



**Automotive & General Stevedoring**

Ms Joanne Palisi  
Director - Adjudication Branch  
Australian Competition & Consumer Commission  
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**AUSTRALIAN AMALGAMATED TERMINALS PTY LIMITED – APPLICATIONS FOR AUTHORISATION**

**Reference:**

A. ACCC Letter C2009/1097 dated 15 June 2009 (Applications A91141 & A91142)

Dear Ms Palisi

Thank you for the opportunity to comment on the Applications for Authorisation made by Australian Amalgamated Terminals Pty Limited (AAT).

P&O Automotive and General Stevedoring Pty Limited (POAGS) are foundation users of the AAT terminal facilities nationwide. The applications have been reviewed and POAGS agrees with the stated objectives of AAT.

As a stevedoring company POAGS engages in commercial competition with a range of other stevedoring companies in Australian ports. In our experience there is no lessening of competition because of the AAT facilities in that the AAT access and pricing structure provides a "level playing field" on which to compete.

The AAT terminal facilities, IT systems and equipment allow efficient use significant capital cost assets such as cranes and heavy material handling equipment as well as efficiently allocating the cost and use of scarce port land and resources. This has the effect of developing an efficient pricing structure for facilities, IT systems and equipment as maximum resource utilisation is achieved by sharing of common costs amongst participants in the market. In turn this allows POAGS as a stevedoring company to compete for business in the market on the quality of our service delivery, specifically reliability, productivity, cargo care and health & safety.

The use of AAT facilities and equipment by stevedoring companies also reduces or eliminates risk in capital expenditure. Notably this risk reduction is in capital commitment to relatively short term contracts where additional specialist stevedoring equipment is required. Where capital is required to be invested against variable cargo volumes over periods of three years or less the cost of risk is incorporated into the pricing structure, this is fundamentally inefficient.

In the view of POAGS the overall effect of AAT facility and equipment use by stevedoring companies is the creation of a public benefit through lower direct and indirect costs.

Yours sincerely,

Antony Perkins  
Commercial Director