



7 May 2012

By Email: transport@accc.gov.au

Mr David Salisbury
A/g General Manager
Transport & General Prices Oversight
ACCC
GPO Box 520
MELBOURNE VIC 3001

Dear Mr Salisbury

Re: VITERRA OPERATIONS LIMITED - Application to vary Port Terminal Services Access Undertaking

With reference to Viterra's Application to vary the Port Terminal Services Access Undertaking accepted by the ACCC on 28 September 2011, Gavilon Grain Australia Pty Ltd (Gavilon) remain committed to supporting an auction system as a means for allocating port capacity through Western Australia and South Australia.

Gavilon notes that the Auction Objection Notice stated that 'the ACCC considers that more time should be given to address the issues in Viterra's proposed auction system, which will involve industry, before an auction system is introduced in South Australia'. However, Gavilon would not like to see a repeat of the issues the industry experienced in relation to the opening of the shipping stem for the 2011/12 harvest under a First In First Served system and prefer to have the auction system implemented in time for the 2012/13 harvest.

Furthermore, the industry has put forward a number of proactive ways to deal with some of the shortcomings of the system in WA, including more regular auctions, methods of limiting 'gaming' and offering shippers more flexibility to manage their slots.

Gavilon does not support the time extensions proposed in Viterra's Application to vary Port Terminal Services Access Undertaking. Gavilon believes that Viterra and the industry in general have had sufficient time to implement an auction system and believe that further delays with the implementation will again ultimately affect exporter's plans and competition in SA for the forthcoming season.

Yours sincerely

Justin Swan
General Manager Marketing
Gavilon Grain Australia Pty Ltd