on Members to submit any issues in relation to the current GTA Location Differentials (LDs).

3. Background

The GTA Commerce Committee is responsible for development and ongoing review of the commercial instruments used by the grain trade and will provide the initial guidance in relation to this policy to the GTA Transport, Storage & Ports Committee prior to the commencement of a review process.

"The Commerce Committee's recommendation to the Transport Storage and Ports Committee in relation to the GTA Location Differentials is that the LD remains the same for 2012."

The Transport Storage and Ports Committee have reviewed all submissions regarding the Location Differentials that have come to GTA during the year. A summary of the Committees Considerations are outlined on the attachment below.

4. Special Note

- Sites currently listed with a GTA Location Differential do not require re-nomination to be listed in the coming season 2012/2013. GTA will assume these sites remain as listed.
- Only GTA Members are reserved the right to nominate their sites for Location Differentials.
- All sites large or small, rail or road, are eligible for Location Differentials.
- Sites must also be nominated to be withdrawn from the GTA Location Differential schedule.

5. Review and implementation process

- Feedback is sought from Members on any issues industry feels relevant to the Location Differentials for 2012/2013.
- Following receipt of feedback, the Transport, Storage and Ports Committee will consider all issues raised and prepare a final draft of the 2012/13 Location Differentials.
- Following ratification by the GTA Board, the final Location Differentials will be published on the GTA website and available for industry use.
- GTA LDS for QLD, NSW and VIC are effective from 1 October each year. The WA & SA Location Differentials will be advised when CBH's Grain Express values and Viterra's Export Select values are published.
- **All feedback from industry on the above issues must be received by GTA (admin@graintrade.org.au) by COB Friday 13 April 2013. In your email message line please title "Submission – Location Differentials 2012/2013".**

6. Committee Recommendations

During the last Transport Storage and Ports Committee submission received during the year in relation to the Location Differentials were considered and the following recommendations were arrived.

The Committee has directed GTA to publish these recommendations to Members for industry feedback by the 13 April 2012.

1 Recommendation

Coolamon GrainCorp and Coolamon ABA should be amended that they have the same Location Differential and their distance to port is amended to 412km and Location Differential to 40.25.

2 Background

According to the GTA procedural document '**Development of GTA Location Differentials**'

Sites in same location

Sites operated by different bulk handlers in the same location will have the same LD.

Furthermore a Google maps search has indicated that the shortest distance by road is 412km and both sites should be amended to 40.25 as per Kyalite NSW.

COOLAMON	NSW	PORT KEMBLA	PORT KEMBLA	GRAINCORP	ROAD OR RAIL	430	41.50	
COOLAMON	NSW	PORT KEMBLA	PORT KEMBLA	ABA	ROAD OR RAIL	425	41.25	

3 Submitted by

Brooke Cheel, CBH Group, Grain Services Manager Eastern Australia.

1 Recommendation

Goolgowi GrainCorp and Goolgowi ABA be amended that they have the same Location Differential and their distance from port is amended to 565km and Location Differential to 53.25.

2 Background

According to the GTA procedural document '**Development of GTA Location Differentials**'

Sites in same location

Sites operated by different bulk handlers in the same location will have the same LD.

Furthermore a Google maps search has indicated that the shortest distance by road is 565km and both sites should be amended to 53.25 as per Back Creek NSW also at 563km

GOOLGOWI	NSW	PORT KEMBLA	PORT KEMBLA	GRAINCORP	ROAD OR RAIL	581	54.75	
GOOLGOWI (ABA)	NSW	GEELONG	PORT KEMBLA	ABA	ROAD OR RAIL	567	53.50	

3 Submitted by

Brooke Cheel, CBH Group, Grain Services Manager Eastern Australia.

1 Recommendation

Narromine GrainCorp and Narromine ABA be amended that they have the same Location Differential and their distance from port is amended to 424km and Location Differential amended to 41.25.

2 Background

According to the GTA procedural document '**Development of GTA Location Differentials**'

Sites in same location

Sites operated by different bulk handlers in the same location will have the same LD.

Furthermore a Google maps search has indicated that the shortest distance by road is 424 km and both sites should be amended to 41.25 as per Cumnock NSW at 425 km

NARROMINE	NSW	NEWCASTLE	NEWCASTLE	GRAINCORP	ROAD OR RAIL	422	41.00	
NARROMINE	NSW	NEWCASTLE	NEWCASTLE	AWB	ROAD OR RAIL	427	41.25	

3 Submitted by
Brooke Cheel, CBH Group, Grain Services Manager Eastern Australia

1 Recommendation

Delete Horsham ABA from the GTA Location Differentials.

