

24 November 2023

To All Cargo Customers

**Implementation of Infrastructure Charges effective 1 January 2024**

Over the last five years Port Nelson has continued to invest in improving port infrastructure that supports the needs of the region's importers and exporters. Further significant investment is required in coming years to replace wharf assets that are approaching the end of their economic life. These investments have been at costs well in excess of depreciation reflecting escalating construction costs. Further to this capital investment, the cost of insurance for these assets has increased markedly, well beyond inflation rates.

A consequence of these investments and costs is that, in spite of cost efficiency initiatives, Port Nelson's return on equity does not deliver a fair return to shareholders. To address this issue, the Port will be implementing infrastructure charges for all cargo types. The charges will commence on 1 January 2024 and will be as follows:

Timing	Charge	Application
Period 1 January 2024 – 30 June 2024	\$1.00 per Revenue Tonne	Charge applies all non-containerised cargo and will be invoiced to the shipper as per existing wharfage charges.
Period 1 July 2024 – 30 June 2025	\$1.50 per Revenue Tonne	
Period 1 January 2024 – 30 June 2024	\$20 per TEU \$40 per FEU	Charge will be invoiced to shipping line and applies to all full containers imported or exported through the Port, excluding trans-shipments.
Period 1 July 2024 – 30 June 2025	\$30 per TEU \$60 per FEU	

Port Nelson is committed to providing our customers with responsive, sustainable and resilient services that optimally meet the needs of today and tomorrow.

Yours sincerely

**PORT NELSON LTD****Matt McDonald**

General Manager Operations

