

NATIONAL SEA HIGHWAY

SUBMISSION

Productivity Commission

Tasmanian Shipping – passengers, vehicles and freight

18th February 2014

The solution to Bass Strait is very simple.

The Federal Government should run a regular ferry service between Victoria and Tasmania offering highway cost equivalent transport and travel using whatever agents or mechanisms they choose. This is a federal obligation.

If the existing Federal equalisation schemes are to be retained, they should be made to deliver a full National Highway link across Bass Strait using shipping, for all people, all vehicles and all non - bulk freight.

The movement of people and all vehicles can be covered using the BSPVES by adjusting the scope of the scheme to use a suitable highway formula, as included in past federal ministerial guidelines, or by influencing Tasmania to adjust the TT Line foundation document, to require the offering of a range of all-year fares based on highway equivalence.

This adjustment can be paid for by better use of the existing BSPVES funding and revenue from increased passenger and vehicle numbers.

The adjustment would be made on the understanding that sea-based competition has not brought passenger and vehicle fares down to highway equivalence from 1996, as expected.

It is also consistent with the original purposes of the BSPVES - to equalise both passengers and vehicles.

The PC should also then extend TFES, with minor improvements, to all freight, save for bulk goods transported regularly in the hulls of ships, moving in both directions, Some existing Tasmanian manufacturers could be given exemption from mainland competition for a limited time, if necessary.

The increased cost of TFES could be met by taxation revenues and savings from increased economic activity in South Eastern Australia generated by completion of the NSH link.

All existing travel and transport options can remain, if someone is willing to continue to fund them, and the schemes reviewed in two years.

Just tweaking the existing schemes will favour existing beneficiaries at the expense of many large potential stakeholders and the interests of the rest of the nation.

The transport network across Australia is fair and integrated, save for the link to Tasmania. It is like a hose capable of watering the whole garden but with a broken connection to Tasmania. The PC's draft report has failed to recommend a low cost connector. At best, it recommends a water limiter.

This is incomprehensible and against the productive use of billions of existing infrastructure on both sides of Bass Strait that could be easily integrated through an effective transport link.

The PC's draft paper should be fully rewritten in the light of "equalisation", not subsidy.

A failure to close the gaps in this interstate link will now raise very serious doubts over the process of national policy making and erode critical faith in our democratic process.

So Ms Annabel Crabb, this is really what my question to Malcolm Turnbull in Launceston was really about.

It was to remove what has been said to be "the greatest barrier to population, investment and jobs for Tasmania" and to replace it by a fully operational National Sea Highway connecting the nation, just as the sea lanes linked all the colonies before federation.

Peter Brohier