Advise Moores that the Horsham ABA Location Differential no longer exists and if they wish to have a Location Differential allocated for their site they will need to nominate.

2 Background

ABA advised GTA that these sites would no longer be operating 21/12/09. This amendment was not carried through. GTA was advised by ABA of this situation and the Horsham site is now owned by Moores.

As the sites currently stand on the GTA website

HORSHAM	VIC	GEELONG	PORTLAND	ABA	ROAD OR RAIL	277	29.25	
HORSHAM	VIC	MELBOURNE	PORTLAND	ABA	ROAD OR RAIL	302	31.25	
HORSHAM	VIC	PORTLAND	PORTLAND	ABA	ROAD OR RAIL	216	24.50	
HORSHAM	VIC	PORT ADE.	PORTLAND	ABA	ROAD OR RAIL	442	45.00	

3 Submitted by
Simon McNair, Chief Executive Officer, Australian Bulk Alliance.

1 Recommendation

Remove reference to Donald Harberger Location Differentials on the GTA website and adopted the ABA distance from port.

2 Background

GTA was advise by ABA that Donald ABA and Donald Harberger are one and the same site. Therefore GTA should remove reference to Harberger. GTA reviewed the distance to port and found the ABA distances to be within one kilometre and both the distance and Location Differentials should be adopted as they are.

As the sites currently stand on the GTA website

DONALD	VIC	GEELONG	GEELONG	ABA	ROAD	261	28.00	261
DONALD	VIC	MELBOURNE	GEELONG	ABA	ROAD	280	29.50	281
DONALD	VIC	PORTLAND	GEELONG	ABA	ROAD	307	31.75	308
DONALD	VIC	GEELONG	GEELONG	HARBERGER	ROAD	261	28.00	
DONALD	VIC	MELBOURNE	GEELONG	HARBERGER	ROAD	286	30.00	
DONALD	VIC	PORTLAND	GEELONG	HARBERGER	ROAD	316	32.50	

3 Submitted by
Simon McNair, Chief Executive Officer, Australian Bulk Alliance.

1 Recommendation

Remove reference to Edenhope Viterra Location Differentials on the GTA website. Include a Location Differential for Edenhope Port Adelaide.

2 Background

GTA was advised by ABA that Edenhope Viterra and Edenhope ABA is the same site. GTA could remove Edenhope Viterra Location Differentials from the website and maintain the current ABA distances and Location Differentials as they have been checked and are within 2 to 3 kms.

As the sites currently stand on the GTA website

EDENHOPE	VIC	GEELONG	PORTLAND	ABA	ROAD	336	34.00	338 no change
EDENHOPE	VIC	MELBOURNE	PORTLAND	ABA	ROAD	390	38.50	393 no change
EDENHOPE	VIC	PORTLAND	PORTLAND	ABA	ROAD	165	20.25	167 no change
EDENHOPE	VIC	PORT ADELAIDE	PORTLAND	ABA	ROAD	400	40.75	403 no change
EDENHOPE	VIC	GEELONG	PORTLAND	VITERRA	ROAD	338	34.25	
EDENHOPE	VIC	MELBOURNE	PORTLAND	VITERRA	ROAD	391	38.50	
EDENHOPE	VIC	PORT ADELAIDE	PORTLAND	VITERRA	ROAD	400	40.75	
EDENHOPE	VIC	PORTLAND	PORTLAND	VITERRA	ROAD	168	20.50	

3 Submitted by
Simon McNair, Chief Executive Officer, Australian Bulk Alliance.

1 Recommendation

Wirrabara Viterra's NTP is Wallaroo and should be amended to show this on the GTA website.

2 Background

GTA was advised by CBH that Wirrabara Viterra was showing Port Adelaide and Wallaroo as the NTP. The distance between Wirrabarra and Port Adelaide is 239km according to Google Maps. The distance between Wirrabarra and Wallaroo is 140km by Google Maps. Therefore Wallaroo is the NTP .

As the sites currently stand on the GTA website

WIRABARA	SA	PORT ADELAIDE	PORT ADELAIDE	VITERRA	ROAD		29.06	Wallaroo
WIRABARA	SA	PORT GILES	WALLAROO	VITERRA	ROAD		39.37	
WIRABARA	SA	WALLAROO	WALLAROO	ABB	ROAD		24.76	
WIRABARA	SA	WALLAROO	WALLAROO	VITERRA	ROAD		24.76	

3 Submitted by

Brooke Cheel, CBH Group, Grain Services Manager Eastern Australia

1 Recommendation

GTA to review kilometre rates for Balranald and Robinvale as advised by industry and use only the shortest km rate by road as displayed by Google Maps with no manual amendments.

