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3 September 2009

Mr Anthony Wing  
General Manager  
Transport and General Prices Oversight  
Australian Competition and Consumer Commission  
GPO Box 520  
Melbourne VIC 3001

***Via E-mail: [transport@accc.gov.au](mailto:transport@accc.gov.au)***

Dear Mr Wing

### **Port Terminal Services Access Undertakings**

The Port of Portland Pty Ltd (POPL) thanks you for the opportunity to contribute to the Australian Competition and Consumer Commission's (ACCC's) assessment of port access undertakings, submitted by various Bulk Handling Companies (BHC) who control port terminals, related to the export of bulk wheat. POPL has monitored the submissions and undertakings being provided to the ACCC in relation to the Inquiry into Port Terminal Services Access.

POPL owns the Port of Portland - a regional port in South-West Victoria, strategically located between the capital city ports of Melbourne and Adelaide. The Port of Portland is a naturally deep water port and is the only Victorian port capable of fully loading a Panamax size grain vessel. The grain terminal at the Port of Portland is owned and operated by GrainCorp Ltd. POPL's key objective is to optimise grain exports through the port by providing all accredited exporters with an equal opportunity to access an export gateway in a fair and competitive environment.

### **GrainCorp's Proposed Undertakings**

We have read the draft decision by the ACCC not to accept GrainCorp's proposed Undertaking and the reasons underpinning the draft decision. We make the following comments in relation to views presented in the draft decision:

1. We support the ACCC's position on the publication of grain stocks at the port terminal. We suggest that this is expanded to include information pertaining to the percentage utilisation of the available grain storage. In the case of the grain terminal at Portland, available grain storage is 80,000 tonnes in silos and a shed.

2. We agree with the ACCC's position on the inclusion of cargo accumulation services to be included in the Undertaking as it is a critical planning and operational tool for any potential exporter.
3. We concur with the view that key port terminal information and shipping stems should be visible to the market, preferably within a defined timeframe after being received by GrainCorp, thus enabling other exporters to clearly direct their grain to a port terminal where they are likely to encounter the minimum downtime. To complement this process, on a daily basis, POPL will provide on its website an updated expected vessel schedule looking ahead at the next 30 days so all exporters are well informed. This will avoid confusion over conflicting shipments at Berth 1 (the grain berth) at the Port of Portland.
4. Given the timelines in the vessel nomination protocol suggested by GrainCorp, POPL will develop a specific berth access protocol for Berth 1, which may include booking berth slots to give all wheat exporters greater confidence that their vessels will not be disadvantaged against non-grain vessels.
5. Pricing for handling grain from GrainCorp storage and third party storage needs to be fair and transparent to ensure the Portland facilities remain competitive for third party exporters regardless of up country storage arrangements.

### **General Observations on the Review**

We share the ACCC's concerns on port access and understand the intent of the Wheat Export Marketing Act (WEMA) on access to port terminal services. Fair and open access to port terminal services is particularly critical at Portland where a competing facility cannot be accommodated, given the high entry costs for new players in providing port terminal services will be a significant barrier.

While we acknowledge that upcountry storage services are excluded from WEMA and the current review is solely focused on port access, POPL shares concerns around monopolies forming in the grain supply chain with the BHC controlling port terminals and up country storage in conjunction with contracting freight operators to provide transport of wheat from up country storage to the port terminal.

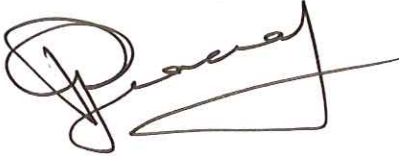
We feel the emergence of competition will be crucial to the success of the deregulated wheat export market. POPL is keen to understand how supply chains will operate under the new deregulated regime and any consequential impacts on competition between wheat exporters. From a POPL perspective, we will watch supply chain complexities and market behaviours to determine whether there are elements which could disadvantage the Port of Portland.

### **Melbourne Port Terminal**

POPL finds the exclusion of the Melbourne Port Terminal (MPT) from being required to have an access undertaking accepted by the ACCC an anomaly, as the key stakeholders in the MPT are also accredited wheat exporters.

If the Commission wishes to discuss this letter, please contact Scott Paterson, CEO or Peter Gracias, Business Development Manager on (03) 5525 0900.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Peter Gracias', with a large, stylized initial 'P' and a long horizontal stroke extending to the right.

Peter Gracias  
Business Development Manager