

RESPONSE TO PRODUCTIVITY COMMISSION DRAFT REPORT INTO BASS STRAIT SHIPPING & FREIGHT

The Tasmanian Govt is saying that tourism is one of the largest contributors to the States Economy and yet it occupies a very small proportion of your research and comment in this Draft Report. This may reflect the paucity of statistics and general information covering the RV Tourism and owner vehicle drive tourist sector in Tasmania which is the sector most influenced by the BSPVES.

Also the paucity of initial submissions from this sector reflects the individual traveller nature of this sector rather than organised groups or commercial entities. However, the views expressed in the small number of submissions from individuals on this matter largely reflect the sentiments across a large proportion of travellers and potential travellers in this sector.

Other States are realising the importance and economic benefits to be gained from fostering this sector whereas Tasmania is lagging behind in both research and development of strategies in this area. For example, The Queensland Drive Tourism Strategy 2013 – 2015 has been developed to strengthen the States economy and to grow Drive Tourism in the State. It states that Drive Tourism is an important market for Queensland, vital for regional destinations, and aims to encourage visitors to travel beyond major Tourist destinations and stay longer in Regional areas. This is exactly what Tasmania needs and exactly what the BSPVES and the management philosophy of the TT Line as a State Owned Entity should be addressing.

Many of the statistics covering passenger and passenger vehicle travel quoted in your Draft report are at best sketchy or even misleading in some cases because of the lack of detail or breaking down of the data into more relevant information on the RV travel sector. For example :-

Page 15 – 90% of personal and business travel by air. What proportion is genuine tourists against the large increase in fly in fly out workers, Conference travel, which is largely concentrated in Hobart and most only short duration stays, with only a small spin off to a couple of regional tourist hubs, and the 3 to 5 day tourists who mainly only visit the major tourist hubs and do not get out into the regional areas that need the economic boost.

Page 30 – Draft Recommendation 11 seems to suggest that a per vehicle cost increase will have no effect on numbers travelling to the State, and using the subsidy money elsewhere such as advertising will be more effective.

This, with respect, shows a complete lack of understanding of this sector and the reasons for it's decline over the last several years, which possibly stems from the lack of available statistical and general information mentioned previously, as well as the submissions on this matter being from individuals, like myself who do not have the resources both financial or otherwise to do the detailed research.

Page 31 - Draft Recommendation 12. As stated in my original submission my view is that the TT Line should be owned by the Commonwealth Govt. not the State, and be treated as a public transport

(2)

asset between States and managed with a public transport philosophy. My belief is that Private ownership, or a second operator, in the long term would not be beneficial as the economies of scale required to minimise costs would not be possible if competition were introduced with a second operator. A single private operator would be profit driven and may ultimately require a greater level of Govt subsidisation anyway.

Page 65/66 – 2.4 Tasmania’s Passenger Vehicle Task. For most RV Travellers the crossing of Bass Strait is “The destination not the journey” and again the travelling numbers in this sector will not be influenced by cheap airfares as the object of their travel is to have the independence and flexibility, comfort, familiarity and economy of taking their own accommodation with them wherever they travel.

Figure 2.7 needs further interpretation, ie. Tourist categories, Tasmanian residents etc.

2.5 Costs for Passenger vehicles. My view is that an actual cost of around \$90 for small vehicles (up to 6 metres) is acceptable to most but the rapidly escalating cost as vehicle length increases is not acceptable and is one of the reasons for the decline in RV numbers coming to this State. Height restrictions for RV’s caused by competition with freight units for the available high deck areas is a large issue. The trend with new RV’S (caravans and Motorhomes) being sold is towards larger and sometimes higher units.

From what I can ascertain there is very little variation in fare costs for vehicles that fit the minimum size criteria (under 6 meters) but large variations and inconsistencies occur with larger vehicles which do not appear in the statistics. (Refer to dot point number 9 in my original submission)

A factor not mentioned anywhere is that several years ago (I’m not sure when) the size criteria for minimum charge was reduced from 7 meters to 6 meters thereby adding an extra one meter charge on larger vehicles right up the size scale.

Page 68 - Australian Tax Office figures for cars cannot be applied to most RV’s, Motorhomes, caravan tow vehicles etc. as running costs may not necessarily increase with vehicle size or engine capacity. Similarly A T O accommodation figures are not applicable as there is no breakdown of figures which matches reality for RV travellers on the TT Line.

