

Subject: Consumer Policy Framework inquiry _ lady with a small child and a bird

Recently there was lady with a small child and a bird leaving Tasmania for good on a ferry crossing Bass Strait. Their fares were probably paid for by charity.

Her other children had left Tasmania and family and friends on the mainland no longer visited. She could have been just another descendent of convicts that has been sent by England to what was then, and still for some can be, one of the most remote islands in the world.

I recall a time when John Howard, Prime Minister of Australia, shook my hand and returned in five minutes, shook it again, and said, "I'm sorry, the senators voted". I could tell he meant it.

Why say "sorry" to me?

You see some years ago I had a very good idea. There was no ideas summit then.

I made that idea the best-known in Tasmania. It was to use Bass Strait ferries as a sea highway, and make the cost of crossing about the same as travelling on a road. This would close the transport gap and fully integrate the National Highway network between Victoria and Tasmania and then across the nation.

Four years before Mr. Howard said "sorry" both federal parties had accepted my idea.

I was invited to Tasmania by Labor to hear Laurie Brereton say that Prime Minister Keating would give me everything I ever wanted. Two hours later Mr. Keating did just that. He had refused twice before. A few weeks later John Howard accepted responsibility to also deliver and maintain an equitable ferry-based Bass Strait "sea highway" as part of the National Highway.

In September 1996, just after the Port Arthur massacre, the Coalition acted. It delivered uncapped funding and a Bass Strait equalisation scheme.

The uncapped funding allowed Tasmania's Premier Bacon, to introduce two new ferries each capable of crossing twice a day. It was the same Jim Bacon who incidentally had said to me a year before, when I was writing a draft of his supportive press release, that "I would never succeed".

The ferries allowed the nation to enjoy substantially lower fares, with cars taken free. The numbers crossing were in one year were what they had expected in five. The Coalition scheme was described as the greatest regional initiative ever. It was the catalyst behind the growth in Tasmania over the last 10 years.

But something was going very wrong.

There was confusion between the Coalition's transport initiative and what is called "tourism".

"Tourism" is considered by many to have a focus on more people travelling.

To those in the industry it can mean something very different. Just as for many other industries, tourism can take a more targeted approach, seeking those who can afford to come, stay longer and who can spend the most money in many different tourist facilities.

Soon the Coalition's equitable transport scheme became just a vital ingredient of Tasmanian travel packages and tourism's value adding.

The relatively uncontrolled equalisation scheme allowed both the Commonwealth taxpayer and traveller to now jointly fund holidays in Tasmania. New and faster ferries with plenty of cabins catering for two travellers travelling together were introduced. Promotion that had been initially about highway travel gave way to that offering "great sea journeys".

A scheme that by ministerial directive aimed at offering equalised travel for a car and driver in a four-berth cabin and encouraging sea-based competition to drive down other passenger fares was replaced by cars carried at Canberra's expense. With new ferries more than doubling capacity and less than half used, the expected sea-based competition became unlikely.

Low cost, carbon efficient fares, encouraging more travellers in a car or leaving a car at home, were not introduced or were just rejected as not working. Resultant savings to the Commonwealth's scheme were not made. A low-cost trial initiated by Tasmania's Premier Rundle that efficiently allowed many new travellers to cross was never repeated.

Recommendations for use of a shorter route were also not followed while the cost of fuel for both cars and ferries continued to rise. Preference for ten-day trips using a car, associated holiday accommodation packages and, spending the first night on the ferry as part of the holiday experience, took the scheme away from remedying Tasmania's isolation and the removal of a transport disadvantage that the Coalition described as Tasmania's "single most serious impediment to growth of jobs, investment and population"

What started as an historic transport initiative of national importance was being turned into a one-sided, high-level targeted tourism initiative, for those who could afford to come or, with a Commonwealth funded "free" car incentive, could come.

Canberra stayed quiet and did not target its scheme to deliver its original intention.

It produced annual monitoring reports, taking advice largely from the Tasmanian Government and Tasmanian tourism interests and its own advisers.

These reports to the responsible Federal Minister then moved from a focus on equalisation to justify the scheme's role as assisting with Tasmanian travel packages. They failed to consider how well the scheme was delivering "bitumen cost equivalence" but instead emphasised the impact of the scheme on the total number of travellers to Tasmania and how much they spent. The Victorian Government, representing interests on the other side of Bass Strait, did not seem to be a part of this consultative process. Despite its support for the link, Victoria was also being denied three inter-capital links consistent despite its superior geographical location over Sydney that can only justify just two links.

The Commonwealth equalisation payments acted as an incentive to those wanting to travel by car, as couples, to new high-level resorts that continued to be established across the island.

