

13 August 2015

General Manager
Infrastructure & Transport – Access & Pricing Branch ACCC
GPO Box 520
MELBOURNE VIC 3001
Email: transport@acc.gov.au

RESPONSE TO ACCC'S DRAFT DETERMINATION REGARDING EXEMPTION OF GRAINCORP'S PORT KEMBLA TERMINAL

Dear Sir/Madam,

This document provides GrainCorp's comments in relation to the ACCC's draft decisions relating to GrainCorp and Quattro's respective port terminals at Port Kembla (the **Draft Decisions**).

GrainCorp welcomes the Draft Decision to exempt its port terminal facility at Port Kembla. Reduced regulation at the terminal will enable us to operate our port with greater flexibility and efficiency, for the benefit of exporters, customers and other industry participants.

We note the Draft Decision is to delay the exemptions until such time as Quattro becomes subject to regulation under the Code, (1 October 2015). Quattro's submission states that completion of construction on its terminal is not expected until after this date, which causes concern that the exemption may be delayed even further.

GrainCorp submits that delaying the exemption for its terminal in this manner extends the discriminatory regulatory regime that has already had a significant commercial impact on the company. Quattro's submission highlights that it has already reached agreements with two of its investors, who accounted for average annual exports of approximately 500,000 tonnes out of Port Kembla. These investors will be exporting from the Quattro terminal in future. GrainCorp is currently unable to make agreements with such flexibility.

In particular, we submit that it is critical we are able to have the exemption as soon as possible, to enable us to commence negotiations with our export customers on long term agreements; in order to provide commercial certainty to them and to us.

Please don't hesitate to contact me should you wish to clarify or discuss the matters raised in this letter.

Yours sincerely,



NEIL JOHNS
Group General Manager, Storage & Logistics

GrainCorp Operations Limited

Level 28, 175 Liverpool Street
Sydney NSW 2000

PO Box A268
Sydney South NSW 1235

T 02 9325 9100
F 02 9325 9180