

Name

Submitter's name has been removed at their request.

State or Territory

NSW

Are you responding on behalf of an organisation?

No

The Wheat Port Code is scheduled to sunset (be automatically repealed) on 1 October 2024, unless the government decides to remake the code.

Should the Wheat Port Code be:

Remade with amendments

How would you like to provide your feedback?

Both

What changes (if any) have occurred to market conditions or business arrangements in the bulk wheat export industry since the Wheat Port Code's introduction that strengthen the case for either retaining the code as is, amending the code, or allowing the code to sunset (possibly with alternate arrangements in place)?

The ports are a natural bottleneck in areas where there is an export surplus of grain. In the absence of regulation preventing them, the asset owners can only be expected to extract whatever they can from that situation for the benefit of their shareholders. Even though the years since the Code's introduction have seen a small increase in the number of discrete assets loading grain, they can still be expected to operate as an oligopoly in the absence of regulation. Certain areas would still enable monopolistic pricing.

What are the costs and benefits in retaining, amending or allowing the Wheat Port Code to sunset?

Some form of regulation will be needed to ensure competition into the exporting pipeline. Without that regulation, the asset owners could be expected to generally exclude others from using the export facilities in the same way things operate in most other parts of the world. In areas of export surplus, grain will generally have to price at whatever level the gatekeeper to the bottleneck provides the market as long as that price is better than what the seller can earn carting it to the next nearest export facility or domestic bid in a region without an export surplus. Whether these are benefits or costs will depend on one's perspective but prices to farmers will undoubtedly be lower without the competition the Code brings. That will have knock on effects to the communities in which they live, land prices and so on.

If required, are there alternative options, including non-regulatory options (such as a non-prescribed voluntary code), that could deliver better outcomes for the bulk wheat export industry than the Wheat Port Code?

Not that could be expected to be failsafe.

What justification is there to continue the operation of the Wheat Port Code over and above the protections provided under the *Competition and Consumer Act 2010*?

The said act isn't likely to bring about the same level of competition that the Code would.

What effect has the Wheat Port Code had on access and competition (including the promotion of competition in upstream and downstream markets)?

It increases completion. Famers see bids from buyers other than those that own the facilities. Consumers see offers of grain from sellers other than the facility owners. That streamlining is central to efficient markets. The system supports the development of forward markets to a greater degree than would otherwise be the case.

Could the Wheat Port Code be amended to improve its operation? If so, what would be the focus of these improvements?

No Answer

Should the ministerial power to exempt cooperatives under subclause 5(1) of the Wheat Port Code be retained?

No

Should the access related regulatory requirements that exempt service providers are not required to comply with (i.e. Parts 3 to 6 of the Wheat Port Code) be retained or amended?

Not sure.

Should the requirement for all port terminal service providers to make available a port loading statement each business day under clause 7 of the code be retained or amended?

Retained

Which of the following best describes your current situation:

Other (please specify) - Potential future investor but mostly interested in access to spot and forward grain markets.