



Australian Amalgamated Terminals

Level 11, 330 Collins St.
Melbourne, Victoria
Ph: 03 8698 6900
Fax: 03 9681 7014

15th November 2012

Dear

Tariff Reviews

Further to the Authorisation granted to AAT by the Australian Competition and Consumer Commission on 3 December 2009 and in particular the pricing conditions of the Authorisation, the published tariffs at all of our terminals have been reviewed, with an effective implementation date of 15th February 2013. A copy of the ACCC's authorisation decision can be found on our website www.aat.auz.biz

Due to the regulated environment in which AAT operates, our tariff levels are consistent with the conditions of the ACCC authorisation. The pricing model developed as a consequence of the authorisation calculates tariffs that allow AAT to earn a fair rate of return on the considerable capital investment made at our respective terminals and takes into account cargo throughput and activity, operating costs and overheads.

The major terminals at Fisherman Islands in Brisbane and Port Kembla in NSW since the previous review have experienced strong volume growth. Due to this there will be no increase in prices at Fisherman Islands and Port Kembla; with prices due to be reviewed again in February 2013. This means that prices have been held constant at Fisherman Islands since February 2012 and at Port Kembla since August 2010. Whilst operating costs have been subject to upwards pressure this has been offset by volume throughput at these terminals. AAT has also invested more than \$4 million in new equipment at these terminals over the past 12 months.

At Webb Dock West in Melbourne forecast volume throughput has not been achieved since the last review and the current volume levels are expected to be continue for the period under review. This coupled with rising property costs; rental, rates and land tax as well as general operating cost increases require an average 7.5% proposed maximum increase in regulated prices in line with the pricing model.

At Port Adelaide, similar operating conditions to Webb Dock West have been experienced since the last review. As the majority of revenue generated at our terminal in Port Adelaide is negotiated for fixed terms the proposed maximum increase in regulated prices is 2% on the current tariff.

Schedules containing the maximum amount of each proposed tariff increase at Webb Dock West and Port Adelaide as well as tariffs for these terminals are available on our website www.aat.auz.biz Should you require these schedules to be posted to you please do not hesitate to contact me.



Australian Amalgamated Terminals

Level 11, 330 Collins St.
Melbourne, Victoria
Ph: 03 8698 6900
Fax: 03 9681 7014

Tariff reviews for all terminals occur on an annual basis; with the next review due in February 2014.

In accordance with the conditions of the Authorisation, AAT has appointed with the approval of the ACCC an Independent Price Expert, Pitcher Partners. Should a terminal end-user wish to object to an increase in the attached tariffs (except the stevedoring access fee - SAC), this needs to be lodged with both AAT and the Independent Price Expert within 15 business days. Any objection with the reasons for the objection should be addressed to AAT at our Melbourne office to my attention or via email to craig.faulkner@aat.auz.biz, as well as Pitcher Partners, Level 22 MLC Centre, 19 Martin Place, Sydney NSW 2000, attention Deborah Cartwright or via email dcartwright@pitcher-nsw.com.au.

Yours Faithfully,

Craig Faulkner
Chief Executive Officer