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Submission: Exempt Thevenard from the Port Terminal Access (Bulk Wheat) Code of Conduct Parts 3 to 6

1. Introduction

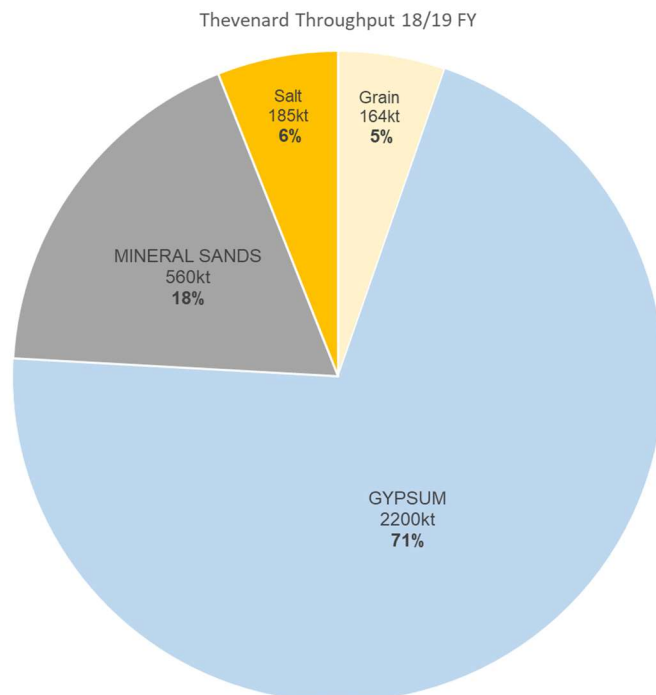
Gypsum Resources Australia (GRA), the 50/50 Joint Venture between leading Australian building material companies CSR and USG-BORAL, is the largest user of the Port of Thevenard (Thevenard).

In line with subclause 5(3) part (e) of the Code - GRA seeks to remove the efficiency and flexibility constraints imposed on ship loading operations for the major users of Thevenard by the Code.

Given the small volumes of wheat (all grain for that matter) through Thevenard relative to the other commodities we support Viterra's application to exempt Thevenard from the Code Parts 3-6 to the extent that it will enable the provider of ship loading services (Viterra) to efficiently programme maintenance without being in breach of those parts of the Code.

2. GRA's Credentials

- GRA ships approximately 2 million tonnes of gypsum per year from the Port of Thevenard in South Australia.
- GRA employs some 60 people directly in its mining and administration groups whilst employing an estimated further 40 direct contractors (Rail, Ship-loading, Trucking).
- GRA is a significant user of Thevenard. In 2018/2019 FY gypsum was 71% of total port throughput at 2.2Mt tonnes, with grain (wheat & barley) being only 5%.



- GRA engages Viterra to provide ship loading services at Thevenard by conveying the gypsum down the jetty and onto GRA's nominated vessels.
- GRA's business is a logistics business involving a low value product, gypsum, which is mined at the "front end". For the business to be competitive, the logistics chain has to be very reliable, efficient and competitive.
- Gypsum is a key input material for the manufacture of Plasterboard and Cement with the greater percentage of GRA's product being used for Plasterboard.

3. GRA's Predicament

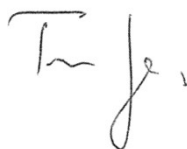
- Viterra is required to shut down the ship loader at Thevenard for 4 x 16 day blocks (64 days) per year for planned maintenance. These closures have been planned out to 2021.
- The timing and duration of these outages are apparently dictated by the Code (via Viterra's Port Loading Protocols).
- GRA is unable to load ships with gypsum during these periods. Given GRA is required to load approximately 80 ships per year in a fairly even spread, these closures cause undue hardship. The closure periods are excessive in total amount of time, total time per event and frequency of event.
- Planned maintenance shut-downs of this length and regularity cause significant risk and inefficiency in GRA's long established supply chains. It effectively chokes GRA's high volume business.
- GRA can provide specific examples to demonstrate this, with individual events incurring several hundred thousand dollars in consequential costs.
- According to Viterra its Port Loading Protocols and associated capacity allocation agreements with grain clients are a key factor in driving the shutdown length and timing. Viterra inform GRA they are:
 - unable to split planned shut downs into a more ideal two smaller blocks of 8 days due to the grain slots.
 - unable to load any non-grain vessels in slots that have been purposely unsold to grain clients and set aside for planned maintenance.

4. Conclusion

GRA seeks an efficient ship loading operation at Thevenard. Viterra's ability to be flexible and efficient in their programming of maintenance on the ship loader is apparently compromised by their required compliance with the Code. This is causing the majority users of the port significant inefficiency and cost.

I would welcome the opportunity to clarify or expand on this submission.

Yours sincerely



Tim Lange
Logistics Manager GRA