



Australian
Competition &
Consumer
Commission

GPO Box 3131 Canberra ACT 2601
23 Marcus Clarke Street Canberra ACT
tel: (02) 6243 1111 fax: (02) 6243 1199
www.accc.gov.au

NEWS RELEASE

ACCC CONSULTS FURTHER ON VITERRA AUCTION SYSTEM FOR BULK WHEAT EXPORTS

The Australian Competition and Consumer Commission has issued a Consultation Paper seeking submissions on Viterra's revised proposed auction system for the use of its port services for bulk wheat export.

Under the Access Undertaking accepted by the ACCC in September 2011, Viterra must replace its first in, first served capacity allocation system with an auction system. On 11 April 2012, the ACCC objected to the initial auction system proposed by Viterra because it was substantially similar to the system currently in operation in Western Australia.

Auctions held in WA late last year highlighted a number of problems with the operation of that system. Large volumes of port terminal capacity remained unallocated through auction, despite the record breaking crop harvested last season.

Viterra's revised proposal changes the way in which auction proceeds are rebated to exporters and makes changes to the auction rules and the secondary first in, first served system. These changes aim to allow for the auctions to conclude more quickly and prevent gaming. In designing the revised auction proposal, Viterra has sought to address the ACCC's concerns as outlined in its Auction Objection Notice.

The ACCC oversees port access arrangements for wheat exporters as part of the deregulation of the wheat industry. Access undertakings are intended to ensure that third party exporters are able to access the port terminals operated by vertically integrated port terminal operators, ensuring competition in the market for the export of bulk wheat.

Further information on Viterra's revised auction proposal, the Consultation Paper and how to make written submissions is available on the ACCC's website at www.accc.gov.au/viterra

Media inquiries

Mr Rod Sims, chairman, (02) 6243 1108 or 0408 995 408

Mr Duncan Harrod, media unit, (02) 6243 1108 or 0408 995 408

General inquiries

Infocentre: 1300 302 502

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