



Patrick Terminals
Gate B105A Penrhyn Road
PORT BOTANY NSW 2036
AUSTRALIA
ABN 33 065 375 840

2 February 2024

Patrick Terminals – Final Notice of changes to Landside & Ancillary Charges: Effective from 4 March 2024

Patrick has completed a review of its Landside charge and other Ancillary Charges. The Landside charge partially recovers costs associated with providing Patrick's landside operations and is essential to enable Patrick to continue to provide our customers with superior and efficient landside service levels.

Patrick Terminals Landside Investment Overview

Patrick is continuing with a significant investment program, with in excess of \$280 million invested across the past four years and a further \$70 million committed in the year ahead (\$350 million in total). This will support continued efficient landside service levels for our landside customers and Australian shippers.

Key landside investment includes:

- Melbourne Rail Terminal Development (Patrick funding contribution)
- Fremantle Terminal Redevelopment, plus additional commitments for further capital investment in 2024
- Port Botany Rail Terminal Development (Patrick funding contribution), along with upgrades to the landside interface
- Automated Truck Handling Project in Brisbane and Sydney
- 44 Straddle Carriers procured and commissioned in Melbourne, Sydney and Brisbane, along with other key equipment upgrades
- 10 Hybrid Straddle Carriers to be commissioned in Melbourne in 2024
- 9 Battery Electric Internal Transfer Vehicles (ITVs) to be commissioned in Fremantle in 2024
- Pavement works and capacity upgrades across all terminals
- Gate system upgrades in Sydney, Brisbane and Fremantle
- Terminal Operating System upgrade across all terminals and other comprehensive IT upgrades

The Landside charge recovers a portion of the costs that relate to:

- capital investments and commitments made to infrastructure that supports our landside operations
- maintenance and operational costs associated with providing our landside operations and
- property and property related costs

Effective from 4 March 2024, the below Landside charges are intended to apply on full containers that enter and leave Patrick's terminals. The 2024 Landside charges are required to support Patrick's significant investment program and Patrick's operational costs and property costs increasing at a rate above CPI.

Further detail on the investment program and cost increases are included below.

INVESTMENT	PROPERTY COSTS	OPERATIONAL COSTS
~\$1.1 billion Significant Capital Investment across the past 10-11 years	~\$1.4 billion Long-term Lease Commitments	~10% Operating Costs increasing above CPI, due to ongoing inflationary pressures
\$280 million Major Capital Investment across the past 4 years	~149% Increase in Rents (\$) since Port Privatisation	5.4% Labour Costs (EA workforce) increasing by CPI from 1 January
\$70 million Committed investment to be delivered in next 12 – 18 months	CPI % + Property and property related costs, and maintenance costs increasing above CPI annually	~65% Energy Cost increases

2024 Annual Review

As part of the 2024 annual review, Patrick has determined to continue to maintain a concessional rate for export containers. As a result of the annual review, the concession offered to East Coast exporters has increased to an average of approximately 30%. The average fee increase across East Coast imports and exports is 15%.

Import Containers

- Sydney \$190.15 per full container
- Fisherman Islands \$186.30 per full container
- East Swanson Dock \$204.60 per full container
- Fremantle \$87.19 per full container

Export Containers

- Sydney \$133.55 per full container
- Fisherman Islands \$128.20 per full container
- East Swanson Dock \$146.65 per full container
- Fremantle \$43.58 per full container

The Landside charge will be applied to both road and rail transport operators for all full container movements, both import and export, made at the Terminals.

In accordance with Fremantle lease arrangements, Fremantle Ports and Patrick have agreed to an increase to the landside charge to support additional landside capital investment by Patrick in 2024. These investments will support continued solid landside performance in Fremantle. As a result of the annual review, the concession offered to WA exporters has increased to approximately 50%. Further, to support WA shippers making more informed business decisions related to landside fees, Patrick confirms that landside fee levels effective March 2025 will be \$91.55 per full import container and \$45.76 per full export container per arrangements with Fremantle Ports.

Patrick has updated the Vehicle Booking System (VBS) fee to \$44.70 in Sydney, Brisbane and Melbourne and \$52.95 in Fremantle, and adjusted its other Ancillary Charges. The intended Landside and Ancillary charges have been published on Patrick's website (www.patrick.com.au). The VBS facilitates significant efficiencies and is highly valued by industry, delivering material cost savings to users. Patrick is committed to continuing to invest in VBS maintenance, resourcing and innovation. Patrick continues to work with One Stop and industry to focus on continuous improvement and opportunities to further enhance the VBS. Patrick will continue to collaborate with landside customers to optimise OptiBook in Melbourne ahead of broader roll out of the VBS innovation.

