

PETER BROHIER

SUBMISSION

HISTORY OF BASS STRAIT

Bass Strait - Passenger - Vehicle - Freight - Equalisation

Question given personally to the Prime Minister and Premier of Victoria at the Melbourne Press Club lunches held on the 5th and 6th May 2010

Premier Brumby took the question on notice and promised a response and the Prime Minister handed it to his assistant Andrew who agree to respond.

Why won't the Federal Government target existing uncapped Federal Bass Strait passenger vehicle and freight equalisation funding to deliver a basic and equitable surface transport link between Victoria and Tasmania?

Federal equalisation funding is mainly serving limited sectional interests within Tasmania and is not driving the whole economies of Victoria and Tasmania.

Bass Strait is not covered by Infrastructure Australia and transport equity and the principle of equal links between states is being ignored. Appropriate land-based connections are also not covered.

The economic impact of targeting this link can be huge and immediate, and with no shipping capacity constraints.

If it is responsible to drive the economies of all other states by land-based links, why discriminate against Victoria and Tasmania because a water crossing is involved?

The Victorian Government asked for a AusLink connection to Tasmania, and

Prime Ministers Keating and Howard took significant steps to try to deliver interstate transport equity.

Under Rudd Labor ◆equalisation schemes◆ are looking more like ◆subsidies◆.

Peter Brohier

Chairman of the former National Sea Highway Committee

Given the public mandate for a National Sea Highway, this issue is of national importance and goes to the heart of our democracy and national economy.

Australia's transport plan should provide national corridors between all states, not just some.

The National Sea Highway concept is that Tasmania should be connected to Victoria by a ferry-based surface travel option offering, all year, comprehensive National Highway equivalence for both people, vehicles and non-bulk freight. We believe that this was the intent of the Coalition, as applied to people and vehicles, when it announced the introduction of the Bass Strait Passenger Equalisation Scheme in 1996.

Any variance to the delivery of this outcome appears contrary to the democratic mandate given by the people of Australia and Tasmania in 1996.

This concept is in keeping with the aim of an integrated national transport system and the Commonwealth's responsibility to provide National Highways between states.

The Commonwealth should now direct its Bass Strait funding, or equalisation schemes, to achieve this outcome. This would allow all Australians the freedom of mobility to move fairly between all states of the nation, not just some. Also it would support fair trade objectives advocated internationally.

Uncapped federal funding under the driver and vehicle scheme should be able to meet the Australian Government's responsibility to deliver comprehensive equity to the people of Tasmania and other Australians. The success of scheme should not be measured by Canberra on the delivery of holiday packages for visitors to Tasmania or the reduced cost of moving the shell of cars, without equalisation being delivered.

MEDIA RELEASE

12th July 2009

NATIONAL SEA HIGHWAY GROUP

TT LINE'S NEW HIGH VOLUME, LOW FARE STRATEGY CAN EQUITABLY LINK VICTORIA & TASMANIA

Peter Brohier, Chairman of the former National Sea Highway Committee and the spokesperson for the National Sea Highway Group 'NSHG', said today:

'The Hobart Mercury, July 9th reported that '*Bass Strait ferry trips would double*' and that a 'brave new strategy' would be adopted by TT Line. Also, that the CEO of TT Line reports that, 'TT Line had a choice to cut costs and sailings or attack the market'. It was now taking the approach of 'attacking the market'. This apparently included introducing a \$49 sea passenger fare in late July 2009. Price was also 'a key' to travel.

Mr Brohier said, 'The NSHG hoped that such low fares could then be consistently applied all year, especially on day sailings in both directions. He welcomed TT Line's proposal to increase its service to four sailings each day, over an extended summer period and hoped they would then continue all year.

There is Federal responsibility to deliver basic transport equity between states. The Rudd Labor promises were 'to move' the cost of travel across Bass Strait 'towards the current cost of driving similar distances on the national highway network'. Such new fares and approach could come very close to delivering the actual cost of bitumen travel. Rudd Labor would then easily meet its stated intention and obligations, in full.'

