



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

3 February 2023

Patrick Terminals – Final Notice of changes to Landside & Ancillary Charges: Effective from 6 March 2023

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 is currently embarking on a significant investment program with \$220 million invested across the past three years and a further \$80 million committed in the year ahead (\$300 million in total), which will support continued efficient landside service levels. This investment program is enabling significant productivity benefits for landside customers, the container supply chain and Australian consumers.

Key landside investment includes:

- Melbourne Rail Terminal Development (Patrick funding contribution)
- Fremantle Terminal Redevelopment
- Port Botany Rail Terminal Development (Patrick funding contribution)
- 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
- 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 6 March 2023, the below Landside charges will apply on full containers that enter and leave Patrick’s terminals. The 2023 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. Patrick continues to closely monitor the developing Australian energy policy environment.

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

INVESTMENT	PROPERTY COSTS	OPERATIONAL COSTS
~\$1 billion Significant Capital Investment across the past 10 years	~\$1.3 billion Long-term Lease Commitments	~10% Operating Costs increasing above CPI, due to Inflationary pressures
\$220 million Major Capital Investment across the past 3 years	~134% Increase in Rents (\$) since Port Privatisation	7.3% Labour Costs (EA workforce) increasing by CPI from 1 January
\$80 million Committed investment to be delivered in next 12 – 18 months	CPI % + Property and property related costs increasing above CPI annually	~30% Energy Cost increases

Patrick will continue to maintain a concessional rate to support Australian exporters for the next 12 months, with the differential between import and export containers to be partially reduced from March 2023. Patrick observes that total supply chain costs for exporters have improved across the past 12 months.

Import Containers

- Sydney \$155.20 per full container
- Fisherman Islands \$149.05 per full container
- East Swanson Dock \$170.50 per full container
- Fremantle \$61.54 per full container

Export Containers

- Sydney \$124.20 per full container
- Fisherman Islands \$119.25 per full container
- East Swanson Dock \$136.40 per full container
- Fremantle \$30.76 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.

Patrick has updated the Vehicle Booking System (VBS) fee to \$38.85 in Sydney, Brisbane and Melbourne and \$46.05 in Fremantle, and adjusted its other Ancillary Charges. The 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 1-Stop and industry to focus on continuous improvement and opportunities to further enhance the VBS.

A restructuring of terminal operator fees to better reflect the capital requirements and operating costs of providing quayside and landside services to customers has occurred across the recent period. This restructuring has now largely delivered the improved cost causality outcomes sought on the East Coast. Fremantle arrangements will be reviewed in line with lease terms in 2024.

Patrick has recently commenced a voluntary and industry-led basis, publication of landside performance metrics for each terminal and the establishment of 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.

Patrick reiterates its commitment to all aspects of the National Voluntary Guidelines and reasonable enhancements over time and continues to follow the requirements related to fee changes. To demonstrate Patrick's commitment to exploring further voluntary enhancements, in 2023 Patrick will proactively engage with Freight Victoria to determine whether any of the refinements to the voluntary pricing framework that were identified by Deloitte's review in 2022 could usefully be adopted.

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 5 January 2023 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 feedback as part of its annual 2023 fee review. Patrick has provided a written response to this feedback.
Fee increases and improved cost causality outcomes	<p>In reference to observations of fee increases over time, it is important to highlight that overall stevedoring costs (landside and quayside) continue to remain a small part of total supply chain costs (less than 10%). Patrick notes that total supply chain costs have been affected by unprecedented volatility in shipping line freight rates across 2020-2022 and that this has now begun to stabilise.</p> <p>Further, a restructuring of terminal operator fees to better reflect the capital requirements and operating costs of providing quayside and landside services to customers has occurred across the recent period. This restructuring has now largely delivered the improved cost causality outcomes sought on the East Coast. Fremantle arrangements will be reviewed in line with lease terms in 2024.</p>
Observations about industry profitability	<p>Patrick is making long term capital investments (typically 15 - 25 year life cycle) and has made long term lease commitments up to 2066. As such, profitability should be measured over a minimum of a 10 - 15 year horizon, with a focus on Return on Equity/Capital.</p> <p>The long-term Australian stevedore industry returns are well below global averages and profitability/returns must have regard to industry related risks which have changed over time. Acceptable long-term returns are a requirement for continued investment in productivity initiatives by stevedores.</p> <p>Patrick will continue to engage with the ACCC on the appropriate approach to analysing stevedore profitability.</p>
Rationale for increase in No Show / Wrong Time Zone Fees	<p>No Patrick fees are set at a level which could constitute a penalty fee. The fees for No Shows and Wrong Time Zone Fees reflect the material inefficiencies of non-compliant transport operator interface on terminal operations (i.e. ‘No Show’, container made available for collection by Patrick, but not collected).</p> <p>Patrick encourages pro-active engagement between transport operators and their shipper customers to seek to reduce these instances, including due to delays in other facilities in the landside logistics chain.</p> <p>Patrick will continue its direct dialogue with industry on solutions that improve landside efficiency and the overall efficiency of Patrick’s terminal through its pro-active voluntary landside efficiency groups.</p> <p>Patrick supports the continued development of voluntary landside efficiency initiatives, including in respect of the current independent PBLIS review (which is reviewing the most appropriate framework for Port Botany moving forward). In</p>