Patrick Terminals Landside Initiatives and Market Observations

Patrick Terminals is pleased to confirm its increased investment program in decarbonisation to support sustainable handling of Australia's imports and exports. Patrick Terminals' decarbonisation strategy will pursue priority investments in fleet modernisation, a transition to renewable energy and influencing intermodal (rail and road capacity and efficiency).

Patrick Terminals acknowledges the important enhancement to the ACCC Container Stevedoring Monitoring Report 2022-23 to incorporate a broader range of profitability indicators by adding 5, 10 and 15 year averages. These longer-term indicators are integral for a highly competitive industry characterised by significant long term infrastructure investment and fluctuating supply and demand factors. A softer market volume outlook is forecast across the coming 12 months.

Detailed economic analysis undertaken on behalf of Patrick Terminals shows that across these longer-term indicators, the Australian stevedoring industry profitability remains well below both an index of comparable Australian companies and global stevedoring returns.

Patrick reiterates its commitment to all aspects of the National Voluntary Guidelines and reasonable further enhancements. Patrick has commenced further engagement with Freight Victoria and other government stakeholders to explore options for industry wide enhancements to the NVGs, including:

- industry wide alignment of fee review dates; and
- announcement of rolling two-year indicative landside fees,

on the basis that these enhancements could support shippers to make more informed business decisions.

Patrick continues on a voluntary and industry-led basis, to publish landside performance metrics for each terminal and facilitate representative landside groups. The purpose of these stakeholder groups is to develop solutions which support landside performance and efficient terminal operations and to provide information about Patrick's landside investment program.

A summary of feedback themes received formally in writing from industry participants via the email address provided and Patrick's response where relevant, post the initial announcement on 4 January 2024 is attached.

Yours sincerely,

Michael Jovicic
Chief Executive Officer
Patrick Terminals

SUMMARY OF FEEDBACK THEMES

Feedback Themes	Patrick’s Response
Range of feedback	Patrick received formal and general market feedback as part of its annual 2024 fee review. Patrick has provided a written response to all formal feedback.
Acknowledgment of conservative export fee increase and increased price differentiation to support Australian exporters	As part of the 2024 annual review, Patrick has determined to continue to maintain a concessional rate for export containers. As a result of the annual review, the concession offered to East Coast exporters has increased to an average of approximately 30%.
Recognition of competitive tension and strategy differentiation	<p>Patrick has a long history of providing a superior landside service to Australian shippers, including by providing confidence to exporters that products will be handled for delivery to international markets as planned. This is enabled by Patrick’s significant ongoing investment in its terminals.</p> <p>The Australian stevedoring industry is highly competitive and characterised by significant long term infrastructure investment and fluctuating supply and demand factors. A softer market volume outlook is forecast across the coming 12 months.</p> <p>Patrick will continue to explore opportunities to innovate and maximise the value proposition offered to Australian shippers and landside operators.</p>
Noted Patrick has supported supply chain efficiency during recent disruptions	Patrick’s significant investment program has provided our terminals with a level of operational resilience and surge capacity. This has enabled Patrick to offer major support during recent supply chain disruptions where shippers would otherwise would have experienced greater landside delays and inefficiencies at significant cost.
Positive feedback for voluntary landside performance metrics and representative landside groups	Patrick continues on a voluntary and industry-led basis, to publish landside performance metrics for each terminal and facilitate representative landside groups. The purpose of these stakeholder groups is to develop solutions which support landside performance and efficient terminal operations and to provide information about Patrick’s landside investment program.
Noted previous reviews of regulatory landscape	<p>Patrick reiterates its commitment to all aspects of the National Voluntary Guidelines and reasonable further enhancements. Patrick has commenced further engagement with Freight Victoria and other government stakeholders to explore options for industry wide enhancements to the NVGs, including:</p> <ul style="list-style-type: none"> - industry wide alignment of fee review dates; and - announcement of rolling two-year indicative landside fees, on the basis that these enhancements could support shippers to make more informed business decisions.