Mr Brohier said 'He hoped that the words 'attacking the market,' meant that TT Line would now compete directly with discount airfares as all other interstate surface transport links competed with air travel. The NSHG expected that Tasmanians, and in fact, all Australians, would now start to enjoy basic equitable surface transport across Bass Strait. As with any new inter-capital bitumen highway, business across South Eastern Australia had already expected significant investment, population and jobs would follow such a link.

The approach would now significantly use the existing ferries and the uncapped Federal funding of the Bass Strait Passenger Vehicle Equalisation Scheme 'BSPVES', introduced in 1996 as a result of lobbying by the National Sea Highway Committee. The Committee's 1992 vision, and that of its predecessors would be implemented. Such effective use of the BSPVES was long overdue. The purpose of the BSPVES funding was to deliver transport equity.

Initiatives to dramatically lower fares were not new. Nor was the knowledge that **price** was a major determinant of travel by sea. In 2001, under a former strategy, presumably not a volume strategy, \$50 passenger fares, to be offered by Prime Minister Howard had been unfortunately rejected.

The NSHG believed that the commercial benefits to TT Line, already flowing from this new strategy could, with the introduction of consistently priced everyday low fares, result in billions of dollars of economic benefits flowing to the whole Tasmanian community, and also to Victoria.

Uncapped federal funding and the large capacity ferries had been 'like a new bridge waiting for someone to cut the ribbon' With the change in approach by TT Line, the ribbon has every chance of being cut. All Australian states can be now connected with a fair and integrated transport system of national importance.

BASS STRAIT PASSENGER VEHICLE EQUALISATION NEEDS URGENT ADJUSTMENT

We ask the Australian Government to place a condition on the Bass Strait Passenger Vehicle Equalisation Scheme (BSPVES) requiring the introduction of a raft of additional sea fares as a condition of receipt of any BSPVES funding.

This condition would be aimed at fully delivering the equivalent of bitumen travel on the National Highway over Bass Strait including each way fares of \$299, in sit-up or stay-up accommodation, based a car and inclusive of its passengers at highway equivalence of 427km at 70cents a km. Also, the Australian Government should introduce a foot passenger fare of about \$50 based on the cost of bus travel over an equivalent distance.

These fares will need to be maintained at the cost of bitumen travel by the Australian Government. They will offer the same cost efficient travel options by ferry, as on a road. This proposal will allow the Commonwealth to deliver an equitable surface travel option between Victoria and Tasmania, is consistent with the original formula for and the intention behind the introduction BSPVES, will make greater use of existing shipping capacity by making available additional sit-up accommodation, nightly, and then comprehensively on day-time sailings, as demand increases. Over time the proposal may encourage some operators choose a shorter,

more practicable route.

The proposal will apply Commonwealth BSPVES funding more efficiently as it will encourage an increase in the passenger vehicle or subsidy ratio, has a limited downside and is expected by us not to substantially impact on existing travel options.

The BSPVES uncapped funded scheme appears well funded to deliver this outcome. The estimated cost to the Australian Government seems to be within affordable limits for an interstate route and has already been justified by provision of the existing BSPVES funding and its indexed increase by by Rudd Labor.

This is a matter directly for the Australian Government, not for shipping operators.

INTERNATIONAL COVERAGE 15th May 2008 REUTERS Thu May 15, 2008 2:36am EDT

"Australia islanders say they are modern convicts"

MEDIA RELEASE 24th October 2008

Equitable 'Sea Highway' between Victoria and Tasmania

Peter Brohier, Australian Lawyer, and the catalyst behind the introduction of the Bass Strait Passenger Vehicle Equalisation Scheme (BSPVES), said today that:

'The scheme is not delivering comprehensive equitable surface travel for people between Victoria and Tasmania.'

'Despite Labor's recent introduction of indexation of the BSPVES by CPI , \diamond indexation \diamond may have very little chance of bringing the cost of travel by sea to any way near the same cost of travel over sea to that of bitumen, for many Australians. This was the original intention of the scheme.'

He went on to say that to achieve highway equivalence and effective use of the BSPVES, 'the scheme needed to be targeted to cover people inside cars and not just the shell of cars'. It should also target foot passengers.

The 70 cents a km, or highway equivalence, that comprised the basis of an increase in scheme funding by Rudd Labor's in 2008 should cover a car and all the passengers inside the car. Otherwise, the equity basis of the scheme would make little sense."

