



MEDIA RELEASE

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VTA cautions industry on spiralling congestion costs

The Victorian Transport Association is urging its membership and the broader freight and logistics industry to ensure the financial impacts of rampant congestion are being factored into contractual arrangements with new and existing customers.

VTA CEO Peter Anderson said spiralling congestion costs in the form of higher fuel and maintenance charges and productivity losses from vehicles and drivers idling in traffic had the potential to cripple operators that did not factor its consequences into their models.

“For operators, congestion has required a total re-think of how they address efficiently meeting the freight task because of the enormous disruption to vehicle scheduling it has created,” Mr Anderson said.

“The days of schedulers accurately forecasting travel times are long gone due to more vehicles being on the roads, delays from concurrent construction and infrastructure projects, and changes to work patterns that has thrown the traditional nine-five work day out the window.”

Mr Anderson said peak traffic is now the norm rather than the exception, and with the population growing at unprecedented rates, this is unlikely to change.

“Longer travel times caused by congestion translates to much higher operating costs and productivity losses for freight operators. This is evident in the higher cost per kilometre operators are experiencing across their fleets, as well as reduced capacity to earn revenue from vehicles idling in traffic instead of moving and delivering freight,” he said.

In Victoria, the volume of repair and development happening on the road network has never been greater with concurrent works on the M1 and M80, and new projects like the West Gate Tunnel, Metro Tunnel and level crossing removals taking shape. Fifty-one major road projects within metropolitan Melbourne are dramatically impacting travel times.

Mr Anderson said more drivers using the roads are compounding congestion increases from these projects.

“Approximately 440 new drivers are licensed every week in Victoria, and with 2800 people moving here every week, pressure on the network has nowhere to go but up,” he said.

“Inevitably average speeds are declining because of a higher concentration of vehicles, which impacts travel times. Since 2013, average speeds have declined by 33% to just 27 km/h, exacerbated by VicRoads and many councils reducing speed limits to 40 or even 30 km/h.”

For operators, there are significant ramifications from increased congestion, with fatigue management and how to recover higher travel costs to service customers being notable pressure points.



“Operators of vehicles greater than 12 tonne GVM have a responsibility to manage the time their drivers spend behind the wheel so that it meets legal requirement. At the same time, customer expectations need to be met, which can be difficult to achieve in the face of unscheduled delays and supply chain pressures this can cause,” Mr Anderson said.

The VTA is educating consumers through its advocacy work to expect to pay more for goods because of higher supply chain costs, and urges operators to have similar conversations with their customers so they understand why higher costs are an unwelcome but necessary impact of congestion.

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