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## SUBMISSION TO THE SENATE COMMITTEE RE AUSLINK 9<sup>th</sup> March 2005

**An Auslink corridor Melbourne to Tasmania is critical to offer fair and just and efficient national surface transport plan for people and non bulk freight. The impact of this connection can and ought to be immediate. Access over water should be treated the same as interstate links over mountains and deserts. The Australian Land Transport Development Act accepts that ferries are part of national surface transport infrastructure. Auslink should do the same. Two Prime Minister's and uncapped Federal funding have tried to deliver schemes based on this principle. It has not yet been achieved. Auslink should and must achieve it.**

### **LINKING VICTORIA TO TASMANIA - A FAST, SIMPLE & EFFECTIVE NATIONAL PROPOSAL UNDER AUSLINK**

Victoria is entitled to have the benefit of its geographical location and the benefits of the equivalent of an interstate Auslink connection between Victoria and Tasmania. The Bass Strait Passenger Vehicle Equalisation Scheme was intended to offer to all Australians National Highway equivalence across Bass Strait. All Australians have every right to expect highway equivalence across every border of this country. Every manufacturer has a right to a level competitive playing field between Victoria and Tasmania and the ability to export equally to international markets. Victorians and Tasmanians ought to have the right to the same benefits that are said to flow between other states from Auslink. Every Australian is entitled to have similar access to every state on an equal basis. It is their right of freedom of movement recognised and well funded by the Commonwealth. This is not a request to support "poor" Tasmania because it is separated by water or a submission even about Tasmania. It is about delivering transport justice to the Nation. The Australian Land Transport Development Act allows for the declaration of ferries as part of the National Highway. The concept of the National Highway is being abolished and Auslink has not included any interstate corridor between Melbourne and Burnie. There is no other surface link between Victoria and Tasmania. Existing Bass Strait equalisation schemes should be enhanced and incorporated through Auslink or Auslink replace them.

### **NATIONAL LINKAGES**

The proposal is that Victoria be connected with Tasmania by equal transport links in the same way as the Hume Highway, air and rail links connect say, Victoria with New South Wales. South Eastern Australia needs the inclusion of Bass Strait sea transport and associated infrastructure to be part of a national transport link under Auslink. This link should be maintained as a national responsibility as all other interstate links. Auslink will not link the Nation. The Bass Strait equalisation schemes are currently not delivering equalisation.

### **EXTEND TFES SOUTHBOUND**

The proposal would effectively extend the TFES "equalisation" to southbound consumables, including building products, grocery items, white goods and furniture and offer, all year, substantially lower access costs for people and vehicles. It would more effectively use existing shipping capacity to provide lower-cost movement of non-bulk freight, people, vehicles and ancillary vehicles between the two states.

### **COMMON MARKET- LOWER COSTS BY SPREADING THE OVERHEADS OVER A LARGER POPULATION BASE**

The scheme will remove Tasmania's isolation allowing ease of access between Victoria and Tasmania for travelers and workers and build Tasmania's population by using Tasmania's natural strengths and attractiveness as a growing sea - change destination. An increase in the volume of freight crossing Bass Strait may be expected. It may also allow Tasmanian businesses, many of which are Victorian - controlled, to service a greater population-base. This will allow volume sales thereby spreading overhead costs and reduce costs of goods within Tasmania and thereby its cost of living. Lower costs of building materials, groceries, fuel, furniture and electrical goods may be expected as a result. The cost of business inputs, not covered by the existing TFES, are likely to also drop.

### **END TO PROTECTION CAN BE MANAGED**

Lower freight costs for consumables and business inputs from Victoria to Tasmania will ensure more effective and fairer competition between interstate and local suppliers of consumables within the Tasmanian market. Competition policy will apply throughout Australia. Tasmanian local suppliers will have a larger market to service in lieu of a protected position.

### **RECOGNITION OF AUSLINK STATUS IS THE KEY TO AVOIDING THE "EXPORT SUBSIDY" ARGUMENT**

Manufacturers in Tasmania, or those proposing to establish in Tasmania or proposing to increase production, who export goods by sea, via Melbourne to international markets could have exports crossing Bass Strait fully equalized, if TFES, through Auslink applied to all non - bulk exports crossing Bass Strait. The argument that a northbound subsidy

for this freight would be an export subsidy and be not sustainable may no longer apply. The Auslink connection between the two states would be offering manufacturers, establishing their factories in mainland states or Tasmania, the same national links. Manufacturers wanting to export from Tasmania or establishing their businesses in Tasmania may then be placed in the same position as if they set up in say, Albury, and sent freight by the Hume Highway to Melbourne and then by sea to international markets. The Port of Melbourne, with two or three (including SA) interstate linkages, will thus be treated in the same way as the Port of Sydney with access to the Auslink land - based linkages to Brisbane and Melbourne.

#### **TASMANIA IS PART OF VICTORIA'S ECONOMIC ZONE**

Many Victorian businesses have branches in Tasmania and the more Tasmania develops these Victorian industries should also benefit.