Peter Brohier

AFL TASMANIA SENATE HEARINGS 24th October 2008

Regarding the possibility of establishing an AFL Tasmanian team, see submissions numbered 1 and 1A, by using the following link:

http://www.aph.gov.au/Senate/committee/rrat_ctte/afl_tasmania/submissions/sublist.htm

RELEASE 15th May 2008

Canberra on Thursday, 15 May 2008 between 12 noon and 12.45 pm in Committee Room

2S1, Parliament House, Canberra.

Also submission number 47 and 4 supplementary submissions, including documentary material contained in the last or fourth supplementary submission available from the following link.

<http://www.aph.gov.au/house/committee/itrldg/coastalshipping/subs.htm>

Other material relevant to both Victoria and Tasmania is available by inserting the name "brohier" in the search facility on both the Productivity Commission web site <http://www.pc.gov.au> and Parliament of Australia web site www.aph.gov.au

MEDIA RELEASE 12th September 2007

Federal Labor's 10th September 2007 Bass Strait Commitments

Peter Brohier, described as the man most responsible for the introduction of the BSPVES by Paul Lennon, said today,

'The Labor announcement of an increase in the BSPVES rebate of \$30 each way is offered in the context that the BSPVES should aim to deliver equity with road travel. Labor has accepted that the Bass Strait crossing should be based on the cost of driving on the National Highway network. The Keating Government did not acknowledge this. The Rudd Ferguson team, to its credit did.

This is a significant move by Labor and will maintain the bi-partisan policy basis for this scheme in years to come.

Mr Ferguson, Labor's Shadow Transport minister said:

'It is time for it to be increased to move towards the current cost of driving similar distances on the national highway network,' He went on to say

'Bass Strait is Tasmania's highway to the mainland, linking it by sea instead of bitumen'. 'The cost of travel across Bass Strait is clearly a major impediment to travel between the mainland and Tasmania.' 'Mr. Ferguson said that under a Rudd Labor government the rebate will increase from \$150 to \$180 per passenger car and for the first time will also be indexed annually to the CPI.'

Paul Keating, in his 1996 election promises, offered to dramatically reduce both the passenger and vehicle fares to very close to highway equivalence. So did John Howard's coalition. In 1996 it introduced, under ministerial directive, a formula equalising the cost for the driver and car and by expecting competition to drive passenger fares down. Also John Howard seems to have taken the initiative in 2001 by trying to offer \$50 passenger fares in 2001, on top of the BSPVES(page 300 Cheek, Confessions of a Ferret Salesman).

The expected sea-based competition did not eventuate and, possibly cannot easily eventuate now, as there is substantial excess shipping capacity already in Bass Strait.

Ms Campbell candidate for Bass said: 'The rising costs have been a deterrent for people wishing to take their vehicles either to or from Tasmania and this will help restore the balance.' How can this occur?

Under the recent Labor proposal there seems no mechanism that will drive down passenger fares and since 2001 no formula that will offer all year highway equivalence. Low airfares are not always available and the total cost of parking, the discount air ticket, and car rental has

been described in advertisements as 'too plane expensive'. The total of these costs is unlikely to drive sea passenger fares down.

It is the total fare for passengers and a vehicle that needs to come down dramatically to maintain equity and National Highway equivalence. Cars don't drive themselves.

Tourism Industry Council Tasmania's Mr Hanna said 'the main purposes of the BSPVES was to ensure Australians travelling the 427 kilometres between Devonport and Melbourne received an equivalent level of support to that provided through funding of the National Highway network to people travelling the same distance between mainland States.'

'In 1996 when the current rebate for a family sedan was set at \$150, the estimated running cost for an average family saloon was 39.87 cents per kilometre. The current cost of running a family saloon has increased to 70 cents per kilometre. Based on this, the cost of travelling 427 kilometres on a national highway would be \$299.'

In peak season, based on a regular sit-up recliner fare, to cross the Strait return, for 4 passengers and a car, is \$1964, including Labor's proposed BSPVES payment of \$180 each way.

