

4 December 2012



**FEDERAL CHAMBER
OF AUTOMOTIVE
INDUSTRIES**

ABN 53 008 550 347

Ms Deborah Cartwright
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Dear Ms Cartwright

NOTICE OF OBJECTION

The Federal Chamber of Automotive Industries (FCAI) is the peak industry body representing vehicle manufacturers and importers of passenger cars, light commercial vehicles, SUVs and motorcycle in Australia. On behalf of our members, the FCAI is lodging an objection to the notification by Australian Amalgamated Terminals (AAT) of the tariff review dated 15 November 2012 applying to the Facility Access Charge (FAC) and other tariff types at a rate of 7.5% to be applied at Port of Melbourne Webb Dock West and an increase of 2% at Port Adelaide proposed to come into effect in both cases from 15 February 2013.

The FCAI notes that the ACCC Authorisation requires AAT to provide, among other information, the reasons for the proposed price increase. FCAI has received a short note from AAT and also investigated the information on the AAT website to seek information that in our view would comply with the requirements of clause 2.4.2(c) of the Authorisation Conditions. While AAT have offered that the price increase is due to overestimated volume forecasts and rising property costs the detail provided with this information lacks the capacity to inform the industry to the extent that we can make a considered decision on the reasonableness of the proposed price increase.

To the contrary, our own figures indicate that during the calendar year 2012 the actual volumes of motor vehicle imports and exports through Webb Dock West has increased significantly compared to the previous twelve month period. Estimates are that for the major importer and exporter at Webb Dock West

volumes in 2011 were 30% lower than in 2012. When added to the statements in the annual reports of the owners of AAT, which have noted significantly improved financial performance within the Divisions associated with motor vehicle terminal/stevedoring operations, it is understandable why the industry is seeking this independent review. In doing so, the FCAI and its members reserve all rights to make further claims of the inappropriateness of the basis of the tariffs upon the provision of further information by AAT or the Independent Price Expert.

The FCAI requests a meeting at the earliest opportunity with the Independent Price Expert to further discuss our concerns with the proposed tariff increases. Please contact me on 02 6229 8217 to arrange a suitable appointment.

Yours sincerely



TONY MCDONALD
Director, Industry Operations

cc: Mr Craig Faulkner
Chief Executive Officer
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