

Recommendations we seek are that the Federal Government:

Firstly,

1. Recognise that Bass Strait remains the nation's primary passenger route within coastal waters and accept that Bass Strait passenger and vehicle equalisation funding is justified on the soundest policy grounds **only** if it delivers an equitable sea transport link that equalises the cost disadvantages between states and, ensures that each state enjoys equal surface and air linkages.
2. Recognise that general definition of "tourism" being "the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes" is far wider than "core tourism", confined generally to the needs of upmarket hotels and motels using "niche marketing" and "value adding" approaches.
3. Accept that whilst the BSPVES scheme offers welcomed and significant benefits to upper-level Tasmanian tourism, and indirect benefits to other industries, the "free car" or "holiday incentive" approach, encouraged by the unconditional nature of, and creative application of the scheme, is not delivering the scheme's primary social and economic objectives.
4. Recognise that this approach grossly under utilises the intended direct economic and social advantages of the scheme by encouraging some movement along a demand curve, but not allowing the scheme to directly drive other sectors, thereby not moving demand curves for all industries outward.
5. Accept that given excess capacity and, that sea-based competition is unlikely, the scheme has no inbuilt mechanism to ever move the cost of travel substantially towards comprehensive bitumen equivalence.
6. Recognise that the BSPVES needs to be targeted and that Federal ministerial guidelines should ensure that operators, using the BSPVES, offer sufficient daily capacity of an inclusive car and passenger fare of \$299 based on 70 cents a km and a foot passenger fare of under \$50, based on the bus fare of an equivalent distance, all such fares being all year, non promotional fares, adjusted annually in line with the cost of road travel.
7. Accept that introduction of such a community service obligation will allow operators flexibility and encourage them to target the scheme to deliver financial and carbon emission efficiencies, including choice of route or the additional introduction of less labour intensive day-sailings, whilst allowing existing opportunities for tourism to be maintained.

8. Accept that there is every available resource to implement comprehensive "bitumen" equivalence within weeks, and that the existing uncapped Bass Strait funding was aimed at and should be primarily directed to achieve that purpose.
9. Recommend that all future BSPVES monitoring reports are prepared after wide consultation and show how effectively the scheme delivers highway equivalence and meets the needs of all that are dependent on this vital transport artery, on both sides of Bass Strait.
10. Recommend that Bass Strait ferries, TFES and the BSPVES be recognised as "infrastructure" or an "infrastructure equivalent" under Auslink, as are all other inter-capital interstate surface routes, and that necessary connecting infrastructure in Victoria and Tasmania, not already covered by Auslink, be treated as a national priority outside of existing Auslink funding and part of Auslink (sea), or similar.

Alternatively,

1. That both the BSPVES and TFES be discontinued and the Commonwealth promptly introduce a coastal sea policy that delivers an efficient, all-year, non-seasonal, equitable link between Victoria and Tasmania, using the most practicable route and offering the same cost of travel as on bitumen, covering people, vehicles and freight (save for bulk freight usually carried on coastal waters) and that this link be integrated with the national transport network and given sound legislative backing.

Secondly to recommend that:

1. Given that this nation advocates free trade competition policies internationally, that TFES be extended to south-bound consumables carried by sea to Tasmania to provide equity between states and competition policy for the whole nation, not just mainland Australia.
2. That north-bound international exports crossing Bass Strait, other than bulk goods that would normally be carried by sea, be covered by Auslink and therefore not contravene WTO obligations. This would allow existing "state of the art" plant in Northern Tasmania to generate jobs for Tasmanians and offer the same access as if the same plants were established at Albury and the Hume Auslink corridor used to access the Port of Melbourne.

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