



AUSTRALIAN STEEL ASSOCIATION INC.
A0020339V ABN 24 762 435 928

PO Box 4303, Geelong Retail, Geelong Vic. 3220
Registered Office: Suite 4, 259 Whitehorse Rd., Balwyn, Vic. 3103
Telephone: +61 3 5277 2822 Fax: +61 3 5277 2855
E-mail: info@steelaus.com.au Web: www.steelaus.com.au

August 24, 2009

Ms Joanne Palisi
Director
Adjudication Branch
Australian Competition & Consumer Commission
GPO Box 3131
Canberra ACT 2601

Via email: sharon.clancy@acc.gov.au

Dear Director

**Re: AAT P/L (AAT –
Application for Authorisation A91141 + A91142
Your Ref: C2009/1097**

UPDATE

Following our meeting on Tuesday 11th August 2009 we now have the following: -

1. Comparison of Port Charges (Steel Products)

	Terminal - Operator	A\$ Per Tonne excl. GST		
		Terminal Charges	Other Charges	Total for Steel
1	AAT – Brisbane	7.65	3.80	11.45
2	AAT – Port Kembla	6.10	3.75	9.85
3	Melbourne – Appleton Dock	3.34	3.63	6.97
4	Newcastle – East Basin	1.74	3.83	5.57
5	Fremantle	1.28	3.63	4.91
6	Geelong	0.86	2.85	3.71

Note: Geelong allows 4 days free storage compared to the historical 3 days elsewhere.

* Geelong charges based on hourly discharge rate of recent shipments.

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2. Cost “Materiality”

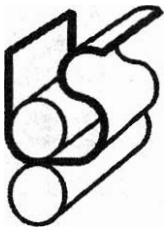
Car Import Business

- Cars are driven off the vessel by Stevedores and parked in AAT space.
- Car company transport trucks drive onto the AAT space; the truck driver drives the cars onto his truck and leaves.
- Unlike the new R&D fee imposed by AAT on steel imports, there is no AAT R&D charge for cars.
- AAT Brisbane Port charges for cars are:

•• FAC @ \$1.85 m3	= \$24.05	(13 m3)
•• SAC per car	= <u>\$10.50</u>	
Total	<u>\$34.55</u>	

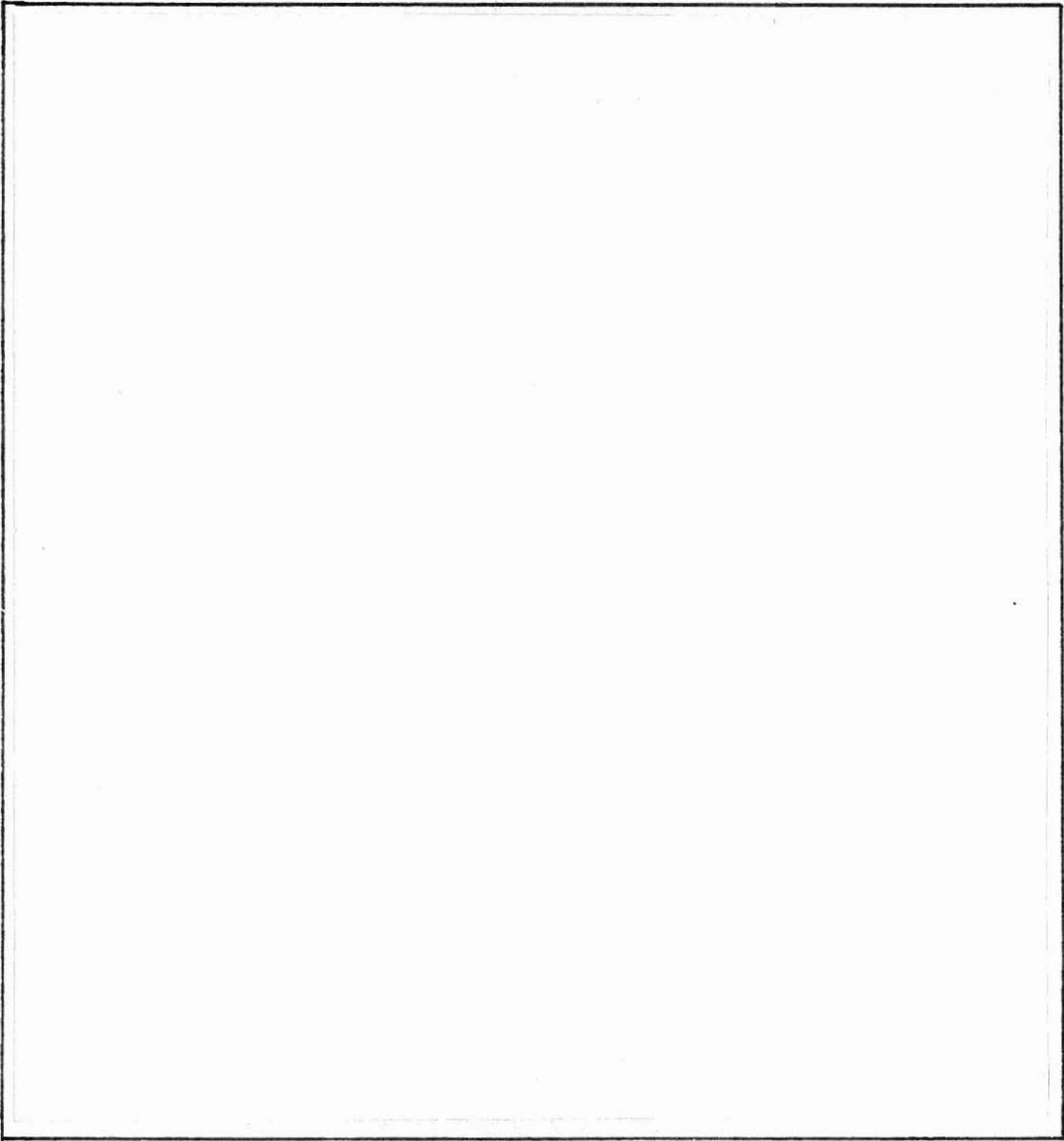
Notes:

- (1) In terms of “materiality”, (\$34.55 on say a *\$20,000 vehicle is around 0.18%)
- (2) For steel, (\$11.45 on a *\$723 Tonne of HRC) it is 1.59%
- (3) * FOB values stated



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3. "Steel Costs"



EXCLUDED FROM
PUBLIC REGISTER



4. Attached FYI are:

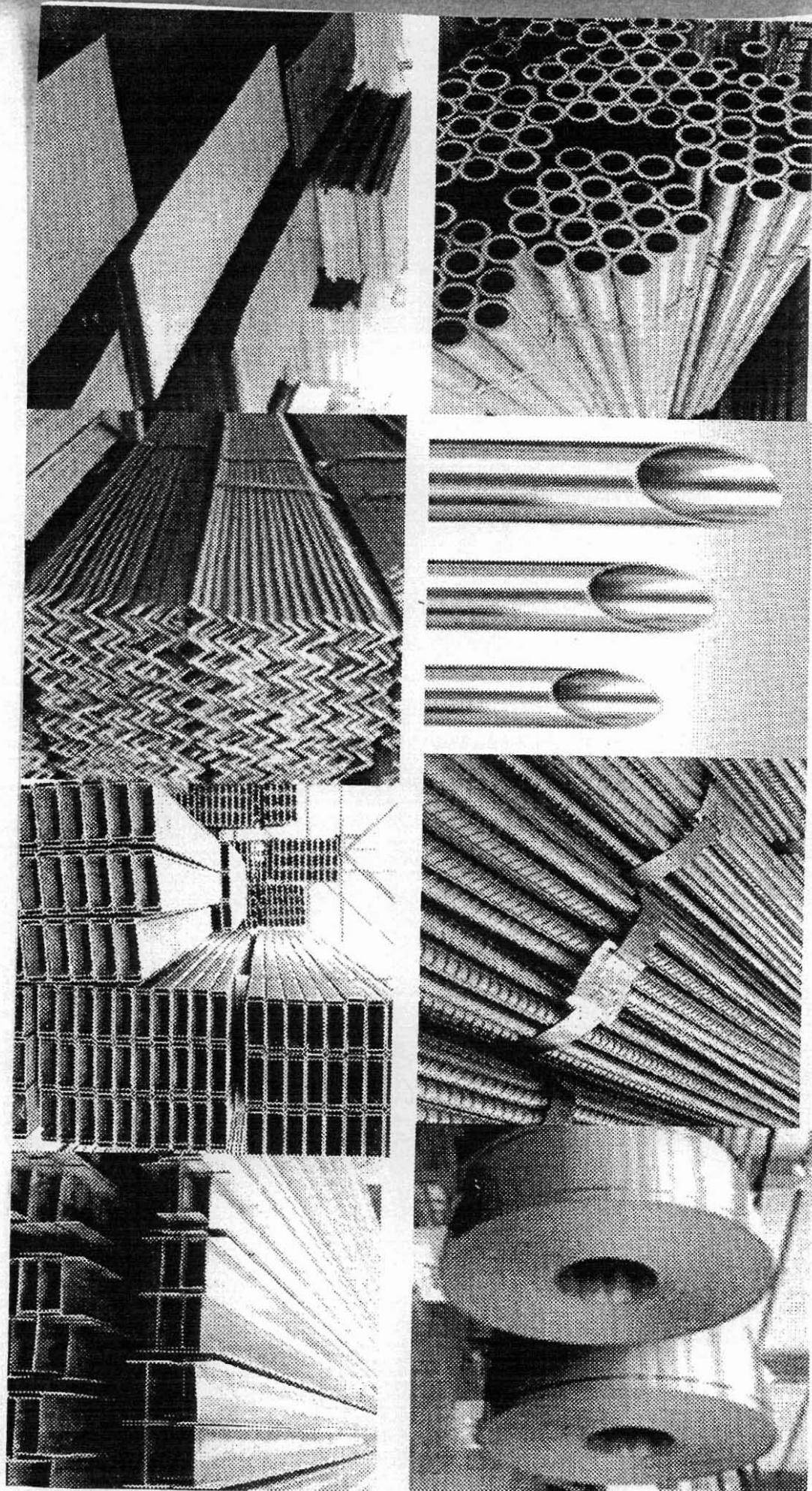
- 'A' various forms, shapes of steel products
- 'B' – HRC - in stow basis for costing on materiality

