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Submission

14.6.06

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Topic: Submission for Freight Assistance where isolated areas are at a distinct disadvantage with added costs of higher electricity charges, gas, fuel and freight to markets within Tasmania and interstate

Representing

- (A) M&W muttonbirds and other commercial muttonbird operations
- (B) Ancient fishing secrets – Fish bait prepared for local and the Tasmanian recreational fishing season

Listed below are a number of issues I consider puts isolated businesses, ie Flinders Island at a disadvantage to our mainland Tasmania counterparts.

- Fuel Costs
 - Modern facilities on isolated islands such as Big Dog Island, where commercial harvesting takes place.
 - The facilities on the Island include a coolroom and is required to be on for the duration of the season.
 - Power is obtained by using diesel generators.
 - Fuel costs for approx six weeks is \$2500.00 per shed.
 - Fuel costs on Flinders Island is generally 20-30 cents higher than it is in Tasmania per litre.
 - Commercial muttonbird operators are currently experiencing a higher demand for our products but we feel any price increase in the market place will adversely affect this growing demand.
- Gas LPG
 - The price of gas on Flinders Island is \$160.00 for a 45 kg bottle.
 - Gas costs for a commercial muttonbird season is \$960.00 or 6 cylinders. Gas prices have increased dramatically over the last few years.
- Double freight charges to supply potential interstate markets
 - ALL businesses wishing or having markets for goods interstate from Flinders Island have this added burden if using shipping services via Launceston to supply those markets.
 - Southern shipping costs or current rates are per pallet or per box of goods.
 - Pallet rates are \$250.00 or \$5.00 per box.
 - Loose boxes are at a rate of \$7.00 per box.
 - Boxes weigh between 8-9 kg on average
- Freight services from Launceston to interstate markets
 - Chilled and frozen goods designated for interstate markets is generally carried by Toll Transport Pty Ltd.

- Toll will only generally take palletised goods.
 - Half pallets are approx. 40 boxes, full pallets 81 boxes.
 - Costs of sending 2 full pallets to Sydney 162 boxes is \$727.60
 - Total costs of 162 boxes of muttonbirds from Flinders Island to Sydney is \$1561.60.
- Electricity
 - Again our costs for electricity is higher than our Tasmanian counterparts.
- Packaging
 - Generally all packaging is freighted in via Southern Shipping which means we are behind the eightball at being competitive from the very start.
 - Some businesses are now having to get packaging via AMCOR from Victoria.
 - Most packaging needs were obtained from AMCOR at Remount Road Mowbray in Tasmania prior to this year, so again this is an impost on any business in isolated areas.
- Air Freight
 - Air freight services via Flinders Island Aviation Services will no longer be an option for use to consider as a transit service to get our goods to the market place.
 - This year the price was \$10.25 per box and we were advised that costs were held back.

I have added some Confidential appendages to confirm some to the information contained herein.

Thankyou

J Wells