For equity and highway equivalence, an all year \$299 carfare should cover the car and all its passengers, each way. This is the same option available on any highway. A foot passenger fare of about \$50 should also be introduced to ensure equity for those not wishing to take a car and saving the Commonwealth \$180. This would equate to a bus fare, an option that would be available on mainland highways.

The Tourism Industry Council has also got it right in describing the equity basis of the scheme and welcoming the Labor initiative. They also said

'The BSPVES is acknowledged as one of the primary reasons for the success of the strategy to improve sea access to Tasmania and the significant growth experienced in our industry since the introduction of Spirits I & II in late-2002.'

The BSPVES is an important scheme - but there is along way to go to deliver highway equivalence. If it is the Rudd - Labor aims at delivering a fairer Australia then fairness would dictate full equitable access crossing Bass Strait. Passenger fares also need to be addressed and pegged to highway travel costs,

'This would enable air to compete with fair interstate National Highway access across every border of this nation and offer equal links between all states.'

If Labor were to offer equity across Bass Strait, at full highway equivalence, the fares could be about \$50 (for a bus fare equivalent) and \$299 for a driver and up to 5 passengers, including a car. These would be all year, each-way fares, based on sit-up accommodation. This option would be very affordable. Full equalisation including was costed in 2001, by officers of three governments, at about \$28 million a year. The BSPVES, as applied by Labor, could cost the Commonwealth about \$50 million a year.

SUBMISSION TO THE SENATE COMMITTEE RE AUSLINK 9 March 2005

Evidence given by Mr. Peter Brohier to the Senate Committee on Rural and Regional Affairs and Transport on the 18th March 2005.



[Download the video \(wmv file 3.1MB\)](#)

[Download Broadband version of the video \(wmv file 20MB\)](#)

In May 2005 the Committee concluded:

'Auslink is not about air or sea transport as such, but is concerned with inter-modal facilities and links to ports and airports'

OUR VIEW IN MAY 2002

26th May 2002

NATIONAL SEA HIGHWAY COMMITTEE ENDS A 10 YEAR CAMPAIGN

Peter Brohier, Chairman of the National Sea Highway Committee said today:

'The principal aims of the campaign for Bass Strait passenger transport equality will be met from September 2002 on introduction of the new fares and monohull ferries.

The Bass Strait sea passenger and vehicle fares announced by the Tasmanian Government a few days ago will exceed full equality for a single driver with a car and offer full equality based on the cost of National Highway travel for two sit - up passengers and a vehicle crossing Bass Strait by sea.

These fares will apply for about 45 weeks a year.

The lowest fares are expected to be between \$94 to \$100, one - way for a single driver and a car. This is about the cost of petrol to drive one - way between Melbourne and Adelaide or Melbourne and Sydney. The cost of two travellers with a car one-way will be between \$188 to \$200 in reclining seat accommodation. This results in a cost of about 44 cents a km, Melbourne to Devonport estimated at \$190.

There is still no Commonwealth guarantee of comprehensive passenger access pegged to the cost of road travel. Despite this, uncapped and substantial Commonwealth funding and a dramatic increase in passenger capacity, daily and faster travel and optional meals and berth accommodation to be introduced by the Tasmanian Government, will allow highway equivalent access to and from Tasmania for many Australians. Access will be much more affordable. Tasmania will enjoy similar transport links to all other states.

It is expected that when Tasmania enjoys the benefits of lower surface travel costs these will continue for many years to come. This is especially so as uncapped funding offered by the Howard Government in 1996 has now reached levels able to deliver full equality and an acceptable return to operators.

The economic and social benefits to Tasmania and south-eastern Australia ought to be substantial.

It is political reality that sometimes the decisions made by Governments do not fully meet the needs of those seeking change.

The Committee had sought a low foot passenger fare and an inclusive car fare to offer comprehensive highway equivalence. Unfortunately, the Committee was unable to persuade both the Federal and Tasmanian Governments of the merits of this part of its proposal. Hopefully the advantages of the Committee's suggestion will become more apparent over time.

The Committee however recognises that the proposed fares will deliver greater than highway equivalence for many single travellers, full equivalence for the most common group of travellers but regrettably, at the expense of larger groups travelling.

Tasmania will soon have the greatest opportunity to benefit by implementation of most of the access arrangements we sought when we started campaigning in 1992.

