

Australian Amalgamated Terminals – Appleton Dock Increases to Facility Access Charges effective 1st March 2024 to 1st July 2024

Following the expiry of the previous rental agreement with the Port of Melbourne (PoM) on December 31, 2023, AAT has entered into a new agreement with the PoM effective 1st of January, 2024 on substantially less favourable terms which has resulted in increased base rental costs to be applied across stages in 2024.

Historically, AAT completes a single tariff review in May which becomes effective July 1 of each year. Given the staged rental arrangement with the PoM, AAT has completed an initial tariff review which will be applicable from 1st March 2024. The increased rental cost primarily impacts the Facility Access Charge (FAC) and storage which is reflected in the new tariff. A secondary review will be conducted in May and reflected in a new Tariff effective July 1, 2024.

The Port of Melbourne has continued to work through its long-term strategic plan for the precinct and port in general and has recently agreed to extend AATs tenure at Appleton Dock on amended commercial arrangements. Previously, terminal users and cargo interests benefitted from a favorable rent charged to AAT for the facility, enabling AAT to restrict tariff increase, however a recent market rent review commissioned by the PoM has resulted in AAT's rental costs at Appleton Dock increasing by **57%** on last year cost, in a falling volume market.

The PoM refused to continue with the previous rental arrangement and armed with the recent market rent review AAT is now forced to pay a significantly higher square metre rate. As a result, and for Appleton to remain open, these increase costs are recovered through increased FAC and storage charges, in the new tariff effective 1st March, 2024.

The overall cost impact to;

General Cargo FAC – increase by \$4.66/RT

Bulk Cargoes FAC– increased by \$1.57/RT

Containers FAC – increased by \$38.23/container (noting no Infrastructure or booking fees).

Storage fees are also increased. - see tariff schedule for details

Appleton is not expected to handle many RoRo vessels with congestion issues largely abated at MIRRAT and RoRO vessels not in the permitted used for Appleton Dock without approvals. Excluding potential for Appleton Dock to be used as a layup berth for BMSB fumigation, AAT's ability to service the RoRo industry will be significantly diminished when compared to 2023.

AAT has been working with the Port of Melbourne to ensure there is a future for breakbulk and project cargoes in the port of Melbourne and are actively seeking new trade volume to the facility to keep Appleton competitive and restrain cost increase in the future through economies of scale.

Antony Perkins
Managing Director

23rd Jan 2024