

27th December 2019

Mr. Paul Zalai
Director and Co-Founder / Freight & trade Alliance (FTA)
Secretariat / Australian Peak Shippers Association (APSA)
Director / Global Shippers Forum (GSF)

REFERENCE: TERMINAL INFRASTRUCTURE SURCHARGES

Dear Paul,

Given the recent and continuous increases to the Terminal Infrastructure Surcharges charged by Port Terminals we are keen to flag the flow on effect to our supply chain costs as a result of this. As an exporter we bear the full impact of these fee increases which challenges our prospects of remaining competitive in a global market.

Since our Geelong Malthouse was established in 1998 we have been a significant end user of Malt Barley for the Victorian grain producers. Recently we have expanded our Malthouse capacity to more than double its previous output so we now export approximately 8000 TEU's from our Geelong plant via the Melbourne Port(s) per annum.

When these surcharges are applied across that number of containers it become a significant cost to doing business into the ever competitive Asian Malt markets. That is not something we can sustain going forward and it flows back down the chain to growers - if we cannot sell our Malt then we simply buy less Barley from the growers.

When the increase in these surcharges is quantified it seems extremely hard to justify how they can jump by such significant amounts in a relatively short time frame - that suggests something other than covering costs in our opinion.

We trust this letter adds further weight to the growing protests against these Surcharge increases.

Regards,



Jack King
Commercial & Procurement Manager
Malteurop Australia