



Our reference Michael Bradley 09707
Phone +61 2 8216 3006
Email michaelb@marquelawyers.com.au
Your reference 43889

29 April 2011

Australian Competition & Consumer Commission
Transport & General Prices Oversight Branch

Attention: Lyn Camilleri

Dear Sirs

Request for information - Australian Bulk Alliance Port Terminal Services Access Undertaking

We refer to your letter of 13 April 2011 and s44ZZBCA(1) notice requesting information. We are instructed to provide the following information in response.

Differential charges

1. This charge is imposed, in relation to a service which is provided during normal day shift hours only. Out of hours service incurs an extra charge of \$1.00/mt as per the Explanatory Notes to Charges.
2. No.
3. Grain received from non-ABA sites requires full quality assessment and classification on receipt, whereas grain received from ABA-owned sites has already been classified by ABA. This involves a significant cost difference to ABA, which it seeks to recover by the slightly higher charge.

Liability arrangements

4. The level has been consistent for many years.
5. There have been no claims in relation to the Melbourne Port Terminal since 1 January 2009.

Capacity at ABA's port terminal

6. (a) The maximum monthly throughput (export) achieved was 177,704 metric tonnes in April 2004.

- (b) Based on current transport constraints, the estimated maximum monthly throughput is 80,000 -90,000 metric tonnes.
- 7.
- (a) 215,243 metric tonnes.
 - (b) 457,057 metric tonnes.
 - (c) 274,067 metric tonnes.
8. The major constraints affecting overall throughput capacity are as follows.
- (a) The ability of the transport industry to deliver grain to the terminal. Both the rail and road transport industries are severely constrained by a range of factors, with the consequence that the daily volume that can be physically delivered to the terminal is much less than the volume that could be loaded onto ships.
 - (b) There are logistical issues at the terminal site in respect of unloading: there is only one discharge pit for trucks and the grain can only be elevated from there into one of the silos on site; and the available length of rail available on the south side of the rail discharge put results in the need for trains to be split in half for unloading, meaning that unloading takes considerably longer than would otherwise be the case.
 - (c) Some clients refuse to commingle their grain with that of other customers, which significantly reduces storage capacity.
9. See 8 above.
10. Not applicable.
11. See attached Schedule 1.
12. See attached Schedule 1. Details of the specific instances of deferral follow. When a client enquires about splitting or deferring a Nomination, they are informed that ABA will seek to accommodate the request but that priority will be given to Nominations that have not been split or deferred.
- (a) In January 2011 Bunge nominated tonnage of 46,000mt which included 11,000mt which was a carry-in commitment from the prior year. In the event, the latter volume was not used. In March 2011 Bunge nominated 30,000mt but loaded 7,430mt. The balance was deferred due to congestion problems, with ABA's agreement.
 - (b) Queensland Cotton advised a deferral of nominated tonnage for March on 3 March 2011 and this was accepted by ABA.
 - (c) CBH sought to defer its March nomination to August, and this was accepted by ABA.
 - (d) On 28 February 2011 Emerald sought to defer part of its March nomination to September. This was accepted by ABA on 1 March.

Record keeping

13. (a) Yes.
(b) No.
(c) No.
(d) No.
(e) No.
(f) Yes.
(g) No.
(h) No.
(i) Yes.
(j) Yes.
(k) Yes.
14. The time period is one month.
15. The purpose of clause 9 is to allow ABA to reject an Intent to Ship Advice which has not been completed in respect of the information required in accordance with Annexure 1, but instead purports to leave some or all information to be provided later by writing "To Be Advised" or "TBA". This is not in any way inconsistent with clauses 8 or 20.
16. (a) The ETA is included in the Vessel Nomination form referred to in clause 20. It must be received 21 days prior to loading.
(b) Generally a span of days.
17. The loading date is established pursuant to clauses 23-25.
18. Clause 22 is designed to ensure that the cargo accumulation and loading of an existing Vessel Nomination is not delayed by ABA accepting another earlier Vessel Nomination which is very close in time to the first Nomination, without that exporter's prior approval. If the bookings are allowed to be that close in proximity, then the risk of delay is considerably increased.
19. The most likely circumstances whereby a cargo will not be fully accumulated will be a customer's inability to access sufficient land transport to deliver the grain to the terminal in a timely way, causing potential delays to the shipping stem. The result may be that the cargo loaded is less than the quantity booked, or that loading is interrupted, depending on the circumstances. ABA's goal is to balance maximum efficiency of the terminal operation against

fulfilling all customers' requirements, in an operating context that has many necessarily variable factors.

20. Loading priority is based on cargo in storage then ETA.
21. If an Intent to Ship Advice is received from a customer who has not executed a Storage and Handling Agreement, then it may be dealt with after others.
22. Yes.
 - (a) If grain remains after the vessel has departed, the Client retains ownership.
 - (b) There is no set time, but ABA will require this to occur as quickly as possible.
 - (c) The scheduled storage charges apply.
23. Within five business days.
24. Confirmed.

Information sharing

25. ABA's policy is that it does not in the ordinary course of business share information, other than public domain information, with third parties, including Emerald Group Australia Pty Ltd.
26. ABA's policy is that it does not provide information regarding quantity or quality of grain held at the MTO to anyone other than the owner of that stock. Emerald Group Australia Pty Ltd has not been treated any differently to any other third party in this respect.

Yours faithfully



Michael Bradley
Managing Partner