



Australian
Competition &
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Commission

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NEWS RELEASE

ACCC REDUCES REGULATION AT GRAINCORP'S NEWCASTLE PORT TERMINAL

The Australian Competition and Consumer Commission has accepted GrainCorp's application to vary its Port Terminal Services Access Undertaking at its Newcastle bulk grain facility.

"The ACCC considers that a more competitive market for the export of bulk wheat is in the best interests of farmers. The variation will provide GrainCorp with greater flexibility to compete against the two bulk wheat export operations at the Port of Newcastle," ACCC Commissioner Cristina Cifuentes said.

GrainCorp applied to the ACCC to vary its undertaking to allow its Carrington terminal in Newcastle to be subject to less access regulation. GrainCorp submitted that it now faces competition from two other bulk wheat export facilities, which are not subject to access regulation and argues that it is at a competitive disadvantage as a result.

After examining the port of Newcastle and the surrounding port zone, the ACCC's view is that there is a sufficient level of competition and capacity, such that the current level of regulation on GrainCorp is no longer required at that port.

"This application has allowed the ACCC to react to the market situation at Newcastle in a flexible way. The reduction in access regulation at GrainCorp's terminal is an appropriate regulatory response to the more competitive market at Newcastle, and reflects the ACCC's view that regulation should be fit for purpose" Ms Cifuentes said.

The ACCC received submissions from the NSW Farmers Association and Cooperative Bulk Handling in response to its draft decision. Concerns raised by these parties have been considered in the decision to accept.

GrainCorp's undertaking will continue to apply the existing level of access obligations at its six other port terminals.

The ACCC approves access undertakings for port terminal operators who also have bulk wheat exporting operations. Such operators must submit access undertakings to the ACCC in order to meet the 'access test' in the *Wheat Export Marketing Act 2008* (Cth) and be entitled to export bulk wheat.

Further information is available at www.accc.gov.au

Media inquiries

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