

03 April 2023

Dear Customers,

**VICT Industry Notice Review to Landside Charges & Infrastructure Surcharge**

Geopolitical events and a pandemic over the past 18 to 24 months have impacted the global economy on both the supply and demand side which has impacted inflation levels.

Despite all efforts to contain and absorb some of the cost increases, VICT has been unable to avoid the increases in our operational input and lease cost which, without adjustment to some of our infrastructure related costs, would negatively impact the continued service levels that our customers expect from us.

Recent hyper inflationary increases in the cost of power have been a significant contributor to the unavoidable higher operating costs.

Over the past nine years VICT has invested almost **\$700 million** in infrastructure and equipment and is currently undergoing a **further \$235 million expansion project** that will deliver further capacity and will include the largest quay cranes in Australia as it prepares for the increasing demand for larger vessels

VICT current project includes the delivery of six new Auto Stacking Cranes (ASC's) 3 additional storage blocks creating additional 15 truck lanes, as well as 2 new quay cranes that will be the largest in Australia. One additional quay crane will be delivered increasing our fleet of quay cranes to eight by between 2026 and 2027, market demand depending.

This increase in infrastructure will boost our vehicle booking system time slot offerings to the market by up to 30% per hour and will be operative during the 1<sup>st</sup> quarter 2024.

VICT maintained a consistent gate to gate truck turn time of 37 minutes or lower over the last twelve months despite increased gate activity.

In addition, VICT continues to invest heavily in technology to ensure our automated equipment and processes remain up to date to deliver consistently efficient service levels that the industry expects.

The landside charges recover part of the costs related to maintenance and operation costs on our landside, property costs, capital investment to the landside infrastructure.

Effective 1<sup>st</sup> June 2023, VICT will introduce:

**VGM Weight Discrepancy Fee** of \$200 per container (subject to GST).

This Charge will apply to all containers determined by the Pondus Stand to have a weight variance greater than 1 metric tonne within the documented VGM. It is the shipper's responsibility to ensure the correct weight of the container is documented prior to loaded/discharged. The Weight Amendment Fee for Containers will be charged to the transport Carrier.

The fee is to ensure the correct weight of the container is documented for safe discharge and collection from the terminal by the nominated transport operator.

**Reefer Temperature Discrepancy Fee** of \$75 per full container (subject to GST) will apply on Reefer Containers that have a Temperature variance greater than 3 degrees Celsius from the Temperature provided to the terminal on the PRA.

The fee is targeted to ensure Reefers are set at the correct Temperature prior gate in and minimise the temperature variation on Reefer cargoes. It is the shipper's responsibility to ensure the Reefer is set at the correct temperature.

Effective 1<sup>st</sup> July 2023:

**Infrastructure Surcharge** will be adjusted from \$161.35 to \$177.48 (subject to GST) per full container.

VICT is a proud supporter and participant of the Victorian Department of Transport Voluntary Pricing Protocol and invites all parties to submit their questions and queries relating to the Infrastructure Charge to [customer@vict.com.au](mailto:customer@vict.com.au).

Yours truly,

Victoria International Container Terminal Limited