	<p>Patrick's view, a regulated points system would continue to carry similar administrative burden with no material benefits.</p>
<p>Rationale for Long Vehicle Fee</p>	<p>Patrick's terminal operations are handling a significant increase in long vehicles, with the fee reflective of the impact on terminal resources and productivity from servicing the long vehicles more frequently. By servicing these non-standard vehicles Patrick is facilitating significant supply chain efficiencies.</p> <p>Patrick encourages two-way loading of vehicles (back loading) at all of its terminals. Average two-way loading at Port Botany continues to be below national averages and there is no direct correlation between the percentage of back loading and long vehicles visiting Patrick's terminals.</p>
<p>Preference for Weight Misdeclaration Fee to be charged to Shipping Lines</p>	<p>Patrick introduced the innovative and award-winning weighing solution, Pondus, to help drive safety across the container handling sector. Mis-declared containers create potential safety risks throughout the supply chain from transport operators to terminal operators and shipping lines.</p> <p>At the time of implementing Pondus, Patrick carefully considered the invoicing options. It was and remains administratively appropriate that the charge is levied on the Patrick customer with the most proximate relationship to the shipper and the ability to communicate with the shipper in respect of the misdeclaration.</p> <p>The fee is targeted to ensure the correct weight of the import container is documented for safe discharge and collection from the terminal by the nominated transport carrier.</p> <p>As the party ultimately responsible for the fee, the shipper will have the same incentive to ensure an accurate container weight declaration irrespective of the initial origin of the fee.</p>
<p>Discretion in applying Mis-declaration fee - Vehicle and Trailer combination</p>	<p>This fee is only applicable where the vehicle / trailer combination dispatched for the pickup of the load does not match the vehicle / trailer combination recorded in the manifested booking. The transport carrier plays a vital role in ensuring that the booking is correct, so Patrick's operations and systems can co-ordinate a safe and efficient landside exchange. For the vast majority of transport carriers, the manifested booking is correct and no fee is incurred.</p> <p>Patrick expects all transport operators to have appropriate controls in place to ensure accuracy between booking declarations and vehicle / trailer combination dispatched.</p>
<p>Representative Landside Efficiency Groups</p>	<p>Patrick received positive feedback on its pro-active voluntary initiative to establish Representative Landside Efficiency Groups to develop solutions supporting landside performance and efficient terminal operations and provide information about Patrick's landside investment program.</p>

Patrick's landside investment program was communicated to Representative Landside Efficiency Groups in December 2022, including details of ATH in Brisbane, gate system upgrades in Sydney, Brisbane and Fremantle, significant terminal upgrades in Fremantle and rail capacity in Sydney and Melbourne (amongst others). In addition, key landside efficiency initiatives such as two-way loading and progressive slot release were workshopped and are under development for implementation.

Patrick reiterates its commitment to develop reasonable enhancements to its voluntary initiatives over time.

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

Charge Type	Unit	Current Charge	New Charge (Effective 6 March 2023)
Landside Charges			
Landside Charge - Import	Per full container	\$155.40	\$170.50
Landside Charge - Export	Per full container	\$101.90	\$136.40
Vehicle Booking System (VBS) Fees			
Booking Fee - Electronic	Per container	\$35.40	\$38.85
Booking Fee - Telephone	Per container	\$43.80	\$48.05
Stack/Bulk Run Fee	Per container	\$12.50	\$13.75
No Show Fee	Per container	\$221.50	\$243.00
Terminal VBS Subscription Fee	Per user account	\$190.60	\$209.10
Terminal VBS Join/Rejoin Fee	Per user account	\$190.60	\$209.10
SMS Fee	Per message	\$1.05	\$1.20
R&D Processing Fee	Per container	\$81.55	\$89.50
Wrong Time Zone Fee	Per container	\$85.00	\$93.25
Side Loader Fee	Per trailer	\$64.40	\$70.65
Mis-declaration fee - Vehicle and Trailer combination	Per vehicle	\$250.00	\$274.25
Storage and Yard Ancillary Charges			
Storage Fee – from Day 1	Per TEU per day	\$199.35	\$218.70
Yard Handling Fee	Per ISO container	\$148.80	\$163.25
Reefer Services	Per ISO container	\$144.25	\$158.25
CT Reefer Services	Per ISO container	\$72.13	\$79.13
Dangerous Goods	Per ISO container	\$275.85	\$302.65
Other			
Weight Amendment Fee for Import Containers	Per import container	\$236.95	\$259.95

