

30/06/2020

MIR RAT 2020 Tariff Review

Dear Terminal User,

Under MIR RAT's section 87B Undertaking with the Australian Competition and Consumer Commission (ACCC) more specifically clause 6 of Schedule 1, the published tariff review process has been completed the outcomes of which will be implemented effectively from the 1st of September 2020.

When we initially sat down to conduct our annual tariff review in late February our view of the world was significantly different from the current reality. The COVID-19 pandemic has had significant impacts across the economy. At the micro-level, we have not been immune, and our terminal user community has been dealing with the effects to varying degrees, something we had at the front of mind when we entered this year's review.

MIR RAT's cost base is largely fixed in nature and over the last 12 months, the continued trend of upward pressure on key inputs such as rent, rates, land tax, and insurance has meant costs continue to rise despite volumes contracting.

Whilst the COVID-19 situation was evolving, in late April we sought approval from the ACCC for an extension to the tariff publication timeline outlined in Schedule 1 clause 6 of the undertaking which was granted on the 7th of May 2020. This postponement intended to create additional time to discuss with our stakeholders about options to reduce our fixed cost burden to allow us to respond appropriately to the difficult market conditions currently being experienced due to the COVID-19 pandemic. While the desired outcome was not met in these discussions with our key stakeholders, through process improvement, and delays to non-essential capital works we can absorb much of the fixed cost increases allowing us to offer some respite in these uncertain times.

Based on this we will hold the Stevedore Access Charge (SAC) at the 2019 level while increasing the Facility Access Charge (FAC), Receival and Delivery (R&D), and all other services across our published tariff by CPI of 1.8%.

Tariff Increase						
Cargo Type	FAC Increase (%)	FAC Change	SAC Increase (%)	SAC Change	R&D Increase (%)	R&D Change
Wheeled Vehicles	1.8%	\$ 0.06 per cbm	0%	N/A	N/A	N/A
BBulk/General	1.8%	\$ 0.13 per r/t	0%	N/A	1.8%	\$ 0.10 per r/t

The raise in FAC will contribute to recovering a 7% jump in property-related costs which represent 66% of total costs. While R&D will increase to recoup rising labor and equipment cost.

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

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

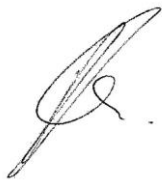
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Tariff reviews will occur on an annual basis with the next review due May 1st, 2021.

Objections with reasoning should be submitted to MIRRAT via email nathan.ullrich@mirrat.com.au and Economic Insights Pty Ltd john@economicinsights.com.au no later than the 18th of July 2020.

Regards,



Nathan Ullrich
General Manager