



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 TO WORK WITH VITERRA TO IMPROVE AUCTION SYSTEM FOR BULK WHEAT EXPORTS**

The Australian Competition and Consumer Commission will work with the wheat industry and Viterria to improve the proposed capacity allocation arrangements for port terminal services in South Australia for the export of bulk wheat.

Viterria, the port terminal operator, proposed an auction system to allocate port terminal capacity among competing exporters, as required under its access undertaking.

"The ACCC acknowledges the substantial work that Viterria has undertaken in preparing the proposed auction system and in consulting with industry," ACCC chairman Rod Sims said.

However, the auction system proposed is similar to that currently operating in Western Australia, despite additional measures including improved transparency and flexibility to move shipping slots in the Viterria system. Recent auctions in Western Australia have highlighted a number of problems with the operation of the system. Large volumes of capacity have not been allocated through auction, despite the record breaking crop harvested this season.

The ACCC is mindful that the industry is currently considering how to respond to these problems and considers that more time should be given to allow the industry to consider potential modifications to address these issues before such an auction system is introduced into South Australia.

In issuing an auction objection notice, Mr Sims said "this is an industry-wide problem and more time is required to properly explore potential solutions."

"The ACCC acknowledges that Viterria has approached its obligations under its access undertaking in good faith and the concerns the ACCC has identified are largely industry issues, rather than a reflection on Viterria's approach."

The ACCC will work with Viterria and the industry to ensure that the best possible auction system can be introduced in SA for the benefit of the bulk wheat exporting industry and the wheat industry more broadly.

Given the need for further industry consultation, this will involve extending the timelines set out in Viterria's access undertaking without penalty to Viterria.

The ACCC has a role in approving access undertakings 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 fair competition in the market for the export of bulk wheat.

The ACCC accepted an access undertaking from Viterra on 28 September 2011. Part of this undertaking is an obligation to introduce an auction system for the primary allocation of port terminal capacity by May 2012.

**Media inquiries**

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

**General inquiries**

**Infocentre: 1300 302 502**

**NR 71/12**

**11 April 2012**