



Australia's Port Botany looking to tax truck traffic starting in 2010

Australia's Port Botany will introduce peak-time charges of AUD 160 for stevedores and hauliers, in a move to reduce landside congestion and freight delays.

The New South Wales government will set an initial peak period price of AUD 160 for trucks arriving between 0500 hrs and 1300 hrs at the port, located 12 km from Sydney's central business district. An AUD80 charge will be collected for trucks arriving between 1300 hrs and 2100 hrs.

Sydney Ports Corp chief executive Grant Gilfillan said that the introduction of the "performance management framework" arose from more than eight months of work by industry and stakeholders.

"The Port Botany landside reforms are aimed at improving 24/7 operations, efficiency, transparency and consistency in a bid to reduce truck congestion and freight delays at the port landside interface," Mr Gilfillan said.

"The performance management framework will see penalties flow both ways from stevedores and transport operators for failures to meet service standards once they are agreed and in place."

The A\$160 congestion tax is slightly less than the top end A\$180 originally suggested to "help drive behavioural change".

As part of the consultation process, an initial report recommending bid auctions for firm slots was rejected by the industry.

The framework will be in place by the final quarter of this year, with peak period pricing formally introduced in early 2010.

Mr Gilfillan added that a road trial in April, aimed at assessing stevedore and road transport carrier performance, found that the operations of stevedores and carriers "continue to be concentrated during peak periods, adding to the risk of continued congestion at the port across the day".

The trial confirmed that utilisation of available peak slots at Port Botany currently averages 99.9%, but slips to 20% at the weekends.

“The trial revealed there is clearly a need to drive demand away from peak and shoulder periods towards off-peak periods,” Mr Gilfillan said.

“Once this peak period price scheme is operational in early 2010, it will be subject to regular price reviews according to the level of behavioural change achieved.

“A \$20 weekend credit will apply to help smooth out truck arrivals and will also be subject to regular review.”

Sydney Ports’ legal advice was that the fee should be levied on the transport operator and not the the cargo owner. “The charge is being levied on the party who has a direct influence on congestion and direct control over their behaviour.”