2 Background

Viterra have asked GTA to review the distances for Balranald and Robinvale. According to the Viterra road team could not get the same distance on Google Maps as GTA have used in the setting of the Location Differential for these sites.

GTA could not replicate the distances used and on file at GTA office (print out of the route on Google Maps) for both sites.

The Best GTA could replicate on Google Maps was 471km for Balranald to Geelong and 480 km from Robinvale to Geelong.

Viterra reported to have found a route or 466km from Balranald to Geelong (Murray Valley and Loddon Valley Hwy and 501km from Robinvale to Geelong via Murray Valley and Loddon Valley Hwy).

As the sites currently stand on the GTA website

BALRANALD	NSW	GEELONG	MELBOURNE	GRAINCORP	ROAD	448	43.00	471km
ROBINVALE	VIC	GEELONG	MELBOURNE	GRAINCORP	ROAD OR RAIL	486	46.00	480km

3 Submitted by

Gavin Cavinargh, Viterra.

1 Recommendation

The methodology for the GTA Location Differential for Taragoro South Australia remains unchanged.

2 Background

Viterra reported:

It appears that GTA may have used the kilometre rate for Rudall/Darke Peak in setting the LD for Taragoro. Given it is closer to port; I would assume the rate should scale up in a similar manner to Arno Bay (one of its closest sites).

Can you look at this and advise, as I have had some queries both internal and external and as an ex committee member, am struggling to explain how we determine the rate once they accept it is much closer than Rudall based on the kilometres.

Location	2011/12 Season LD	Difference	KMs	\$/km
DARKE PEAK	\$ 16.67	\$ 5.77	189	0.088201
RUDALL	\$ 14.22	\$ 3.32	163	0.087239

ARNO BAY	\$	12.55	\$	1.65	116	0.10819
WHARMINDA	\$	13.68	\$	2.78	98.4	0.139024
TARAGORO	\$	10.90			127.4	0.085557

3 GTA response

The closest site to Taragoro is Rudall with a road distance from Taragoro to Rudall of 11 km compared to Arno Bay which is 40km from Taragoro.

The km rate to Port Lincoln from Rudall is .087239 as seen above the difference is in reviewing the site in 2011 Google maps gave GTA the distance of 125km by the Rudall rate of .087239 which gives a LD of 10.90.

As the sites currently stand on the GTA website

TARAGORO	SA	PORT LINCOLN	PORT LINCOLN	EP Storage	ROAD	125	10.90	0.087239
TARAGORO (ABA)	SA	PORT LINCOLN	PORT LINCOLN	ABA	ROAD	125	10.90	0.087239

3 Submitted by

Gavin Cavinargh, Viterra.

1 Recommendation

GTA amend Nhill ABA and Nhill GrainCorp to reflect the same Location Differential of 37.00 to Port Melbourne.

2 Background

It was brought to GTA attention that Nhill GNC and Nhill ABA have differing Location Differentials to Port Melbourne. On inspection by GTA Nhill GNC should be amended up from 36.50 to 37.00.

As the sites currently stand on the GTA website

NHILL	VIC	MELBOURNE	PORTLAND	GRAINCORP	ROAD OR RAIL	372	36.50	37.00
NHILL (ABA)	VIC	MELBOURNE	PORTLAND	ABA	ROAD OR RAIL	372	37.00	

3 Submitted by

Brooke Cheel, CBH Group, Grain Services Manager Eastern Australia.

1 Recommendation

GTA remove the Viterra sites that are listed in both South Australia and Victoria but only reside in Victoria. Furthermore the Export Select Rate provided by Viterra will be rounded to the nearest 25 cents in line with the GTA procedure for the Eastern States.

2 Background

It was brought to GTA attention that some Viterra sites that reside in Victoria are listed in South Australia and Victoria.

GTA has identified these sites and recommends that they are removed from the South Australian listing.

As the sites currently stand on the GTA website

WALPEUP	VIC	PORT ADELAIDE	PORT ADELAIDE	VITERRA	ROAD	361	36.50	
WERRIMULL	VIC	PORT ADELAIDE	PORT ADELAIDE	VITERRA	ROAD	390	38.50	
WALPEUP	VIC	MELBOURNE	PORT ADELAIDE	VITERRA	ROAD	458	43.75	
WALPEUP	VIC	GEELONG	PORT ADELAIDE	VITERRA	ROAD	472	45.00	
WERRIMULL	VIC	MELBOURNE	PORT ADELAIDE	VITERRA	ROAD	572	54.00	
WERRIMULL	VIC	GEELONG	PORT ADELAIDE	VITERRA	ROAD	575	54.25	

3 Submitted by

Brooke Cheel, CBH Group, Grain Services Manager Eastern Australia.