



F & M LOGISTICS PTY. LTD.

Specialising in Wharf Logistics

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January 24, 2022

Dear valued client,

F&M Logistics wishes to advise as to how the current pandemic related situation is affecting our services and advise of some changes we are being forced to make to our charges to cater for the situation.

As most are aware the current situation around sea freight import and exports is one of unprecedented delay in all areas.

In particular, there are currently long delays for all Biosecurity controlled container unpacks and washing treatments. This is due to Biosecurity staff shortages causing delays in completing inspections. In addition, many Empty Parks are unable to efficiently de-hire empty containers resulting in many empties required staging prior to de-hire and long delays at empty depots. This is causing our depots to fill with empty containers which in turn causes further delays. The stevedores are also suffering from labour issues resulting in long delays at the wharf. We also have many clients taking longer than usual to turn our trucks around at their warehouses due to their own staffing issues.

All this is substantially increasing our costs. Driver and staff absences due to COVID are resulting in significant overtime cost for remaining drivers in order to cover the work. The spread of hours in collecting containers from wharf terminals, including Saturday and Sunday, and long delays at terminals and empty depots are also causing considerable increases in labour costs which are not able to be recovered through our usual invoicing. The compliance and testing requirements associated with COVID are also causing significant additional costs.

As a result of this unprecedented situation, like most other carriers, we are forced to introduce a COVID levy of \$20 plus GST per container from February 1st 2022. We will review the levy on a monthly basis and modify as conditions change. In addition, where an empty park is unable to provide a booking notification and we are required to stage an empty container prior to de-hire an additional charge of \$90 plus GST will apply.

We also wish to emphasise that under no circumstances will F&M Logistics accept liability for additional costs to clients from shipping line demurrage where the 'free-time' hire period of a container has been exceeded due to delays and impediments in the logistics chain such as those detailed above. We suggest that in the current environment common hire agreements between consignees and shipping lines – such as seven free days from container availability – are in no way sufficient and recommend clients take this up with their shipping lines.

Please refer to our trading terms and conditions which are attached for your information.

Our staff have been working very hard under difficult circumstances to keep our services as close to normal as possible – but with staff shortages for scheduled leave compounded by COVID absences within the business having added to most difficult of circumstances noted above – it has been near impossible to maintain the level of service we aspire to.

Please be assured that we are doing our best and we hope that a return to more normal conditions is not too far away.

Regards,

Mark Begley

Managing Director
F&M Logistics Pty Ltd

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Quotations are not inclusive of GST and are subject to our standard terms and conditions which are available upon request. We are not a common carrier