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MEDIA RELEASE

NSW Government's port regulation can't make up for poor transport infrastructure

Patrick, Australia's leading ports operator warns the NSW Government plan to regulate pricing of rail freight services at Port Botany won't improve port efficiency and is not the solution for putting more freight on rail.

For six months or more, Patrick has repeatedly requested meetings with the various NSW Government Ports Ministers to discuss ways of making the port – rail interface more efficient. Those requests have repeatedly been denied.

Patrick Container Ports General Manager, Paul Garaty, says, "In 2000, the NSW Government set a target to achieve 40 per cent of freight movements by rail, yet during this time there has been little, if any commitment to rail infrastructure.

"We believe the real issue is not pricing – this is the government's attempt to hide its lack of investment in rail, and to distract from the fact that it has not completed many of the recommendations from the Independent Pricing and Regulatory Tribunal (IPART) 2008 report."

These recommendations included introducing a peak period pricing surcharge for trucks entering the Port Botany precinct during peak hours. The then Minister for Ports, Joe Tripodi, declined to follow this recommendation.

Current data shows less than one in ten trains arrive at the port on time, and more than one in five trains do not turn up at all. Despite this inherent transport failure, Patrick must maintain a fully manned 24/7 rail operation.

Mr Garaty says, "We have proposed increased fees and new rules to provide incentives to make rail more efficient. But even with the proposed increase, Patrick will still not cover the costs of providing rail services at the port.

"The charges have been in place since 2002, and the increase implemented on 1 September 2010 reflects an increase of less than \$1.35 per twenty foot container, per year, since this time. As a commercial entity, Patrick simply cannot continue to subsidise this inefficient and inconsistent rail performance at its Port Botany terminal.

Mr Garaty said, "Patrick has always supported investment in rail because every extra container on rail is another one taken off our roads. Patrick has offered to subject the company to an independent review on pricing. We have also offered the government use of Patrick's extensive land holdings, rail infrastructure and rolling stock and to work co-operatively with government to improve the efficiency of rail at the port. The government chose to refuse this offer.

"However, the heavy hand of government intervention at the port is not the best way forward. Greater co-operation and market-based solutions promise more efficient outcomes. "And without a

greater commitment to rail freight infrastructure in NSW, it remains difficult to see rail mode share increasing above 18 per cent in the near future.”

“This government has spent over \$1 billion to build a new berth to increase competition at Port Botany but is yet to work with the existing operators to make transport in and out of the Port efficient.

“Anyone who lives in NSW will understand this government’s poor performance in rail and road infrastructure - and freight is no different.

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