

The Victorian Farmers Federation (VFF) welcomes the opportunity to make a submission to the ACCC on whether the Port of Portland Limited (POPL) should be an exempt service provider of bulk wheat port terminal services. Should they qualify for this exemption, the POPL would no longer be required to comply with Part 3 & 6 of the *Port Terminal Access (Bulk Wheat) Code of Conduct* in relation to port terminal services provided by means of specified port terminal services.

The VFF represents grains farmers within the Portland grain catchment area. Said farmers will be directly and adversely affected by the proposed changes to the exemption status of POPL. The Code regulates the conduct of Port Terminal Service Providers to ensure fair and transparent access to port terminal services. An exemption from said Code will likely lead to an increased supply chain cost that will ultimately be passed back to farmers in the catchment area.

The VFF has long held the view that transparency is essential for efficient market operations, especially where sufficient competition does not exist. This measure ensures that farmers are not impeded by anti-competitive behaviour from entities along the supply chain.

The consequence of removing the exemption status of POPL is likely to have significant economic impact on the grain farming community in the corresponding catchment area. The proposed removal of transparency is likely to expose grain farmers to potential anti-competitive behaviour.

The VFF has identified a number of issues with POPL gaining exemption from Part 3 and 6 of the *Port Terminal Access (Bulk Wheat) Code of Conduct* pertaining to an insufficient level of competition. The existing composition of competition at the Port of Portland holds only two *port terminal service providers* offering ship loading services in the area. The VFF strongly believes that this number of service providers does not qualify as a sufficient level of competition to provide exemptions to Part 3 & 6 of the *Port Terminal Access (Bulk Wheat) Code of Conduct*.

The VFF is concerned that given the insufficient level of competition of *port terminal service providers* at the Port of Portland, an exemption from the code will lead to perverse outcomes for grain farmers. Service providers would be granted the power to artificially inflate the price of their loading services. The inflated cost of terminal services is more than likely to be passed from the traders utilising said services to grain farmers in the catchment zone. The VFF takes the view that all bulk port facilities be subject to the Port Code irrespective of whether there is competition or not.

In addition, the VFF holds concerns over the impact of exempt service providers no longer being required to publish information on port capacity. A likely outcome from this change is grain traders prioritising booking capacity on ships rather than guaranteeing a sale on goods shipped. This can result in sales not being finalised, leading to a riskier grains market for farmers. The additional element of volatility and uncertainty introduced to the market, which may lead to adverse financial outcomes for the grain farmers in the Portland catchment area, is both unnecessary and detrimental to a continually improving local industry.

It is important to reiterate that the cost to the grain farming community if an exemption from Part 3 and 6 of the *Port Terminal Access (Bulk Wheat) Code of Conduct* will be significant and ultimately lead to anti-competitive behaviour and a less secure grain trading market.

Thank you for the opportunity to make this submission. The VFF remains committed to assisting the Australian Competition and Consumer Commission in ensuring markets remain fair and transparent. Should you wish to discuss these matters further, please contact VFF Grain Commodity Manager, Vincent Britnell via email [vbritnell@vff.org.au](mailto:vbritnell@vff.org.au).

Yours sincerely,



Ashley Fraser  
President Grains Group  
Victorian Farmers Federation