

From: Phillip Holmes <PhillipH@kline.com.au>
Sent: Wednesday, May 9, 2018 2:04 PM
To: Bailey, Richard <Richard.bailey@mirrat.com.au>; 'stephen.farago@agile-economics.com.au' <stephen.farago@agile-economics.com.au>
Cc: Phillip Holmes <PhillipH@kline.com.au>; Alan Miles <AlanM@kline.com.au>; Gary Warren <GaryW@kline.com.au>
Subject: MIRRAT Customer Notice - 2018 Tariff Review

Dear Richard

Pursuant to your attached notice - which is un-dated, but was received via the below email dated Wednesday 2 May, 2018 - "K" Line (Australia) would opine that the notice does not comply with clause 2.2 of the "Price Related Dispute Resolution Process" wherein MIRRAT is required to provide notice of an annual review "at least 60 days before the end of each Financial Year..."

Further, "K" Line (Australia) would also note under clause 2.3c of the same undertaking that a notice provided under clause 2.2 must contain "detailed reasons for any proposed price increase" and would opine that this notice does not contain detailed reasons for the increase viz;

"Our pricing model considers several market forces not limited to volume forecasts, operational costs and overheads, to calculate a tariff which ensures MIRRAT can responsibly manage the terminal for the life of the lease."

Notwithstanding the above, we would also observe that despite the notice references the increase to be "an average maximum of 2.7%" the increase to the Facility Access Charge (FAC) to which we and our customers are exposed is in the vicinity of 4.5% whilst also noting the Stevedore Access Charge (SAC) increase is only 1%.

We find this level of increase unjustifiable given that latest ABS quarterly results to end March 2018 returned an annual CPI of 1.9%.

If you wish to discuss the above then please do not hesitate to contact the undersigned.

Kind regards

Phillip Holmes
General Manager



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