

More shippers, truckies up in arms over Napier Port charges

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3 minutes to read



An increase in Napier Port's insurance premiums mean a new levy for all port users - which many are not happy about. Photo / Duncan Brown

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New charges from Napier Port have been slammed by the groups representing the country's shippers and truck drivers.

The Napier Port will be imposing an insurance levy charge on users after their premiums skyrocketed due to recent earthquakes, which meant New Zealand ports were now considered high-risk.

The levy - which came into effect on Sunday - has already drawn concern from members of Hawke's Bay industry - including growers, exporters and transport companies.

Now, the New Zealand Shippers' Council and National Road Carriers - which each represent a large number of the country's shippers, and truck drivers - have weighed in on the matter.

Shippers council chairman Mike Knowles said it was an "alarming precedent", and the "thin end of the wedge" for the country's exporters and importers.

"What we're seeing is a levy that lands on those who have no contractual relationship with the port and therefore no ability to influence the outcome."

He and National Road Carriers chief executive David Aitken said the port should be absorbing these costs, or passing them on to commercial clients.

Mr Aitken said facing these increased costs, trucking companies would have to absorb them, or pass them on to customers.

"The port should either absorb the increased insurance costs, improve their productivity or negotiate collection of the charges through their commercial clients, the shipping lines.

"The port has picked on small local trucking companies as the line of least resistance. The local road freight transport industry is extremely competitive, with very low margins."

In response, Napier Port chief executive Garth Cowie said all port users were being charged the levy, with bulk cargo customers levied on a "fair and equitable basis".

"Napier Port has looked at all options for absorbing part of some of the \$2.16 million increase in insurance costs. It is simply not possible for the port to absorb it given the quantum of the increase."

While the port was a commercial entity "operating in an aggressive and dynamic shipping environment", it also accepted it was a "significant economic enabler" of Hawke's Bay.

"We took on board many of the concerns raised at a recent industry meeting. This led to Napier Port reassessing the overall weighting of the insurance levy on customer groups and included all port users, not just cargo customers."

These changes reduced the original insurance recovery levy to cargo customers across the board, he said.

Mr Knowles of the shippers council said it appreciated the dramatic increase in insurance premiums placed considerable pressure on providers of supply chain infrastructure.

"However, applying a levy on parties who do not have a commercial relationship with the port is not the way forward. We are extremely concerned that this precedent may be adopted by other ports and will strongly oppose any move in that direction."

Mr Cowie said they could not speak for other ports, but the insurance situation and risk was different for every port.

The shippers council represents the supply chain interests of major New Zealand shippers, with members across all sectors including importers, exporters, ports, freight forwarders, road and rail.

National Road Carriers is the largest nationwide organisation representing companies involved in the road transport industry. It has 1700 members, who collectively operate 15,000 trucks throughout New Zealand.

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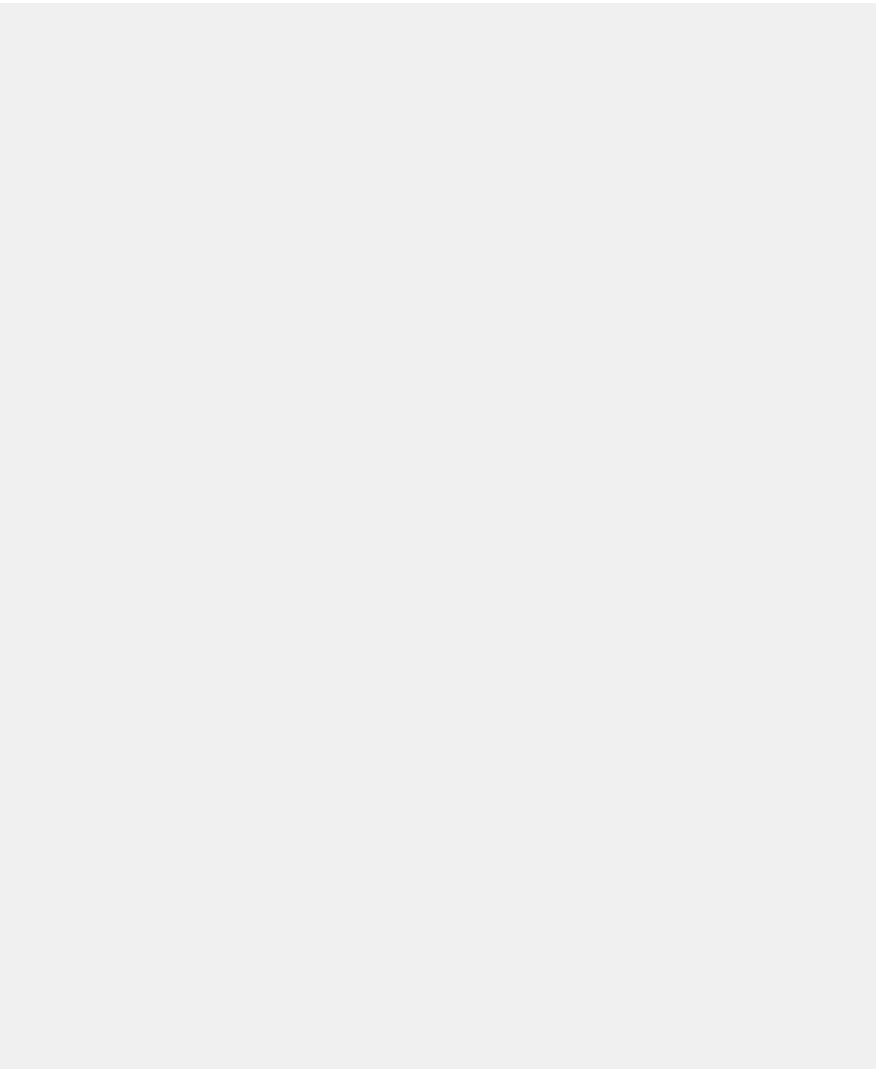
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