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Regulated Access – Wheat Ports; Infrastructure & Transport - Access & Pricing Branch
Australian Competition and Consumer Commission
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Email: transport@acc.gov.au

17 November 2020

Dear Mr Barrett,

Re: GrainCorp Operations Limited response to ACCC draft determination under the Port Terminal Access (Bulk Wheat) Code of Conduct - Viterra Operations Pty Ltd facilities at Port Adelaide (Inner Harbour and Outer Harbour)

GrainCorp, in its capacity as a customer of Viterra and more generally as an industry participant, welcomes the opportunity to provide submissions in support of the ACCC's draft determination to grant Viterra Operations Pty Ltd (**Viterra**) an exemption under the Code in respect of its facilities at Port Adelaide (Inner Harbour and Outer Harbour).

GrainCorp does not propose to comment on the specific matters set out in section 1.4 of the draft determination but rather comments on the draft determination more broadly.

GrainCorp as a customer of Viterra in South Australia utilises Viterra's supply chain infrastructure to transport grain from up-country through to end-customers both domestically and internationally; stores grain at Viterra's country receival sites; utilises its rail services to transport grain to port; and exports grain by vessel from Viterra's bulk grain export terminals (including those at Port Adelaide).

Exporters have access to viable alternative port terminal service providers at Port Adelaide including mobile ship loading providers as well as the recent opening of operations at Lucky Bay. GrainCorp, as a long term customer of Viterra at Port Adelaide, is satisfied that Viterra has adequate incentive to provide fair and transparent access to its port terminal services at Port Adelaide.

As a bulk grain handler, GrainCorp supports the proposed reduction in regulation at Port Adelaide. An exemption from Parts 3 to 6 of the Code gives port terminal service providers the ability to respond to dynamic markets efficiently and provide operational flexibility to its customers. The additional regulation imposed by Parts 3 to 6 of the Code often mean port terminal service providers are required to run parallel regulatory processes leading to increase compliance costs and additional resourcing.

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GrainCorp

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GrainCorp believes that the ACCC's draft determination to grant Viterra an exemption from Parts 3 to 6 of the Code will benefit both Viterra's customers and South Australian grain growers for the following reasons:

- *Flexibility to provide customers with customised solutions.* Rigidity of additional regulatory requirements often leads to standardised services which limits the ability to meet the specific needs of the grain grower or customer.
- *Services are priced more competitively.* In periods of low demand, regulated facility owners operate at a higher fixed cost than exempt providers and, therefore, must operate at a higher sales cost to customers. The cost impact is ultimately borne by the grain grower.
- *Supply chain efficiencies may be optimised.* As an integrated supply chain manager/port owner, the proposed exemption would allow Viterra a greater ability to optimise efficiencies through its supply chain, resulting in lower costs to the growers/customers. Exemption from additional regulation provides greater ability to manage how a port facility is used and supports the operator's objective of optimising asset utilisation.
- *Promoting long term investment.* Greater operational flexibility promotes and encourages longer term investment in the supply chain, rather than seeking short term commercial outcomes.

GrainCorp appreciates the opportunity to provide submissions in response to the ACCC's draft determination.

Your Sincerely,

Sean Barker

General Manager – Domestic Commercial; Customer and Commercial