	<p>Patrick Terminals also welcomes continued engagement with industry bodies to discuss Patrick’s ongoing landside investment program and efficiency benefits.</p>
<p>Clarification regarding Out-of-Gauge (OOG) storage?</p>	<p>OOG cargo will continue to receive the standard three day free storage period, however will attract a differentiated (not a new fee) charge rate.</p> <p>Patrick Terminals provides an efficient OOG service with a strong focus on throughput efficiency to maximise capacity and customer service levels.</p> <p>OOG units represent less than 1% of terminal volumes. The adjustment to the OOG storage charge is necessary to support the separate OOG processes required to handle OOG cargo and seeks to incentivise shippers to collect OOG cargo as soon as possible to support terminal efficiency.</p> <p>Patrick Terminals remains committed to providing its separate service for OOG cargo.</p>
<p>Feedback on potential impact of landside fees on export competitiveness</p>	<p>As part of the 2024 annual review, Patrick has determined to continue to maintain a concessional rate for export containers. As a result of the annual review, the concession offered to East Coast exporters has increased to an average of approximately 30%.</p> <p>Patrick Terminals has engaged third party economists to undertake cost modelling of total supply chain costs across recent years. This modelling has consistently demonstrated that total Australian container terminal charges (quayside and landside) consistently represent less than 10% of total costs to exporters across the last 5 years. The modelling also highlights that there has been considerable volatility in freight rates, which is again affecting total supply chain costs for exporters.</p>

SUMMARY OF PUBLIC TARIFF CHANGES – MELBOURNE (EAST SWANSON DOCK TERMINAL)

Charge Type	Unit	Current Charge	New Charge (Effective 4 March 2024)
Landside Charges			
Landside Charge - Import	Per full container	\$170.50	\$204.60
Landside Charge - Export	Per full container	\$136.40	\$146.65
Vehicle Booking System (VBS) Fees			
Booking Fee - Electronic	Per container	\$38.85	\$44.70
Booking Fee - Telephone	Per container	\$48.05	\$55.30
Stack/Bulk Run Fee	Per container	\$13.75	\$14.80
No Show Fee	Per container	\$243.00	\$261.25
Terminal VBS Subscription Fee	Per user account	\$209.10	\$224.80
Terminal VBS Join/Rejoin Fee	Per user account	\$209.10	\$224.80
SMS Fee	Per message	\$1.20	\$1.30
R&D Processing Fee	Per container	\$89.50	\$96.25
Wrong Time Zone Fee	Per container	\$93.25	\$100.25
Side Loader Fee	Per trailer	\$70.65	\$77.40
Mis-declaration fee - Vehicle and Trailer combination	Per vehicle	\$274.25	\$294.85
Storage and Yard Ancillary Charges			
Storage Fee – from Day 1	Per TEU per day	\$218.70	\$235.15
OOG Storage	Per TEU per day	-	\$470.30
Yard Handling Fee	Per ISO container	\$163.25	\$175.50
Reefer Services	Per ISO container	\$158.25	\$170.15
CT Reefer Services	Per ISO container	\$79.13	\$85.10
Dangerous Goods	Per ISO container	\$302.65	\$325.35
Other			
Weight Amendment Fee for Import Containers	Per import container	\$259.95	\$279.45

NOTES

- 1) All rates are **exclusive** of Good and Services Tax (GST) which is payable in addition.
- 2) All transactions are subject to Patrick’s Standard Conditions of Contract which may be viewed on-line at the Patrick website at www.patrick.com.au Patrick’s Standard Conditions of Contract exclude Patrick’s liability in certain circumstances and include indemnities which benefit Patrick.
- 3) Rates, Terms and Conditions are subject to change with notice in accordance with Patrick’s Standard Conditions of Contract.

SUMMARY OF PUBLIC TARIFF CHANGES – SYDNEY (PORT BOTANY TERMINAL)

Charge Type	Unit	Current Charge	New Charge (Effective 4 March 2024)
Landside Charges			
Landside Charge - Import	Per full container	\$155.20	\$190.15
Landside Charge - Export	Per full container	\$124.20	\$133.55
Vehicle Booking System (VBS) Fees			
Booking Fee - Electronic	Per container	\$38.85	\$44.70
Booking Fee - Telephone	Per container	\$48.05	\$55.30
Stack/Bulk Run Fee	Per container	\$13.75	\$14.80
No Show Fee	Per container	\$243.00	\$261.25
Terminal VBS Subscription Fee	Per user account	\$209.10	\$224.80
Terminal VBS Join/Rejoin Fee	Per user account	\$209.10	\$224.80
SMS Fee	Per message	\$1.20	\$1.30
R&D Processing Fee	Per container	\$89.50	\$96.25
Long Vehicle Fee	Per vehicle	\$56.60	\$60.85
Side Loader Fee	Per trailer	\$70.65	\$77.40
Mis-declaration fee - Vehicle and Trailer combination	Per vehicle	\$274.25	\$294.85
Storage and Yard Ancillary Charges			
Storage Fee – from Day 1	Per TEU per day	\$218.70	\$235.15
OOG Storage	Per TEU per day	-	\$470.30
Yard Handling Fee	Per ISO container	\$163.25	\$175.50
Reefer Services	Per ISO container	\$158.25	\$170.15
CT Reefer Services	Per ISO container	\$79.13	\$85.10
Dangerous Goods	Per ISO container	\$302.65	\$325.35
Other			
Weight Amendment Fee for Import Containers	Per import container	\$259.95	\$279.45