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 6 March 2023)
Landside Charges			
Landside Charge - Import	Per full container	\$141.45	\$155.20
Landside Charge - Export	Per full container	\$101.90	\$124.20
Vehicle Booking System (VBS) Fees			
Booking Fee - Electronic	Per container	\$35.40	\$38.85
Booking Fee - Telephone	Per container	\$43.80	\$48.05
Stack/Bulk Run Fee	Per container	\$12.50	\$13.75
No Show Fee	Per container	\$221.50	\$243.00
Terminal VBS Subscription Fee	Per user account	\$190.60	\$209.10
Terminal VBS Join/Rejoin Fee	Per user account	\$190.60	\$209.10
SMS Fee	Per message	\$1.05	\$1.20
R&D Processing Fee	Per container	\$81.55	\$89.50
Long Vehicle Fee	Per vehicle	\$51.55	\$56.60
Side Loader Fee	Per trailer	\$64.40	\$70.65
Mis-declaration fee - Vehicle and Trailer combination	Per vehicle	\$250.00	\$274.25
Storage and Yard Ancillary Charges			
Storage Fee – from Day 1	Per TEU per day	\$199.35	\$218.70
Yard Handling Fee	Per ISO container	\$148.80	\$163.25
Reefer Services	Per ISO container	\$144.25	\$158.25
CT Reefer Services	Per ISO container	\$72.13	\$79.13
Dangerous Goods	Per ISO container	\$275.85	\$302.65
Other			
Weight Amendment Fee for Import Containers	Per import container	\$236.95	\$259.95

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

Charge Type	Unit	Current Charge	New Charge (Effective 6 March 2023)
Landside Charges			
Landside Charge - Import	Per full container	\$135.85	\$149.05
Landside Charge - Export	Per full container	\$101.90	\$119.25
Vehicle Booking System (VBS) Fees			
Booking Fee - Electronic	Per container	\$35.40	\$38.85
Booking Fee - Telephone	Per container	\$43.80	\$48.05
Stack/Bulk Run Fee	Per container	\$12.50	\$13.75
No Show Fee	Per container	\$221.50	\$243.00
Terminal VBS Subscription Fee	Per user account	\$190.60	\$209.10
Terminal VBS Join/Rejoin Fee	Per user account	\$190.60	\$209.10
SMS Fee	Per message	\$1.05	\$1.20
R&D Processing Fee	Per container	\$81.55	\$89.50
Wrong Time Zone Fee	Per container	\$85.00	\$93.25
Long Vehicle Fee	Per vehicle	\$51.55	\$56.60
Side Loader Fee	Per trailer	\$64.40	\$70.65
Mis-declaration fee - Vehicle and Trailer combination	Per vehicle	\$250.00	\$274.25
Storage and Yard Ancillary Charges			
Storage Fee – from Day 1	Per TEU per day	\$199.35	\$218.70
Yard Handling Fee	Per ISO container	\$148.80	\$163.25
Reefer Services	Per ISO container	\$144.25	\$158.25
CT Reefer Services	Per ISO container	\$72.13	\$79.13
Dangerous Goods	Per ISO container	\$275.85	\$302.65
Other			
Weight Amendment Fee for Import Containers	Per import container	\$236.95	\$259.95

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SUMMARY OF PUBLIC TARIFF CHANGES – FREMANTLE (FREMANTLE TERMINAL)

Charge Type	Unit	Current Charge	New Charge (Effective 6 March 2023)
Landside Charges			
Landside Charge - Import	Per full container	\$57.69	\$61.54
Landside Charge - Export	Per full container	\$28.84	\$30.76
Vehicle Booking System (VBS) Fees			
Booking Fee - Electronic	Per container	\$35.40	\$46.05
Booking Fee - Telephone	Per container	\$43.80	\$56.95
Stack/Bulk Run Fee	Per container	\$12.50	\$16.25
No Show Fee	Per container	\$221.50	\$243.00
Terminal VBS Subscription Fee	Per user account	\$190.60	\$209.10
Terminal VBS Join/Rejoin Fee	Per user account	\$190.60	\$209.10
SMS Fee	Per message	\$1.05	\$1.20
R&D Processing Fee	Per container	\$81.55	\$89.50
Wrong Time Zone Fee	Per container	\$85.00	\$93.25
Side Loader Fee	Per trailer	\$64.40	\$70.65
Mis-declaration fee - Vehicle and Trailer combination	Per vehicle	\$250.00	\$274.25
Storage and Yard Ancillary Charges			
Storage Fee – from Day 1	Per TEU per day	\$199.35	\$218.70
Yard Handling Fee	Per ISO container	\$155.80	\$170.95
Reefer Services	Per ISO container	\$288.45	\$316.45
CT Reefer Services	Per ISO container	\$72.13	\$79.11
Dangerous Goods	Per ISO container	\$275.85	\$302.65
Other			
Weight Amendment Fee for Import Containers	Per import container	\$236.95	\$259.95

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