

From: David Knight
Sent: Wednesday, 2 September 2015

On behalf of Quattro Ports I would like to thank you for the notification of the exemption of our Port Kembla facility from the Port Terminal Access Code of Conduct.

One point we would like to draw your attention to and as previously mentioned and detailed in our submissions to the commission, we always believed that the focus of your review on Port Terminals only, was too narrow and created the potential for Graincorp to capitalise on their vertically integrated operations by shifting the barrier to entry from the Port to the “up-country” grain accumulation terminals. Within days of your notification that Graincorp would be granted exemption they restructured their charges to materially increase fees for using their up-country facilities if the grain was not handled through one of Graincorp’s port terminal.

The Graincorp 2015/16 Country Storage & Handling Agreement now contains the following clause: -

“The existing Third Party Port Terminal Fee of \$2 per tonne in the Port Terminal Services Agreement will be replaced with a Third Party Export Rail Outload Fee of \$2.50 per tonne in the Country Storage and Handling Agreement. The fee will apply to grain out loaded by rail from a Graincorp Silo to a Non-Graincorp port terminal.”

The concerns we raised with you, in writing and during your site inspection have now materialised and Graincorp barely waited for the ink to dry on your announcement before exercising their considerable market power. This is a very disappointing outcome.

Regards,

David Knight | Director – Business Development

Qube Holdings Limited

