



STATE DEVELOPMENT  
COMMITTEE

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30 January 2004

The Hon Tony Burke MLC  
Committee Chair  
Standing Committee on State Development  
Legislative Council  
Parliament House  
SYDNEY NSW 2000

Dear Mr. Burke

**Submission to Inquiry into Port Infrastructure in New South Wales**

I am writing in my capacity as General Manager of Australian Amalgamated Terminals Pty Limited. Following is a submission in response to the terms of Reference for the Inquiry into Port Infrastructure in New South Wales. We hope the following comments will assist the Committee's review of this matter.

Australian Amalgamated Terminals Pty Limited (AAT) is a facility management company operating the Glebe Island Automotive Terminal (GIAT) in Port Jackson. We are also in the process of developing other terminals within Australia that provide multi-user facilities for all stevedores. With the development of these facilities we are also able to achieve optimum utilisation of valuable and limited port land for the benefit of end users (importers and exporters). The company commenced operations at Glebe Island in December 2002 after successfully winning the tender for the development of Sydney's car import terminal.

The development of this terminal within Port Jackson has provided the industry an opportunity to consolidate the motor vehicle operations within the port into one location. This has provided the ability for greater efficiencies to be developed by economies of scale throughout the transport chain for the distribution of motor vehicles to the end user. At the same time, AAT is able to preserve competition for stevedoring and Pre-Delivery and Inspection (PDI) services. There is also a greater ability to provide on wharf processing of vehicles prior to delivery to the dealer, which reduces the need to move vehicles to off wharf processing centers located in the outer suburbs of Sydney. This in turn reduces the number of truck movements, providing its own economic and social benefits.

The term of AAT's lease is for ten years with a five-year option, which if exercised would take the facility's operation out to 2017.

AAT makes the following comments regarding the Committee's inquiry into Port Infrastructure in New South Wales.

By necessity we limit our comments to the effect on GIAT and impact on our Customers and end users. As a general comment, we support the Government's recently announced Port Growth Plan, but require some clarification about the future of Glebe Island. Commentary is therefore provided on item 1 of the Committee's terms of reference:

**The NSW Government Ports Growth Plan, including any planned closure of shipping freight facilities in Sydney Harbour.**

**GLEBE ISLAND**

Glebe Island was developed as a motor vehicle import terminal in 1992 by P&O Ports and has been the major import terminal since that time. In 2002 AAT successfully tendered for the site and in cooperation with Sydney Ports Corporation, AAT has now developed the site into Australia's premier motor vehicle import terminal. A full range of Pre-Delivery and Inspection services is provided at the Terminal to enable the quick dispatch of motor vehicles to the dealers in metropolitan Sydney and rural NSW. The Terminal has easy access to the major road network for delivery to the major market in metropolitan Sydney.

The Australian Automotive industry looks for long-term stability within the transport chain and we have been able to provide this through the development of this facility. As advised earlier, AAT currently hold a ten-year lease with a five-year option, which takes the facility to 2017. We believe the exercise of this option is presently in the company's favour provided we meet lease conditions and throughput targets, which seems likely.

We note the Ports Growth Plan announcement appears to call for the closing of the Terminal in 2012. There are strong arguments to retain the Terminal at least to the end of the option period of 2017 but preferably to 2023. This due to the fact that AAT will have to make considerable investment in order to accommodate the growing motor vehicle import trade into NSW. There may also be a need to accommodate some additional RoRo clients at the terminal, which will need significant investment by AAT.

To make this investment we would require some surety of tenure to at least 2023. If the decision were made to close the facility in 2012 then we would not be in a position to make the investment required for the future growth. The efficiencies gained for the industry and the economy of NSW in providing this facility at the heart of the NSW vehicle market should not be underestimated.

Thank you for the opportunity to make these comments and we hope they are of some use to the Committee.

We look forward to receiving further advice with regard to the Committee's findings and remain available to provide additional information concerning this process as required.

Yours sincerely

A handwritten signature in black ink, appearing to read 'D. Wells', written in a cursive style.

**Dean Wells**  
**General Manager**  
**Australian Amalgamated Terminals Pty Limited**