

**STATEMENT ADDRESSING THE BETTER REGULATION PRINCIPLES  
IN RELATION TO THE PROPOSED**

***PORTS AND MARITIME ADMINISTRATION AMENDMENT  
(SITE OCCUPATION CHARGES) REGULATION 2010***

**1      *The need for government action should be established***

The proposed Regulation amends the *Ports and Maritime Administration Regulation 2007* to enable site occupation charges to be based on vessel gross tonnage and time at the berth.

The present site occupation charge based on of time at the berth only is “one size fits all” and is inadequate to reflect the cost of providing wharf facilities.

The proposed charging structure will reflect the size of the vessel and the length of stay. Under the proposed changes, larger ships with higher passenger carrying capacity, involving logistically challenging full passenger exchanges, will pay a proportionally higher Site Occupation Charge than smaller vessels. This is more equitable than the current price structure whereby a larger ship exchanging 5,400 passengers pays the same hourly rate as a ship with a 200 passenger capacity which requires minimal use of the terminal.

Other charges applicable to vessels under the *Ports and Maritime Administration Act 1995* are, or are able to be, based on vessel gross tonnage (navigation service charge, pilotage charge and berthing charge).

**2      *The objective of government action should be clear***

The objective of the proposed Regulation is to enable site occupation charges to be based on gross tonnage of vessels and time spent at the berth.

**3      *The impact of government action should be properly understood by considering the costs and benefits of a range of options, including non-regulatory options***

The measure will impact only shipping lines whose passenger cruise ships occupy passenger cruise terminals in Sydney Harbour including the Overseas Passenger Terminal at Sydney Cove.

Site occupation charges are one of a number of port charges available under the *Ports and Maritime Administration Act 1995*. As site occupation charges are part of a statutory scheme, non-regulatory options are not available for setting the basic charges.

**4      *Government action should be effective and proportional***

The proposed amendment will assist recovery of a suitable return on assets on an equitable basis at the Sydney Harbour passenger terminal sites.

**5      *Consultation with business and the community should inform regulatory development***

Sydney Ports has consulted with Royal Caribbean Cruise Lines and Carnival Australia who represent 80% of passenger cruise ships visiting Sydney Harbour.

**6      *The simplification, repeal, reform or consolidation of existing regulation should be considered***

The Regulation does not raise simplification, repeal, reform or consolidation of existing regulation issues for consideration.

**7      *Regulation should be periodically reviewed, and if necessary reformed to ensure its continued efficiency and effectiveness***

The *Ports and Maritime Administration Regulation 2007* is subject to staged repeal under the *Subordinate Legislation Act 1989* and the site occupation charge will be reviewed as part of that process.