



Response to the

**Inquiry into Tasmania's Shipping Costs
and the Competitiveness of the
Tasmanian Freight Industry**

**Submission prepared by:
National Sea Highway Coalition**

Dated: 13 December 2013

Summary

The National Sea Highway Coalition (Tasmanian Division) believes that our Island State is entitled to the same benefits as the Hume Highway delivers to Victorians.

The most efficient means for the Australian Government is shipping access instead of a bridge or tunnel.

Tasmanians should pay the 420km cost for travel by road, not an excessive sea access cost.

The cost is borne to the user whether foot passenger, car, heavy motor vehicle or container.

Approximate Estimates

- Foot passenger \$65
- Car \$135
- Heavy vehicle \$800

Short Term

Existing two Spirits be used on day time crossings without cabin space.

The travel time shortened to 9 hour crossings.

Those same ships do bulk freight night time crossings.

Long Term

New ships incorporate a 4-5 hour crossing, Tasmania to Hastings.

Those ships then do night time freight services.

Key Points

- Implementation of this initiative would be extremely timely, given the pressure on the Tasmanian economy as a result of national policy decisions that affect its traditional industries.
- A sea link between Tasmania and the mainland is integral to the national highway system between the states.
- People and freight should be able to move over the 420km of Bass Strait as if between Australian mainland capital cities.
- The people of Tasmania are entitled to access to other Australian States at a comparable cost to other citizens, for example, the cost of moving people or freight along 420km of the national road highway network.
- There is strong Australian Constitutional support for equivalence in pricing for moving people and freight interstate by road or across Bass Strait.
- There is no basis for the exclusion of federal underwriting of ferried imports and exports from Tasmania through mainland ports to comply with WTO obligations.
- The inclusion of Tasmania imports, exports and production inputs under the Tasmanian Freight Equalisation Scheme (TFES) would encourage value-adding, increase employment and attract investment capital.
- There is a sound economic basis for boosting Tasmanian tourism through targeted and more-competitive passenger and vehicle pricing.
- Efficient Bass Strait gateway pricing will enable the whole community to contribute to interstate and regional growth multipliers through improved infrastructure utilisation and reduced welfare – to the benefit of all Australians.
- The incremental cost to current TFE and BSPVE Schemes will over time be substantially outweighed by the benefits through the participation and resourcefulness of the whole Australian community including regional service sector.
- The added annual cost is estimated to be less than the interest cost on the current Australian government investment in upgrading and maintaining the national road highway system.
- Other countries (e.g. United States and Canada) that face a similar situation have shown federal commitment to the equal treatment of island (provincial) states.
- The existing cost structure is prohibitive for foot passengers, cars, heavy vehicles and access to travel patterns is more difficult than travelling overseas.