

Upcoming changes to the SIW charging model



Dear SIW Customers,

As you would be aware, SIW has conducted a review of its long standing charging model in conjunction with an ERP upgrade (Pegasus moving to Pronto).

The objective of the review is to deliver a charging structure that is:

✔ **Equitable** ✔ **Fit for Purpose** ✔ **Simplified** ✔ **Rewards store volume**

Since TIR & SIW board approval of the revised charging model earlier this year, KPMG was engaged to conduct an independent assessment of the proposed model which was followed by a legal review process, which were recently finalised and support the above objectives.

The overall aim of the revised charging model is to charge customers on a more equitable and simplified basis, while maintaining the same overall income to cover SIW costs.

What is changing?

Transport

Transport adjustments will take effect at the end of October this year with the implementation of new carton rates, which will move to a dollar fee per carton rate, based on the region in which the store is located (See map).

While transport rates are at competitive levels, these carton rates are relevant to the fees currently charged to each DC (ambient/temp controlled).

All commodities, with the exception of cigarettes, will be subject to a carton rate transport charge and the transport rate will be reviewed annually.

Service fee

The new service fee structure will be a volume metric scale as well as moving to a \$ per carton rate and will now be implemented in Jan/Feb 2023 in conjunction with the ERP upgrade timing.

The current service fee scale has been adjusted in line with Hobart CPI and changes to input costs.

Who to contact with any queries.

Stuart Robins

SIW Commercial Manager

Ph: 03 6391 0804

Email: srobins@siw.com.au

Grant Hinchcliffe

TIR Chief Executive Officer

Ph: 03 6391 0200

Email: Grant.Hinchcliffe@igatas.com.au

TIR will advise retailers of POS and retail pricing changes to reflect the above transport rate change.

Retailers will receive further communication as we move closer to the implementation of the revised Service fee scale in early 2023 which is in timing with the new ERP (Pronto) Go Live.

King & Flinders Island rates exclude shipping costs.

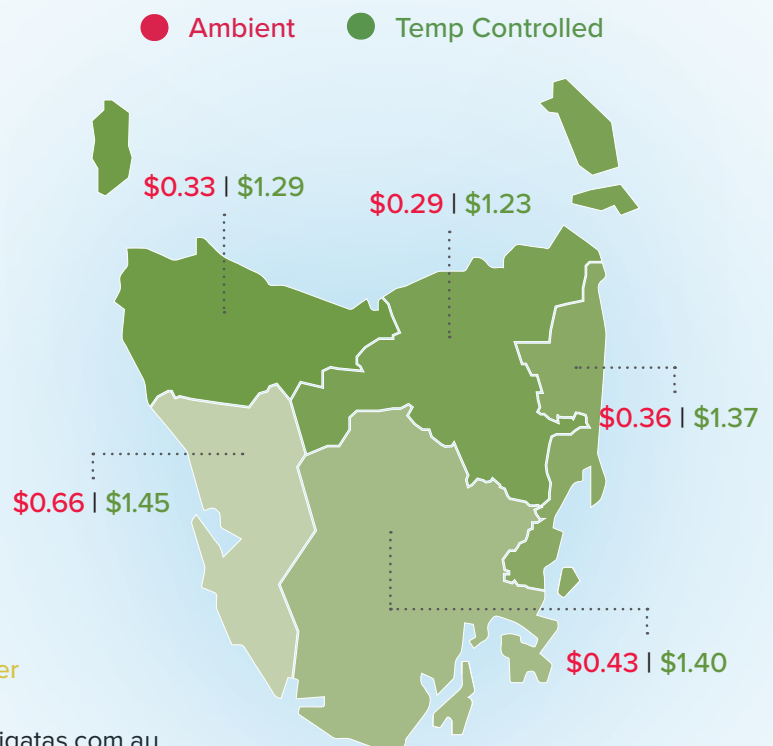
Transport Rates

(Base rate per carton excluding fuel surcharge and GST)

Effective 31st October 2022

Ambient rates based on 100 cartons per pallet.

Temp Controlled rates based on 60 crates per pallet.



'Delivering The Goods'