

8/2/2023

To: AAT Valued Customers

Subject: Quarantine Held Vehicle Charges – AAT Port Kembla and Fisherman Islands

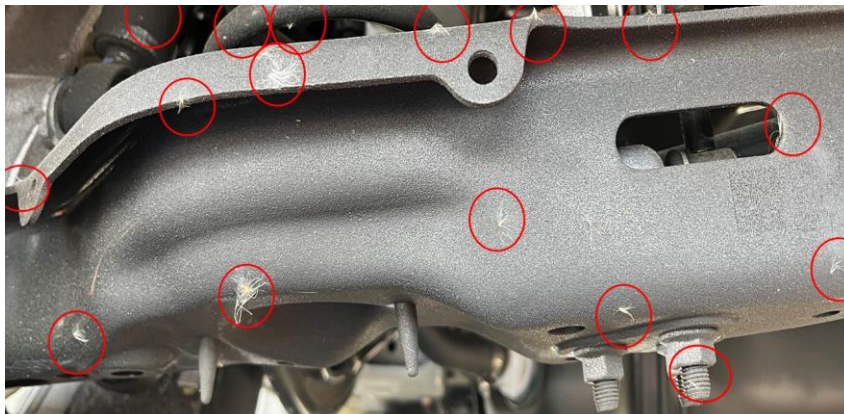
Historically AAT allocated capacity for 600 Biosecurity held cars in terminal which AAT would clean in line with Biosecurity requirements. The situation over the last 4 – 5 months has seen an unprecedented 2600 to 4000 cars on any given day placed on hold for Biosecurity cleaning.

For context and to better understand the extent of the problem, at AAT Port Kembla, the 12 months to end of September 2022, AAT cleaned 7,293 cars. In the following 3-month period, 6,395 cars were held for cleaning. In January this year 9,966 cars were held for cleaning of which we were able to clean 5,610 vehicles. As of today, AAT PK has cleaned 2,200 cars in February with a further 2,768 to be hoisted and 622 in situ cleans. With this level of Biosecurity held cars, yards are congested, and ships can't discharge in a timely manner resulting in long queues as vessels wait for available yard space.

In response to the increased cleaning demands, AAT has,

- Worked with stakeholders in Melbourne to establish Appleton Dock as an alternative RoRo terminal to assist with the backlog of vessels;
- Already installed more hoists in all our facilities, including Appleton Dock which is assisting to alleviate the problem in Melbourne;
- Increased the number of staff on cleaning duties;
- Extended shifts and/or working two shifts a day;
- Introduced cleaning 7 days a week;
- In Fisherman Islands we are in the process of setting up another temporary storage and cleaning facility – waiting DAFF approval and hoist installation; and
- A further 3 hoists are being installed in Port Kembla this week.

Seed contamination continues to be the major Biosecurity issue however mud, leaves, twigs, insects, and other debris is also evident suggesting these cars have been parked in unsealed fields. An example of the extent of contamination is below with seeds circled in red which must be manually removed.



At a time of global shortage of RoRo vessel capacity, there are approximately 33 RoRo vessels on the East Coast alone, in port or at anchor waiting for a berth (not including those steaming between ports) this would normally be 6-9 vessels. Today approximately 19 RoRo vessels are in Melbourne, 7 RoRo in Port Kembla and 8 in Brisbane.

Given the unprecedented volume of Biosecurity held cars and resulting yard congestion at AAT and other terminals including Melbourne and Fremantle, RoRo vessels have been queuing for extended periods resulting in reduced volume through our terminals as we clean cars to create space.

AAT terminals are now facing further loss of volume as RoRo operators explore options to go to other ports to discharge cargo to avoid the lengthy delays at AAT facilities. AAT has also been forced to stop all transshipment through our terminals to other Australian ports and New Zealand as we simply have no yard capacity due to the Biosecurity held vehicles. Desperate machinery importers are now using LoLo vessels and car importers are exploring using containers to go through other facilities.

AAT has absorbed the negative impact for 4 months giving the automobile industry time to resolve the problem at source, however AAT are not seeing any improvement. Given this set of circumstances, from the 1st of March AAT will enforce storage charges at published tariff rates for quarantine held cars after the initial three free day period until cars are cleaned, released and transported out of the facility. Vehicles in the terminal before the 1st of March will not be charged storage until cleared by quarantine and released for pick up.

AAT has not taken this decision lightly and we will review this requirement when held vehicles reduce to a manageable level and yard congestion eases allowing RoRo vessels to discharge without lengthy queues.

Antony Perkins

Managing Director AAT