We hope that Tasmanian and Commonwealth negotiators will now ensure that the BSPVES is maintained using the same equalisation principles as apply currently under the Scheme. The BSPVES could now be said to effectively equalise the cost of two persons travelling in a reclining ferry seat with a car rather than continue to equalise the cost of a single driver occupying an inside four berth cabin.

We believe that when Commonwealth funding is re-negotiated in four years it would be advisable that the BSPVES be based on equalisation principles rather than on subsidies dependent on the vagaries of the political will of the day.

In view of the substantial delivery of equalisation no further lobbying by the National Sea Highway Committee need now take place.

I wish to thank the members of, and all who participated in and supported the voluntary campaign run over the last ten years by the Committee and its predecessor, the Committee for Bass Strait Transport Equality.

My thanks also go to the Commonwealth and Tasmanian Governments for their significant financial commitment to Bass Strait sea passenger access and the substantial delivery, for the first time, of equal and effective links by both air and sea between Tasmania and the rest of Australia.'

The National Sea Highway Committee and its predecessor, the Committee for Transport Equality have been the catalysts and driving force behind the Howard Government's introduction of the Bass Strait Passenger Vehicle Equalisation Scheme and the Keating Government's proposal for a fast ferry offering substantially lower passenger and vehicle fares. Car fares dropped to as low as \$25 one - way in 1996 under the Bass Strait scheme.



Peter Brohier, chairman of both committees, was awarded the Australian Hotels Association (Tasmania) award for bringing a National Sea Highway to Tasmania in October 1997.

Hansard 12 April 2002:

Mrs NAPIER - You would be familiar with the ongoing fight by many Tasmanians to get the equivalent of a national highway, and you would be familiar with the argument that I think is most often put forward by Peter Brohier on the basis that if you drive a car across to the mainland you can put four people in it. If you choose to put one person in it it is still going to cost you just as much to be able to drive the car over there. Was there a consideration by the TT-Line of in fact achieving a fare structure that was based on the principles outlined under the National Highway Equivalent Scheme?

Mr LENNON - That is probably appropriately addressed to me. Mr

Brohier has been a very strong advocate for a better deal for people on Bass Strait. I think he has done a terrific job over the last few years. Through his efforts he is probably more responsible than anybody else for the introduction of the vehicle subsidy, I would think. He continues to lobby Federal politicians about that matter, and my department continues to support him in those efforts. Essentially that is an issue that needs to be taken up at a government level, rather than with TT-Line management. What we have provided for here is the closest thing to a highway we will probably ever see on Bass Strait frankly, with a daily monohull service and operating all year round with a massive increase in the number of cars that we bring across Bass Strait in a year compared to the current service. Mr Brohier now has much more ammunition for his ongoing campaign with Federal politicians of both political persuasions because we have the road now and we will continue to support him in his efforts to get the cost down of travelling on that road for that car

(Mr Lennon is the Deputy Premier of Tasmania and also the Minister responsible for TT Line)

Hansard Senate 6th December 2004

Senator Abetz-

"Senator Barnett, I and a few others met with the restaurant and catering representatives of the Australian Hotels Association-tourism and hospitality being a growth area in our home state because of the Bass Strait Passenger Vehicle Equalisation Scheme initiated by the Howard government".

The Mercury Tuesday the 13th July 2004 page 11

◆ Senator Colbeck said the scheme, combined with the Spirit of Tasmanian ferries, was the next best thing to a highway link with the rest of Australia. ◆ ◆ He said the figures ◆ confirmed that without the decision to introduce the (BSPVS) scheme, the ferries would not be the success they have been. ◆

◆ The report confirms the impact of the scheme on passenger numbers and vehicles carried. These have increased dramatically, with a resultant boost to tourism and the state economy ◆

Article went on to say that ◆ TT Line chief executive Peter Simmons said the scheme was one of the most effective regional development initiatives ever put in place ◆. ◆ It has really worked, and it is incredibly important. It has enabled us to do what we have with the three ferries ◆

◆ The Tourism Council of Tasmania ◆s chief executive Daniel Leesong said the subsidy scheme has proved its importance to the tourism industry and the state ◆s economic future ◆

The Economist 17th January 2004 page 49 Article Van Diemen's reborn land


The convicts would be astonished

"Tourism is soaring, the economy is growing (the forecast is 3.5% next year), unemployment is falling and Tasmanians are no longer leaving home"

"introduction of two daily ferry services from Melbourne in 2002, have fed the rush"

E-mail to Peter Brohier (maptag@jeack.com.au)

Thank you for your E-mail of 26 May.

