

20 April 2016

Dear Customer

Removal of Fuel Surcharge

The current *Port Authority of New South Wales (Port Authority) Schedule of Port Charges - Sydney* provides for a Pilotage Charge within Sydney Harbour and Port Botany. As disclosed in the schedule, this Pilotage charge includes a \$25 Fuel Surcharge (GST exclusive) within the Boarding Fee component. This fuel surcharge fee was introduced in 2006, with the approval of the Minister for Ports at the time, due to the increasing costs of diesel fuel.

I am writing to notify you that Port Authority has removed the \$25.00 Fuel Surcharge (GST exclusive) in all piloted movements in Sydney Harbour and Port Botany effective 11 April 2016 until further notice. It was removed on the basis that the average cost per litre of diesel paid by the Port Authority in a single month is currently below \$1.00 per litre (GST exclusive). This trigger was a condition within the Minister's approval. The approval process provided for an administrative time lag on the removal of the surcharge.

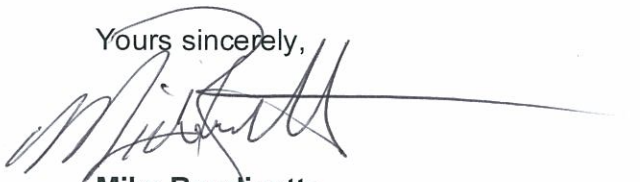
Port Authority acknowledges that the trigger for the removal of this surcharge should have occurred on 1 March 2016. However, due to the administrative time lag component involved, the invoices for the period from 1 March to 10 April 2016 will now be dealt through a credit adjustment mechanism. Therefore, Port Authority will provide one credit adjustment to each applicable customer with detail of the related vessel visits for all invoices levied from 1 March to 10 April 2016.

The surcharge may be reintroduced should the average cost per litre of diesel to Port Authority increase above \$1.00 (GST exclusive) in the future. An equivalent implementation time lag will be provided if and when the surcharge is reintroduced.

Industry will only be advised on further changes in the Fuel Surcharge once it's re-instated.

Should you require any further information in the interim, please contact Mike Baudinette, General Manager Property & Commercial, Port Authority on (02) 9296 4841.

Yours sincerely,



Mike Baudinette
General Manager Property & Commercial

SYDNEY

ABN: 50 825 884 846

www.portauthoritynsw.com.au

YAMBA

PO Box 143
Yamba NSW 2464
T: 61 2 6646 2002

NEWCASTLE

PO Box 663
Newcastle NSW 2300
T: 61 2 4985 8222

SYDNEY

PO Box 25
Millers Point NSW 2000
T: 61 2 9296 4999

PORT KEMBLA

PO Box 89
Port Kembla NSW 2505
T: 61 2 4275 0100

EDEN

PO Box 137
Eden NSW 2551
T: 61 2 66461596