The equalisation scheme was being turned in to a subsidy and federal minister' s didn't seem to know it!

With no mandate for this change and no economic assessment, the scheme was being skewed to support perhaps the most inefficient way of moving people and vehicles across Bass Strait. It was being replaced by the most highly rewarding support for targeted Tasmanian tourism.

But is it Tasmanian tourism's fault?

They have every right to advance their industry. Any shipping operator would be encouraged by an untargeted federal scheme to make choices not based on highway equivalence. The scheme would even encourage the gradual upward movement of the cost of travel, over time, by allowing value-added services to "target a niche market" of the type of people the "upmarket hotel-motel chains" needed and who presumably would bring higher revenue into Tasmania.

It is Canberra that sets the parameters. It is Canberra's responsibility to be the nation's effective steward.

The economic advantages of highway equivalence on broad-based economies on both sides of Bass Strait continue to be ignored.

The main drivers of these economies are not being given the same type of links as are offered on other interstate highways while travellers are advised that discount airfares are just "too plane expensive". Freight volumes, investment and population in South Eastern Australia are being limited, overheads cannot be spread over a growing population base and the level of services of all kinds within Tasmania are unjustifiably restricted. Many Tasmanian economic indicators are the lowest in the nation. This adverse impact is being compounded by federal exclusion of all consumables sent to Tasmania under Canberra's Tasmanian freight equalisation scheme.

At the 2001 election the cry again from Tasmania was for transport equity.

Mr. Howard was prepared to offer passenger fares as low as \$50 to cross, on top of a free or reduced cost of taking a car, in fact delivery of comprehensive equalisation. The reports are that some in the Tasmanian tourism industry influenced a group of senators. With hours of its impending announcement the \$50 fare was withdrawn. As a consequence the equalisation formula was then ripped from ministerial directives leaving the total cost of access to be determined by Tasmania's government-owned ferry operator.

John Howard may not have known the full consequences of his withdrawal when he said "sorry" but the consequences were to end equalisation.

Despite this highway equivalence didn't seem to end there.

Last year, the peak tourism body in Tasmania asked that the equalisation scheme be upgraded to current highway equivalence from cents 39.87 a km in 1996 to 70 cents a km. Federal Labor agreed and also promised to index the scheme. Not this time as the Coalition had promised, in line with the cost of road travel, but to be based on CPI.

The monitoring reports, intended to keep the scheme in line with the cost of road travel may not now be needed. The scheme is called "equalisation" but there will not be a skerrick of "equalisation" in it.

The equalisation sought and promised may intend somehow to equalise the cost of the shell of car but, for 70 cents a km, highway equivalence would allow cars to include up to say 5 passengers inside. Not so with this proposal. Passengers are again to be ignored and charged extra. How can this ever be "equalisation"?

It is probably now well understood that the scheme, with tourism's higher value niche targeting and without "highway" adjustment, has little chance of ever moving towards the "current cost of driving a similar distance on the national highway", the stated aim of Rudd Labor. However some would know that its very existence should never be justified without it doing so.

This was to be the people's link.

A campaign was started with a vote of the people at a public meeting in Burnie in 1993. Ordinary people and then later industry lobbied for it. It was then endorsed by a national mandate. With billions of dollars going into all other inter-capital highway links, Melbourne to Northern Tasmania remains the only gap in Auslink, said to be Australia's integrated transport system. It can't be an integrated scheme without the gap being filled.

We did not raise the idea at the 2020 summit. This new idea is now an old one. What will Kevin Rudd do with his new ideas? Will they also become old ones or will the experience I have recounted become the legacy of this nation?

There is every ingredient and justification to implement national transport equity over Bass Strait within weeks. There is sufficient capacity, uncapped federal funding, sufficient highway policies and existing schemes in place. There is business and political endorsement and economic assessments that suggest that full equity will cost an amount in line with initial expectations advanced to obtain the national mandate.

Did John Howard say “sorry” because this was the end of a journey that had started in England the century before last? Is this the story of the convicts and their decedents? Is this the story of control and suppression or the maintaining of isolation of the nation’s island state, formerly a convict colony? Is this the story of discrimination? This is the story not of just one “stolen generation” but a story about one of many “stolen generations” taken from England and who continue to be denied equitable access to their own country?

With 47 international cruise boat arrivals in Tasmania last season and 40% increase expected next year, why are ordinary Australians being denied fair access to their own country?

May be the way the scheme has been allowed to be focused says something about the treatment of Australia’s own people or thumbs it nose at the democratic process.

Will another woman with a child and a bird still have to leave Tasmania on charity or will equity and sound commercial sense prevail? Will Kevin Rudd, Prime Minister of Australia, direct the existing scheme to deliver equity to this nation?

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