

MemberUpdate

UPDATE 31 of 19 • 24 September 2019

TOPIC: GTA Location Differentials 2019/20 – SA Consultation

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

Consultation for 2019/20 SA Location Differentials

1. Background

GTA publishes the LDs for the storage locations of members in QLD, NSW, VIC, SA and WA annually to enable participants using the GTA Contract No. 2 Grain and Oilseeds in Bulk – Basis Track to price grain at up-country sites.

GTA LDs for QLD, NSW and VIC have been published for 2019/20 season via GTA [Member Update 28 of 19](#)

The Industry has agreed to use Viterra and CBH Group published **freight rates** for South Australia and Western Australia each year, subject to approval by the GTA Commerce Committee.

The GTA Commerce Committee has received LD information for SA for the 2019/20 season. The Commerce Committee has decided to provide opportunity for Member Submission on SA LDs as proposed in the [attached tables](#). Given the late stage of the season the Committee agreed a short submission period of no more than one week is appropriate.

Should no submissions be received the Commerce Committee will endorse the proposed SA LDs as attached for approval by the GTA Board.

NB: Data for Location Differentials for WA is still to be provided. Once provided and reviewed by the Commerce Committee, it shall decide if Member Consultation process is warranted.

2. Location Differentials & Amendments for SA

- As per the Board approved Standard Operating Procedure (SOP) for Location Differentials (LDs), LDs for SA are based off the Viterra Export Select Rates. The rates for 2019/20 have been provided to GTA and subsequently to the Commerce Committee for analysis and review.
- In 2018/19 the Commerce Committee discussed methodology for SA LDs and issues raised in member submissions and resolved to continue with the methodology as per the LD SOP, noting that the Committee reserve the right to adjust any rates, proposed by Viterra, it considers may be misaligned.
- For non-Viterra sites, the agreed methodology (per SOP) "In SA where a site is not owned by Viterra, the LD shall be calculated using the road distance to port of the particular site based on Google Maps based on the rate/t per km rate for the nearest Viterra site adjusted for distance."
- GTA has consulted with site owners to confirm recommended LDs for the respective sites.
- Where a site exists in a town with a Viterra site, all sites in that town will be allocated the Viterra LD, in accordance with the SOP.
- For Viterra sites located outside of SA, the East Coast LD methodology has been applied.
- For LDs from Viterra sites to non-SA (Viterra) Port such as Portland or Geelong, the East Coast LD methodology has been applied.

The current GTA Location Differentials can be found via http://www.graintrade.org.au/location_differential_tables

3 Submissions – Due 1 October 2019

All industry feedback on the above issues must be received by **Tuesday 1 October 2019** and be forwarded to submissions@graintrade.org.au

All other submissions should be presented on the [GTA Technical Committee Submission Form](#).