



King Island Regional Development Organisation Inc

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5 George Street
PO Box 269
Currie
King Island TAS 7256
Phone 03 64621778
Fax 03 64621790
Email kirido@kingisland.net.au

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Tasmanian Freight Subsidy Arrangements Inquiry
Production Commission
PO Box 80
Belconnen ACT 2616

Submission to productivity commission.

King and Flinders Island have been brought into a scheme designed specifically for the main land of Tasmania. For us it never really met the equity criteria it was established for. The existing scheme assumes we have a port with access to overseas shipping and bulk fuel. This is not the case.

When the scheme was established in 1976, many of our machinery and inputs to agriculture were made in Australia e.g. tractors, hay equipment etc. By 1995 this was no longer the case. This is less of an issue for mainland Tasmania for they are able to import directly from overseas.

The lack of opportunity to directly import or export, magnifies the inequity with mainland Tasmania. This has great disadvantages for our exporter's e.g. meat to Japan and kelp to Scotland.

Fuel is not an issue for mainland Tasmania as bulk import facilities would be very competitive with mainland road transport. Yet for us, due to scale, containerized fuel appears our only option.

Timelines of supply i.e. one ship per week (without guarantee) adds greatly to our operating costs compared to Tasmania with four ships per day.

Added to these anomalies is the fact that our distance to Melbourne is 285km compared to 420km to Tasmania. Our freight and wharfage costs are almost double the rate from Victoria to Tasmania.

What we propose, is the establishment of an amended scheme for King and Flinders Island to ensure equity with mainland Tasmania in relation to real shipping costs acknowledging the shorter distance. This scheme should also address the inequity caused by lack of access to export facilities e.g. fuel and overseas products.

Thank you for the opportunity to submit this document.

Yours sincerely

Greg Morris