

ANRA

Australian National
Retailers Association
ABN 78 118 494 643

Scanned copy of letter

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Thursday, 1 March 2007.	admin@anra.com.au
	Founding Board Members:
Mr Mark Baker	Woolworths David Jones
Federal Member for Braddon Po Box 908	Coles Myer Bunnings
Burnie Tasmania 7320	Best and Less

Dear Mr Baker.

Re Bass Strait Freight and Passenger Subsidies

I am writing to you to express support for the Federal Government's decision to retain the Tasmanian freight subsidy arrangements and to canvass with you consolidating the various Bass Strait freight and passenger subsidies into the Auslink-like structure.

The Australian National Retailers Association is a new industry body representing the nation's major retailers, including Coles Group and Woolworths and employing hundreds of thousands of Australians. ANRA members are supporters of policies that promote a vibrant economy in which all Australians can participate. As the largest movers of freight around the country, they are vitally concerned with unimpeded movement between States.

For these reasons, the ANRA supports the decision to retain the freight subsidies, in the face of the Productivity Commission's recommendation that they be abandoned.

I note that in announcing his decision, the Prime Minister stated that the Government would "continue to review the Tasmanian freight subsidy arrangements to ensure they are operating as intended and to benefit all Tasmanians". The opportunity exists to deliver more benefit to Tasmania's and the Australian economy more generally.

Australian Bureau of Statistics December quarter report on retail prices indicates Hobart is 2% dearer than Melbourne based on a very small basket of some 50 items. An earlier comparison by an ANRA member of some 2000 items suggests the price differential may be considerably higher. Freight is a significant contributor. Moving freight from Melbourne to Tasmania is more expensive than moving it to either Queensland or Western Australia.

Through Auslink, the Government has demonstrated a major commitment to improving the movement of goods across the nation. If this approach could be expanded to include Bass Strait shipping it would promote the movement of goods and people in both directions and encourage investment in Tasmania and on the mainland. Additionally such an approach would benefit Tasmanian exporters who are currently not eligible for the subsidy. It would help grow the size of the domestic market in Tasmania and in so doing, further reduce retail prices. In exploring such an approach, it would be important to ensure that the original intentions of the scheme were not undermined.

I would be interested in your comments on these issues and look forward to an opportunity to discuss them with you.

Yours sincerely,

Mary Osmond
CEO - ANRA