

## **Tasmanian Transport Association**

**Productivity Commission.**

**P.O.Box 80**

**Belconnen ACT 2616**

26/5/06

Att. Mr. Andrew Irwin

Dear Sir,

**Re: Tasmanian Freight Subsidy Arrangements Inquiry.**

View of the Tasmanian Transport Association on the future of the Scheme.

The purpose of the Tasmanian Freight Equalization Scheme is to ensure that manufacturers and producers in Tasmania are not disadvantaged by the extra cost of moving freight across Bass Strait in relation to moving freight on the National Highways over the same distance.

This intent must always be kept up front and always visible, this is to mean that in our opinion the TFES must never be included or molded into some other form of tax offset or compensation scheme and the intent not be clouded in any way shape or form.

The TFES must be structured in a manner which provides for the subsidy to be available only to the manufacturer or the producer and ensure that no third party has any financial gain. Every extra dollar that is gained by manipulation of the scheme only puts the future of the scheme in jeopardy.

To eliminate any manipulation the TFES it should be structured so that the refund is calculated around the standard shipping containers, or equivalent, on a wharf to wharf basis only with no avenues open to permit anybody other than the correct claimant receiving the subsidy.

The TFES should only be payable on the presentation of and itemized wharf to wharf copy of the actual shipping invoice.

Any other costs that are put forward in a claim, such as container hire etc, and saying that special equipment is needed for shipping should not be accepted.

Some costs of some sort would be applicable for any other mode of highway transport anyway, albeit in another form such as tipper trailers, low loaders, semi trailers etc and therefore on a per tonne per kilometer costs the difference would be negligible.

Acceptance of this type of claim only opens the door to manipulation of the scheme.

The Tasmanian Freight Equalization Scheme is a very important part of Tasmanian economy and if lost or reduced will have a devastating impact on the future of Tasmanian manufacturing and agricultural industries.

It must not only remain in place and be transparent but also adjusted in accordance with increased operating costs on a regular or annual basis so that Tasmanian Business's are not disadvantaged at any time by the cost of transporting goods across Bass Strait.

Yours Faithfully,

Robin H Phillips.  
Executive Director.  
On behalf of the Tasmanian Transport Association.