

24 March 2016

Renée Coles
Acting Director
Infrastructure & Transport – Access & Pricing Branch
Australian Competition and Consumer Commission
GPO Box 520
Melbourne VIC 3001

Dear Renée

Port Terminal Access (Bulk Wheat) Code of Conduct – Response to Industry Submissions

We note the submissions from AGEA and Viterra and welcome that neither oppose Patrick's exemption application. However, we felt it would be useful to clarify some points raised in Viterra's letter.

It is misleading to imply that Patrick can potentially handle 25% of the grain task. Viterra do this by artificially constraining the market to grain loaded at Inner Harbour ignoring Viterra's other large facilities within the Port of Adelaide and throughout the state. In 2015 6,291,704 tonnes of grain were exported from South Australian Ports of that total 2,396,780 tonnes were exported from Port Adelaide.¹ Thus Patrick's potential export through the Port of Adelaide of 225,000 tonnes represents 3.6% of state volumes and 9.3% of Port Adelaide volumes.

Although not a key plank in Patrick's case for exemption, it was interesting to note Viterra's rejection of the independent report which stated that South Australia had relatively high supply chain costs. It would seem to be relatively uncontentious that a region with a monopoly supplier, other things being equal, will have higher supply chain costs than a region which enjoys competition between suppliers.

Please contact me if you would like any further information.

Yours sincerely



Dr Tim Kuypers
GM Regulation
Asciano

¹ Source Flinders Ports: <http://www.flindersports.com.au/wp-content/uploads/Annual-Summary151.pdf>