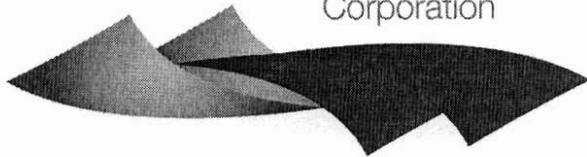


Port of Melbourne  
Corporation



**Comments on Australian Amalgamated  
Terminals Pty Limited - Applications for  
Authorisation A91141 & A91142**

**July 2009**

---

### **Disclaimer**

This is a proprietary Port of Melbourne Corporation (PoMC) document and is not to be relied upon by any person other than PoMC and its employees, contractors and authorised representatives. PoMC makes no express or implied guarantees, representations or warranties to any third party as to whether the requirements of this document will be fulfilled by PoMC, its employees, agents or contractors or anyone else to whom the document relates. PoMC accepts no liability for any reliance by any third party on the procedures detailed in this document.

### **Copyright**

This document is a proprietary document and the property of PoMC. All rights are reserved. No part of this publication may be reproduced in any retrieval system, or transmitted in any form or by means, electronic, graphic, mechanical, photocopying, recorded, or otherwise, without the prior express written permission of POMC.

---

# Contents

1	Purpose .....	4
2	Background.....	4
3	Overview of the Port of Melbourne .....	4
4	PoMC comments.....	5
5	Conclusions .....	7

---

## 1 Purpose

The Port of Melbourne Corporation (**PoMC**) welcomes the opportunity to respond to the Australian Competition & Consumer Commission's (**ACCC**) consultation on Australian Amalgamated Terminals Pty Limited's (**AAT**) applications for authorisations A91141 & A91142 (**Applications**).

## 2 Background

On 15 June 2009, ACCC wrote to PoMC (Ref letter: C2009/1097) to seek comments on the Applications. The closing date to provide a submission was 8 July 2009.

PoMC understands that AAT is seeking authorisation pursuant to Section 88(1) of the TPA to:

- (a) give effect to the AAT Joint Venture, established by section 2 of the Shareholders Agreement, together with the other provisions of the Shareholder Agreement and the Constitution of AAT; and
- (b) engage in conduct under or pursuant to, and in fulfilment of, the AAT Joint Venture,

on its own behalf and on behalf of parties to the AAT Joint venture and any future parties to the AAT Joint venture.

## 3 Overview of the Port of Melbourne

PoMC is the strategic manager of the Port of Melbourne and is committed to the integrated management and development of connectivity between land and water interfaces. The majority of the port's trade throughput is containerised but it also handles breakbulk, liquid bulk, dry bulk, general cargoes and motor vehicles.

As Australia's largest container and general cargo port, the Port of Melbourne handles approximately 36% of Australia's container trade. It is widely recognised as the trade gateway serving the region and the world and it also plays a vital economic role in Australia, handling tens of millions of dollars worth of exports everyday. The port is the hub of a

much wider logistics port system and is crucial to economic prosperity as it provides the foundation for international trade in Victoria as well as the key trading hub in south-eastern Australia (Southern NSW, South Australia and Tasmania).

In 2007-08, the Port handled approximately 400,000 motor vehicles in total. This has fallen in 2008-09.

#### 4 PoMC comments

PoMC would like to clarify or comment on some of the information relating to the Port of Melbourne which is contained in AAT's supporting submission (dated 10 June 2009) to the Applications.

<b><u>Page</u></b>	<b><u>Statement in AAT's supporting submission</u></b>	<b><u>PoMC comment or clarification</u></b>
3	'AAT's operations facilitate the achievement of greater efficiency in the operation of terminals including... more efficient utilisation of Port land: a multi-user terminal may be able to meet all the requirements of industry more efficiently than two terminals....'	PoMC suggests that the ACCC seek quantitative analysis to support this assertion.
20	'PoMC generally prefers to lease port land rather than manage common user terminals....'	Agree, but PoMC still manages some common user berths and terminals in circumstances when it believes that such management provides more efficient risk allocation, better utilisation of infrastructure or improved access.
22	'Patrick holds long term leases for containers, general cargo and automotive terminals at Webb Dock East (WDE) and competes	Patrick holds two fixed term leases at Webb Dock East. Should the ACCC require further details on the terms of these leases, they should contact PoMC.

<u>Page</u>	<u>Statement in AAT's supporting submission</u>	<u>PoMC comment or clarification</u>
	with AAT's terminal at Webb Dock West (WDW).'	
22	'28/29 South Wharf in Melbourne previously was used for handling Pure Car Carriers (PCCs) - it is now operated by PoMC as an open access berth, and can handle general cargo and could handle cars.'	The reference to an open access berth is incorrect. 28/29 South Wharf is currently leased to an operator specialising in non-automotive trade.
22	<p>AAT has listed the following as examples of port land that provides or could potentially provide alternatives to Webb Dock West in the Melbourne Area:</p> <ul style="list-style-type: none"> <li>▪ 'Appleton Dock, leased by POAGS, can operate as a general cargo terminal, and subject to development, an automotive terminal.'</li> <li>▪ 'Victoria Dock, which is leased by Westgate Ports, is capable of handling general cargo and small PCC's and previously was used as an automotive export terminal.'</li> <li>▪ '28/29 South Wharf in Melbourne previously was used for handling PCCs - it is now operated by PoMC as an open access berth, and can handle general cargo and could handle cars.'</li> </ul> <p>'DP World's and Patrick's</p>	<p>PoMC would like to provide clarification on the land use in these port areas.</p> <p>Specifically, PoMC notes that the current use (and the use nominated in PoMC's strategic plans) of each of Appleton Dock, Victoria Dock and South Wharf is not Automotive.</p> <p>The current use (and the use nominated in PoMC's strategic plans) of Swanson Dock is exclusively for handling international containers.</p>

<u>Page</u>	<u>Statement in AAT's supporting submission</u>	<u>PoMC comment or clarification</u>
	container terminal at Swanson Dock (East and West) can handle general cargo or be converted to automotive terminal operations.'	

**Other comments:**

- Two automotive terminals are currently operated in the Port of Melbourne (by AAT and Patrick) and provide competing services in the automotive terminal services market. The Victorian Government has requested PoMC undertake detailed planning work in preparation for additional container capacity within the Port of Melbourne. Options being considered may impact on the configuration of these automotive terminals which may also significantly change this competitive balance.
- PoMC is not in possession of Melbourne pricing information, equivalent to that indicated by AAT in the Applications as being provided to other Port Authorities in which they have major terminals.
- PoMC notes that the ACCC is asking for comments on the likely benefits and any public detriment from any lessening of competition arising from AAT's proposed arrangements. PoMC will consider these issues further with the benefit of information made available through the Authorisation process and may elect to provide a further response in the context of the ACCC's draft determination.

## 5 Conclusions

PoMC appreciates the opportunity to comment on AAT's Applications. PoMC's contact point for further information is James Berry, Executive General Manager -Finance and Legal. He can be contacted at Tel: 03 9683 1355 or email [James.Berry@portofmelbourne.com](mailto:James.Berry@portofmelbourne.com) .