



13 August 2024

## **CUSTOMER NOTICE – Access Charges from 1 October 2024**

Dear Customer

As a key New Zealand port, we are mindful of our critical role in the lower South Island's supply chain. Over a long period of time, we have front footed our reinvestment in port infrastructure to ensure fit-for-purpose facilities for our customers and partners. Unfortunately, in the post-Covid era, shipping congestion and rising inflation have significantly increased the cost of construction in New Zealand and, like many businesses, this has flowed through to our costs at port. Specifically:

- a) insurance costs have increased significantly, due to higher replacement costs of existing assets, and
- b) the increased capital cost of replacement assets required to maintain existing services and provide resilience.

New Zealand ports typically spend twice their depreciation on replacement assets, annually. Up until now, we have managed to cover replacement assets from our annual depreciation charge. Over the past 12 months, we invested \$12m replacing the Port Chalmers Cross Wharf and yard pavement, freeing up additional yard space with the demolition of the old office, and opening Ravensbourne depot.

Our port rail pad is end of life and will be replaced this season, at a cost of around \$14m. Following the completion of this project, we will reconfigure our truck exchange /depot infrastructure at Port Chalmers Container Terminal. (We are fortunate to have a back-up rail spur on the wharf side of the terminal and this will be used to maintain rail services while the main rail pad is being replaced.) Construction of the new rail pad is scheduled for a February start and August 2025 completion.

With the increased construction costs associated with these projects, we need to recover a portion of the capital cost from customers who use the infrastructure. As a result, the following new charges will apply from 1 October 2024

Regards

Craig Usher  
**Commercial Manager**

## Access Charges from 1 October 2024

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Access charge: receival and delivery	Charge per full container	Details
R&D charge – Truck	\$30	Charged to <b>trucking companies</b> for all FULL Road R&D movements at Port Chalmers Container Terminal
R&D charge – Straddle	\$30	Charged to <b>warehouse customers</b> for all FULL Straddle R&D movements at Port Chalmers Container Terminal
R&D charge – Rail	\$30	Charged to <b>KiwiRail</b> for all FULL containers arriving and departing Port Chalmers Container Terminal via rail.

### How it works?

When a full reefer or dry container is gated in or out of the container terminal, a charge will be triggered.

This new R&D charge for road and rail does not currently apply to empty containers.

### Who will be charged?

**Road:** The trucking company collecting or delivering each full container will be invoiced.

**Rail:** KiwiRail will be invoiced directly for all full containers loaded or unloaded at Port Chalmers.

**Port Otago warehousing:** The customer will be invoiced by Port Otago for full containers delivered or received into the container terminal.

### Invoicing frequency and terms

Invoices will be sent out as per customers' current arrangements. Payment terms are 20<sup>th</sup> of the month following, unless otherwise advised.

### Pricing validity

The Access Charges are valid from 1 October 2024 to 31 August 2025.

### R&D

Receival and Delivery of containers