



Australian Amalgamated Terminals

Unit 11/3 Westside Ave
Port Melbourne, Victoria
Ph: 03 8698 6900
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7th October 2011

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, attached are the proposed maximum tariffs that will apply to our terminals at Fisherman Islands in Brisbane, Webb Dock West in Melbourne and Port Adelaide in SA effective from 1st February 2012. 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. Tariff increases are subject to review by the Independent Price Expert, and have been reviewed previously in Fisherman Islands and Port Kembla in 2010 and Webb Dock West in 2011. The proposed maximum tariffs take into account the findings of the Independent Price Expert from these reviews.

At Fisherman Islands prices have remained constant since August 2010. The pricing model has calculated an average increase in regulated tariffs of 5.2%, which has been applied.

At Webb Dock West prices have remained constant since February 2011. The pricing model has calculated an average increase in regulated tariffs of 4.7% which has been applied.

At Port Adelaide prices have remained constant since April 2008. Whilst the pricing model has calculated an increase in excess of 300%, the average increase to be applied to regulated tariffs is 6%.

In Port Kembla a review was undertaken, and due to strong volume growth no increase to regulated tariffs will take place. As it is expected that AAT will no longer operate in Bell Bay, Tasmania from February 2012 this terminal has been excluded from this process.

At both Port Kembla, Fisherman Islands and Webb Dock West a new tariff will apply for the access of third party mobile cranes to both sites to reflect the investment made in these sites by AAT, as well as and importantly the safety regime that AAT has to apply to all of its operations at its terminals.



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Schedules containing the maximum amount of each proposed tariff increase at Fisherman Islands, Webb Dock West and Port Adelaide as well as tariffs for these terminals and Port Kembla 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.

Tariff reviews for all terminals will occur on an annual basis; with price increases due in February 2013 should they be necessary.

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 Port 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