Flying in and hiring an RV is not an option for those wishing to stay for extended periods because of the costs and lack of convenience of not having their own Rigs. Car rental statistics are not relevant to this discussion.

CHAPTER 3 Page 71 dot point no 8 Removing the Passenger vehicle and RV vehicle subsidy would without doubt kill off this sector of the Tasmanian travel market. It’s decline and current small size is not consistent with interstate trends and burgeoning RV sales would suggest a strongly growing market.

I cannot stress strongly enough the power and effectiveness of the informal networking that takes place amongst RV travellers around Australia as set out in my original submission and any action by Governments which negatively impacts their travelling to Tasmania will have an enormous impact.

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The decline in RV numbers travelling on the TT Line in 2011/12 & 2012/13 shown in your statistics, can in part definitely be attributed to this networking when the "Economic Regulator" announced that charges had to be applied to previously free campsites on the basis that they were competing unfairly with Caravan Parks and Commercial Campgrounds. I first heard this news at an outback campsite in Queensland in mid 2011 and the immediate reaction of fellow campers was, that it was "the last straw" as the cost of travelling to Tasmania was so high that they could only justify the expense of getting there if they could offset it by free camping as much as possible.

Page 84 - The stated capacity of the current vessels (Spirits 1 & 2) appears to be vastly under utilised (1400 People, 500 vehicles). A decline in voyage numbers and passenger numbers is mentioned, (Page 67) but no mention of any decline in vehicle numbers overall, or any relationship between Passenger vehicles or RV numbers and the number of Freight units carried by the TT Line.

Page 85 - Mentions 18000 RV's transported, but no breakdown as to how many were carried twice as a return voyage? how many were Tasmanians travelling North for their holidays? And no comparison with other years?

It is stated that the effectiveness of the BSPVES is diluted, but my view is that this dilution largely stems from the management policies of the TT Line such as inconsistency of pricing, the need to book and pay too far ahead to secure a preferred travel date, cancellation policies and the perceived priority given to the carriage of freight over passenger vehicles.

Page 86 – The last paragraph dismisses the "Grey Nomad" or RV sector as having limited capacity for expansion so why are other States developing strategies to entice what they see as a growing market to their areas. Tasmania doesn't get anywhere near its pro rata share of this sector now.

Page 99 - My view is that it is a wrong assumption that the BSPVES only provides diluted support to Tasmanian Tourism. As stated above the BSPVES appears to be poorly applied and managed by the TT Line, and the stated lack of transparency may be masking problems affecting outcomes.

Sea travel may only be 10% of Passenger travel to Tasmania, but RV travellers consistently spend more in regional and rural areas and stay in these areas for much longer periods. Average weekly spend,- \$572.00 (CMCA research – Balfour consulting, Rest area research, 2010). Average RVers stay in Tasmania, 2 to 4 months (anecdotal).

The lack of effectiveness of the BSPVES as a driver of tourism expansion could also be attributed to the rise in real fares, (resulting from price fluctuations due to demand fluctuations, which do not appear in the statistics) and indirect costs such as meals and accommodation on the TT Line. Meal costs alone have doubled in the over 10 years I have been travelling regularly on the Spirits. Refer to the 6th dot point, on page 2, in my original submission for my experience with costs, bookings and discounts.

Cheap airfares are, of course, going to skew the proportion of sea to air passenger travellers to Tasmania but not RV travellers as they have chosen that mode of travel for reasons stated above and will travel with their vehicles on the boat anyway.

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The Draft report seems to suggest that the RV tourist sector in Tasmania is disregarded in favour of promoting fly in tourists from Asia. They are totally different markets with totally different outcomes for the Tasmanian economy, but both have a legitimate place.

Page 116 – Questions regarding comments on this page,

- Does the “competitive discipline” imposed on freight by the TT Line being active in the freight market come at the cost of Passenger vehicle fares?

Would eliminating freight from the TT Lines service influence fares downwards?

What was the effect on TT Lines figures when the Devil Cat was operating?

In conclusion it is my view that any reduction in the BSPVES subsidy would be disastrous for the RV tourism sector in Tasmania and much more research is needed to define both the problems and the solutions with the BSPVES as it now stands.

My original submission and these comments on the Draft report are made as a consumer of TT Line products, but I am also an active member of the CMCA (Campervan and Motorhome Club of Australia) Member Benefits Team, and I commend that organisation to the Commission should you require further information on RV travel matters.

Don Napier,

30/01/14