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SUMMARY OF PUBLIC TARIFF CHANGES – BRISBANE (FISHERMAN ISLANDS TERMINAL)

Charge Type	Unit	Current Charge	New Charge (Effective 4 March 2024)
Landside Charges			
Landside Charge - Import	Per full container	\$149.05	\$186.30
Landside Charge - Export	Per full container	\$119.25	\$128.20
Vehicle Booking System (VBS) Fees			
Booking Fee - Electronic	Per container	\$38.85	\$44.70
Booking Fee - Telephone	Per container	\$48.05	\$55.30
Stack/Bulk Run Fee	Per container	\$13.75	\$14.80
No Show Fee	Per container	\$243.00	\$261.25
Terminal VBS Subscription Fee	Per user account	\$209.10	\$224.80
Terminal VBS Join/Rejoin Fee	Per user account	\$209.10	\$224.80
SMS Fee	Per message	\$1.20	\$1.30
R&D Processing Fee	Per container	\$89.50	\$96.25
Wrong Time Zone Fee	Per container	\$93.25	\$100.25
Long Vehicle Fee	Per vehicle	\$56.60	\$60.85
Side Loader Fee	Per trailer	\$70.65	\$77.40
Mis-declaration fee - Vehicle and Trailer combination	Per vehicle	\$274.25	\$294.85
Storage and Yard Ancillary Charges			
Storage Fee – from Day 1	Per TEU per day	\$218.70	\$235.15
OOG Storage	Per TEU per day	-	\$470.30
Yard Handling Fee	Per ISO container	\$163.25	\$175.50
Reefer Services	Per ISO container	\$158.25	\$170.15
CT Reefer Services	Per ISO container	\$79.13	\$85.10
Dangerous Goods	Per ISO container	\$302.65	\$325.35
Other			
Weight Amendment Fee for Import Containers	Per import container	\$259.95	\$279.45

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SUMMARY OF PUBLIC TARIFF CHANGES – FREMANTLE (FREMANTLE TERMINAL)

Charge Type	Unit	Current Charge	New Charge (Effective 4 March 2024)
Landside Charges			
Landside Charge - Import	Per full container	\$61.54	\$87.19
Landside Charge - Export	Per full container	\$30.76	\$43.58
Vehicle Booking System (VBS) Fees			
Booking Fee - Electronic	Per container	\$46.05	\$52.95
Booking Fee - Telephone	Per container	\$56.95	\$65.50
Stack/Bulk Run Fee	Per container	\$16.25	\$17.50
No Show Fee	Per container	\$243.00	\$261.25
Terminal VBS Subscription Fee	Per user account	\$209.10	\$224.80
Terminal VBS Join/Rejoin Fee	Per user account	\$209.10	\$224.80
SMS Fee	Per message	\$1.20	\$1.30
R&D Processing Fee	Per container	\$89.50	\$96.25
Wrong Time Zone Fee	Per container	\$93.25	\$100.25
Side Loader Fee	Per trailer	\$70.65	\$77.40
Mis-declaration fee - Vehicle and Trailer combination	Per vehicle	\$274.25	\$294.25
Storage and Yard Ancillary Charges			
Storage Fee – from Day 1	Per TEU per day	\$218.70	\$235.15
OOG Storage	Per TEU per day	-	\$470.30
Yard Handling Fee	Per ISO container	\$170.95	\$183.80
Reefer Services	Per ISO container	\$316.45	\$340.20
CT Reefer Services	Per ISO container	\$79.11	\$85.10
Dangerous Goods	Per ISO container	\$302.65	\$325.35
Other			
Weight Amendment Fee for Import Containers	Per import container	\$259.95	\$279.45

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