#### **FAIR COMPETITION**

Victorian manufacturers will have the same access to the now growing Tasmania market as their competitors, in Tasmania, already have to the Victorian market. Competition policy will therefore apply fully to all Australian businesses and the link will allow both Tasmania and Victoria to compete with other states with the same linkages as all other states. TFES will be put on the same strong basis as the BSPVES, equal in both directions. The BSVES will also be strengthened as a true equalisation scheme by placing it on a "highway equivalence" basis. This will avoid Federal funding going into sea routes that duplicate Auslink interstate linkages and that by pass Victoria.

#### **VICTORIANS AND TASMANANS WILL NOT NEED TO EXCLUSIVELY FUND A NATIONAL LINK**

The Victorian Government ought to be able to claim the route between the Hume Highway, Ring Road, Westgate Bridge to Station Pier and Webb Dock, the channel, freight and passenger ferries and vessels, port facilities to be part of Auslink. This will connect with Auslink road and rail links between the north coast and Hobart, and ensure port facilities on both sides of Bass Strait will be part of Auslink. Victorian and Tasmanian taxpayers will not have to bear the full burden, with exception of the BSPVES and TFES which are both exclusively funded by the Commonwealth, of these interstate linkages and inter-modal connections. The three way funding envisaged under Auslink can be fully applied across Bass Strait in a more effective way than at present in the interests of Australia rather than with a Tasmanian focus that may not be in the Nation's or Victoria's interests..

#### **SEA HIGHWAY ACCESS AT HIGHWAY COST FOREVER**

The existing uncapped TFES and the BSPVES can be applied, with added Federal funding, to service the interests of both states. The justification of TFES and the BSPVES mirroring other Auslink connections will be put beyond doubt and peg cost of highway travel equal per km to that of other interstate Auslink travel. This will build the certainty of access required for doing business in Tasmania.

#### **VICTORIA'S PRIME GEOGRAPHICAL LOCATION WILL BE FULLY USED**

Melbourne will be taking full advantage of its geographical location with three substantial interstate links rather than two and one extra link over Sydney. This will give Melbourne access to two growing population centers. It will encourage greater movement of ships through the Ports of Melbourne and Northern Tasmania. Given the existing capacity and funding, the impact of this proposal can start almost immediately. If Victoria wants more national road funding, this is how it can achieve it.

#### **INCREASED TURNOVER FROM AUSLINK**

The proposal will allow travelers to use the dual-lane Auslink connection between Brisbane and Melbourne to travel to two southern locations, rather than just Melbourne. This will increase the flow of traffic through Victoria on their way to and from Tasmania. These travelers, when added to by travelers from South Australia, and from Tasmania, are likely to increase the turnover of the Victorian retail and accommodation sector. One-way sea fares of about \$50 for a foot passenger and \$200 for a carload, including the car, pegged at highway equivalence are possible. These have been costed by a Government Committee at less than the cost of the current BSPVES. At least twice daily crossings, day sailings being ideal for highway equivalence, with car decks filled with cars, not just freight are likely. Victorians have been travelling through New South Wales to the Gold Coast for many years and it is time travel was also turned south. Tasmania is about 400 km by sea from Melbourne and price and capacity are the major determinants of travel.

#### **AIR TRAVEL INCREASE**

The building of business in Tasmania will increase high yield air travel between Victoria and Tasmania and offer fair competition as with all other interstate routes between air and surface travel.

#### **ACCESS FOR ALL AUSTRALIANS, NOT JUST VICTORIANS**

The proposal will allow all Australians to have equal, non- seasonal, consistently - priced access to every state of the Commonwealth. This will have substantial social consequences for those in South East Australia and drive many sectors of the Tasmanian and Victorian market. These sectors will be advantaged by an un-skewed, more volume approach

rather than a lower volume more targeted approach which may be more important to one segment of the market. Victorians will not need to be the major source of Tasmania's tourists. This concept has public acceptance demonstrated by significant national resolutions, is politically sustainable and economically sustainable and provable by the success of the BSPVES.

**GROW THE MARKET - DON'T SHARE A DIMINISHING MARKET**

The proposal will make maximum use of the existing freight and passenger ferries, and facilities, to service a growing "sea change" market rather than face a diminishing largely under-utilized market. Over time it will replace the seasonally "car going free" approach, a concept that skews access in a way that differs from highway travel options and will allow fair carriage of vehicles between ferry operators. The proposal will build on the growth largely as a result of significantly lower fares and use existing freight and passenger capacity more effectively.

**MAKE AUSLINK "NATIONAL"**

The proposal will make Auslink a National Transport Plan by completing the only omitted interstate link. This will deliver an outcome consistent with Coalition and Federal political party and National Local Government resolutions and connect the whole nation. Every Australian is entitled to no less.

This submission should be read in conjunction with the writers oral evidence and submissions to the Senate's Committee into Poverty and all supporting documents advanced to that enquiry.

Peter Brohier

*\* International shipping entering and exiting Tasmanian ports would also be eligible to TFES or Auslink funding in both directions rather than, as now, just one.*