Peter, you can  and should - take personal credit for the improvements in Bass Strait fare equality.

The campaign you and the National Sea Highway Committee have waged over many years has succeeded in delivering better fares for Tasmanians.

....

Peter, I thank you for your hard work on behalf of this State. All Tasmanians must salute you for your achievements.

My warm congratulations and good wishes.

Yours sincerely

**Bob Cheek, MHA
Leader of the Opposition**

Australian Financial Review 31st January 1992

Put Tasmania on map with cheap ferry service

SIR, I know Mr Keating's February statement will be a good one, but I can't get to Canberra this year to hear it. I will probably have to watch it on TV, if it's on in Tassie.

I suppose Canberra will be crowded with lobbyists before February. Down here we have got an election approaching. Our politicians are fighting it out in the shopping malls, otherwise they would possibly be up there too — lobbying for Tasmania.

Well, if they are not going, the Prime Minister might wish to consider one ordinary Tasmanian's attempt at lobbying. I've never really been a good lobbyist, in fact, this is my first real attempt at a Canberra "big-shot".

Before I have a go at it, I've got a terrific view out of my window, not quite the Kirribilli House view of the Sydney ferries, but I can see the Abel Tasman, Tassie's luxury cruise vessel, departing every second day to Melbourne.

What a sight!

But that's all it's going to be for me. It's not the same as the Sydney ferries — I can't afford to travel on it.

Tasmania is a wonderful island but you cannot get in and out of here cheaply. Not everyone has access to a jet, and, even a Prime Minister needs a car at the other end.

Perhaps Mr Keating could give it a go. Try driving down to Melbourne and catch the "Abel". For a family of four, it will cost between \$700 and \$1,328, depending on the time of year, to get the family and the car across the Strait

Few mainlanders, let alone Tasmanians, can afford that on a regular basis.

But here is the crunch. Why doesn't the Government in Canberra fund a two-ship ferry service to Tasmania — two sailings a day? Try Geelong to Durnie, if you like.

But you are thinking, "Doesn't the Abel Tasman often sail half-empty?" You've got it right, but who has got the money to pay for a sea-going experience of a lifetime, with the Abel unable to turnaround in port within seven hours and even longer on some weekends?

We can't afford it, and that's all there is to it.

We need a ferry service with a turnaround time of about three hours in port at a price most of us can afford.

But wait for it! It's got to cost the equivalent of three tanks of petrol in the average car, each way, for the whole family, two adults and two children and the car. I know Mr Keating is smiling, he will have to subsidise it.

Well, if it costs anything above this amount, mainlanders are likely to fill their tanks and go to Adelaide instead, on highways subsidised by the Commonwealth.

If the Government is going to fund highways on the mainland, and make it cheap and easy to reach mainland capitals, why not subsidise a ferry service to Tasmania? It's only fair — we are a part of Australia too.

I know what the Prime Minister will be thinking. It's going to cost dollars. True but

Tasmania is largely uncovered by mainlanders. It's a combination of the southern tip of Africa and England, all rolled into one.

SEE ALSO:

ABC Television's "7:30 REPORT" of 1st February 1999.

Tasmanian Chamber of Commerce & Industry News: "National Sea Highway - The Way Forward" August 1999 Report at www.tcci.com.au

Time Running Out: Shaping Regional Australia's Future - House of Representatives Standing Committee on Primary Industries & Regional Services: February 2000. Recommendation 59, pages 173-175: "National Highway - Inclusion of Tasmania" - *"The Committee recommends that the Commonwealth Government work with the Tasmanian Government and the private sector in implementing the Bass Strait Sea Passenger Equalization Scheme as soon as possible"*

For further information refer to the Australian National Library, Canberra; Information Ref. No. ANLNq386.609946 C734.