

To: AAT Valued Customers

5/05/2023

Subject: AAT Storage Arrangement for Cars, Wheeled and Tracked Vehicles

AAT currently is experiencing extended berthing delays for PCC and RoRo vessels at our Port Kembla (PK) and Fisherman Islands (FI) facilities. The delays are attributed to exceedingly high imports, high discharge volumes on individual vessels, extending berthing time along with yard capacity as the large discharge impacts the entire supply chain. The current situation has resulted in significant berthing queue within excesses of 10 vessels awaiting a berth at both PK and FI.

The seed contamination issue that created congestion and impacted terminals across the country has been largely contained at AAT sites and is no longer contributing to berthing or yard congestion. The recent indicators suggest that the number of seed contaminated vehicles is in decline which is evident in lower Biosecurity held vehicle numbers reported than in previous months.

However, vessel discharge volumes are significantly larger, increasing from an average of 900 cars movements per vessel, up to a peak of circa 5500 on a single vessel. Discharge volume averages are now reported at double the long-term average. The impact of these larger single vessel volumes is evident in the significant congestion issues as the terminals endeavor to clear the facility to create the laydown yard space for the following vessel. PDI operators are also impacted as the large volume of deliveries strains available capacity.

The addition of new shipping lines in the market and subsequent arrival of new vessels, along with the impact of end of financial year is expected to further increase volumes. Delivering cars out of the terminal and creating space is our biggest challenge and has been for many years. This issue is further compounded over weekends and public holidays when cargo delivery is significantly reduced.

On this basis, AAT is forced to change our storage arrangements to promote the delivery of cars, wheeled and tracked vehicles from our terminal. AATs existing policy includes 3 free days storage from vessel departure but currently excludes weekends and public holidays.

From 1st June 2023, **weekends and public holidays will now be included as a working day**. Given there are no terminal restrictions, cars, wheeled and tracked vehicles are available for collection at our sites 24/7, which is consistent with, stevedoring, shipping and port operations which all operate 24/7, we will now require the rest of the supply chain to also participate on this basis to clear the terminals faster. At the expiry of the free three days storage period, storage charges will become applicable regardless of day of the week.

AAT recognises some PDI operators currently work nights and weekends to move cargo and we appreciate their effort and the close working arrangements with our operational staff. Whilst this does provide some relief, the sheer volume combined with lost deliver days over weekends and the recent Easter, ANZAC and Labour Day public holidays, yard congestion and vessel queues continue to grow at significant cost to the industry.

We thank you for your understanding.

Regards

Antony Perkins