

01/05/2023

MIR RAT 2023/24 Tariff Review

Dear Terminal User,

As per clause 6, Schedule 1 of MIR RAT's section 87B Undertaking with the Australian Competition and Consumer Commission (ACCC), the published tariff review process for FY 2023/2024 is complete. The outcomes of this review will be implemented effective from July 1st, 2023.

Our pricing model has been developed in consultation with an independent economist. It considers several market forces, including volume forecasts, operational costs, and overheads, to calculate a tariff that allows us to earn a fair and reasonable rate of return on our investment in Melbourne while providing a sustainable service to the industry.

Over the last 12 months both our business and the industry as a collective have been presented with challenges. Demand for new vehicles has been strong however supply has been hampered due to the availability of components, tonnage shortages in the PCC/RoRo markets and terminal congestion, resulting from a significant increase in biosecurity effected cargo. Combined these factors have impacted terminal efficiency and reduced cargo throughput.

While we have seen growth in volume year on year into our terminal, we have also seen significant cost increases to ensure we have maintained our service levels. MIR RAT's cost base is primarily fixed, and critical inputs such as rent, rates, land tax, and insurance have all increased at a rate we cannot fully offset with the gain in volumes. This results in a need to adjust our tariffs to ensure sustainable operations.

If we look forward higher interest rates and ongoing supply issues are expected to have a cooling effect on the demand for new vehicles and machinery over the next financial year.

With this in mind, effective July 1st, we are seeking an average increase of 6.8%. The Stevedore Access Charge (SAC) will increase by 5%. In addition, Facility Access Charge (FAC), Receival and Delivery (R&D), and all other services across our published tariff will rise by 7%.

Tariff Increase						
Cargo Type	FAC Increase (%)	FAC Change	SAC Increase (%)	SAC Change	R&D Increase (%)	R&D Change
Wheeled Vehicles	7.0 %	\$ 0.27 per cbm	5.0%	\$ 0.71 per unit	N/A	N/A
BBulk/General	7.0%	\$ 0.55 per r/t	5.0%	\$ 0.21 per r/t	7.0%	\$ 0.41 per r/t

The rise in SAC will contribute to recovering over \$3M in new equipment and amenity investments as well as increases in maintenance costs.

We have allocated over \$3.3M to improve lighting and reduce emissions. The increase in FAC will help recover this capital spending aswell as offset a 25% jump in property-related expenses, representing over 75% of total costs. R&D will increase to recoup rising labour costs.

A full copy of the tariff schedule containing the proposed increases is available on our website www.mirrat.com.au for review.

Tariff reviews will occur annually, with the next review scheduled for May 1st, 2024.

**Melbourne International RoRo &
Automotive Terminal Pty Ltd**
ABN: 43 163 814 364

Webb Dock West
Port Melbourne VIC 3207
www.mirrat.com.au



MIRRAT has appointed Economic Insights Pty Ltd as our Independent Price Expert (IPE).

Any objections with reasoning should be submitted to MIRRAT via email jed.smith@mirrat.com.au and Economic Insights Pty Ltd john@economicinsights.com.au no later than the 17th of May 2023. The IPE will then assess the proposed tariff increases.

Further information regarding our Price Dispute Resolution process can be found on our website.

Regards,



Jed Smith