Thank you for your consideration.

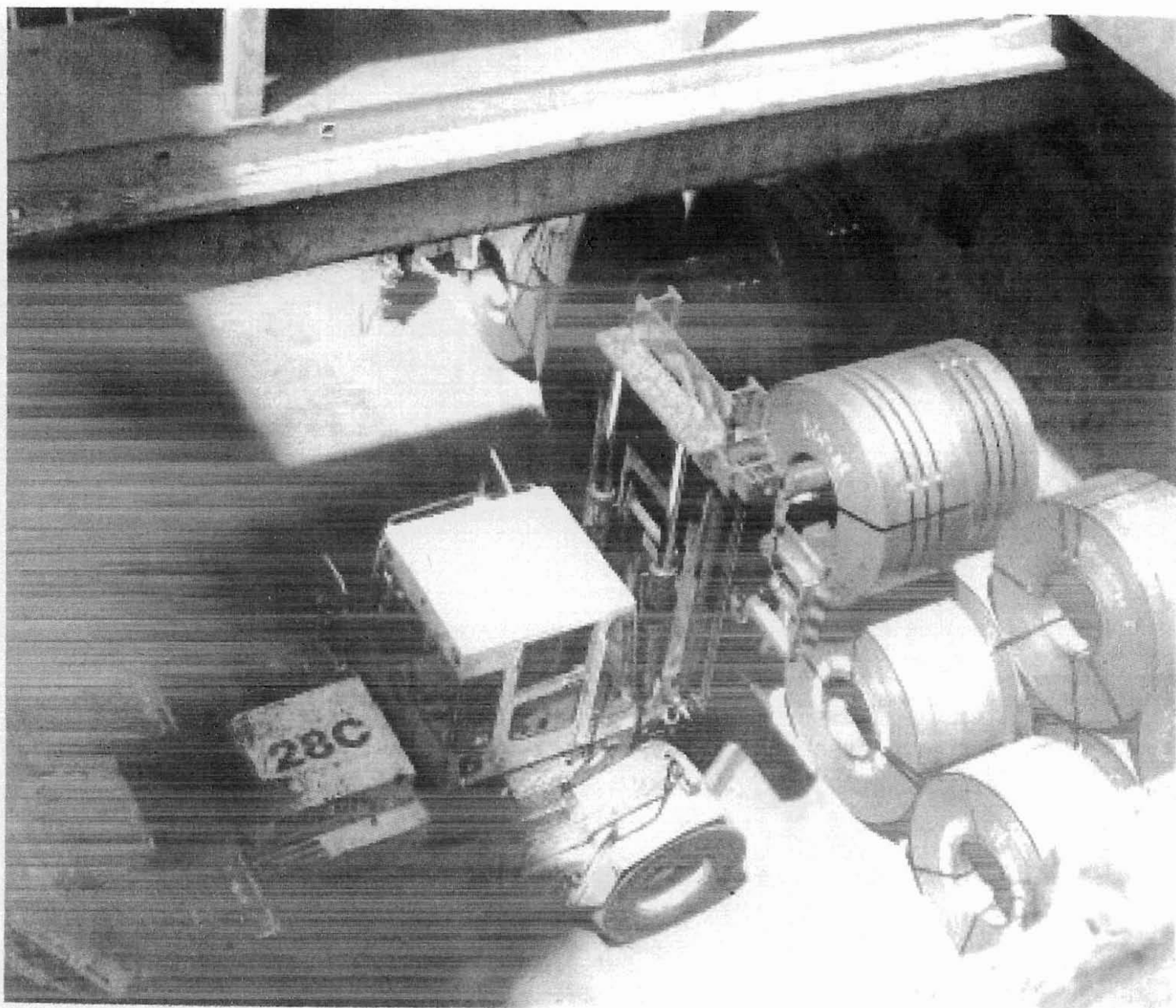
Regards

M J Howard
CEO

Annex A



Steel coil in stow



AMARA B!