



# **THE COALITION’S PLAN FOR TASMANIA: BASS STRAIT TRANSPORT**

## **TABLE OF CONTENTS**

---

<b>EXECUTIVE SUMMARY .....</b>	<b>2</b>
<b>THE COALITION’S PLAN FOR AFFORDABLE TRANSPORT TO TASMANIA .....</b>	<b>3</b>
<b>(i) Bass Strait Passenger Vehicle Equalisation         Scheme.....</b>	<b>3</b>
<b>(ii) Tasmanian Freight Equalisation Scheme.....</b>	<b>5</b>
<b>COSTINGS SUMMARY .....</b>	<b>6</b>

## EXECUTIVE SUMMARY

The Coalition is committed to creating economic opportunities for Tasmania so that Tasmanians can share in the benefits of a strong and growing economy.

The Coalition recognises that an affordable and efficient transport link between Tasmania and the mainland is essential for growing Tasmania's industries, particularly the thriving tourism industry. To help Tasmania "go for growth", the Coalition will provide further assistance for passengers and their vehicles on the Spirit of Tasmania.

A re-elected Coalition Government will:

- Increase the rebate for cars and buses from \$168 and \$150 respectively to \$185;
- Set the cost of transporting a motor home at \$44 which is equal to the cost of transporting a car;
- Significantly increase the subsidy for other vehicle types; and
- Link increases to CPI.

This builds on the arrangements introduced by the Coalition in Government in 1996. In that year the Coalition introduced the Bass Strait Passenger Vehicle Equalisation Scheme, which provides a rebate for ferry passengers travelling to or from Tasmania with passenger vehicles.

The goal of the scheme in 1996 was to treat the Bass Strait as a 'sea highway' – achieving affordable movement of passengers and their vehicles. Since that time, we have enhanced and supported the scheme through major subsidy reforms and its extension to King Island.

A re-elected Coalition Government will also extend the Tasmanian Freight Equalisation Scheme to the communities of King Island and Flinders Island. This scheme ensures that businesses on the islands do not suffer a disadvantage because sea freight costs are higher than land transportation costs.

# THE COALITION'S PLAN FOR AFFORDABLE TRANSPORT TO TASMANIA

The Coalition is committed to creating economic opportunity for all Australians, wherever they live. The Coalition recognises that Tasmania, as Australia's island state, offers a unique environment and great opportunities for residents and tourists. The Coalition also appreciates the vital role of the Spirit of Tasmania in helping Tasmanians develop their thriving tourism industry.

## (i) **Bass Strait Passenger Vehicle Equalisation Scheme**

A re-elected Coalition Government will continue to support the Tasmanian tourism industry through the Bass Strait Passenger Vehicle Equalisation Scheme (BSPVES), which provides a rebate for ferry passengers travelling to or from Tasmania with passenger vehicles.

To encourage other Australians and tourists to explore Tasmania, a re-elected Coalition Government will increase the BSPVES rebate to \$185 for cars and buses - resulting in a net fare of \$44 per car.

So that Tasmania can attract 'grey nomads' and other long term travellers, a re-elected Coalition Government will reduce the cost of transporting a motor home on the ferry so that it is equivalent to that of a car. The Coalition will also make significant subsidy increases (23%) for other vehicle types and will link these increases to inflation (CPI) to ensure the programme retains its value in real terms.

Efficient, affordable transport between Tasmania and the mainland is essential for Tasmanians and their visitors. In the twelve months to March 2007, over 812,000 people visited Tasmania – of which 128,000 came by scheduled sea transport. These visitors increased spending by 13 per cent to a total of \$1.3 billion – an important figure as some 40,000 Tasmanians are directly or indirectly employed by the Tasmanian tourism industry. The Coalition recognises the importance of tourism to Tasmania and the need to ensure that tourism continues to grow for the benefit of local business and the Tasmanian economy.

The scheme has proved to be an enormous success, resulting in a significant increase in the number of eligible vehicles travelling to Tasmania, and thus providing a valuable boost for Tasmanian tourism.

Since 1996, when the Coalition Government introduced the BSPVES, we have invested more than \$228 million in the scheme – including \$32 million in 2007-08. The increase in the subsidy brings the Government's total commitment to the Bass Strait Passenger Vehicle Equalisation Scheme to \$154 million from 2007-08 to 2010-11.

Below is a table of the new schedule for vehicles under the new arrangements:

Type of vehicle	TT-line price	Old rebate	New rebate	Net fare	Comment
Motor car	\$229	\$168	\$185	\$44	0.1 - 5.0 m in length – All year round
Bus	\$669	\$150	\$185	\$484	11.1-12.0m in length - SHOULDER SEASON
Motorhome	\$379	\$300	\$335	\$44	6.1-7.0m in length SHOULDER SEASON
Eligible passenger vehicle towing a caravan	\$611	\$300	\$370	\$241	10.1-11.0m in length SHOULDER SEASON
Motorcycle	\$125	\$75	\$92.50	\$32.50	All year round (without sidecar)
Bicycle	\$29	\$21	\$25.90	\$3.10	All year round

**(ii) Tasmanian Freight Equalisation Scheme**

The Coalition recognises that Tasmanian industry deserves access to the broader Australian market on an equitable basis with mainland industry. That is why a re-elected Coalition Government will continue to support the Tasmanian economy through the Tasmanian Freight Equalisation Scheme (TFES) and the Tasmanian Wheat Freight Scheme (TWFS).

The TFES provides assistance to shippers that covers the shippers' sea freight cost disadvantage. The TWFS provides a subsidy which alleviates the higher sea freight costs of eligible bulk wheat imports, ensuring that industry in Tasmania does not pay unduly high prices for wheat.

A re-elected Coalition Government will provide \$0.7 million per year to extend the TFES to the communities of King Island and Flinders Island, in recognition of the high costs associated with freight transportation from these isolated communities.

The Coalition Government has allocated \$97 million to the TFES in 2007-08, and has contributed more than \$503 million to the scheme since 2001.

## COSTINGS SUMMARY

<b>BASS STRAIT SHIPPING</b>					
<b>Policy Measure</b>	<b>2007-08 \$m</b>	<b>2008-09 \$m</b>	<b>2009-10 \$m</b>	<b>2010-11 \$m</b>	<b>TOTAL \$m</b>
Bass Strait Passenger Vehicle Equalisation Scheme	2.0	4.0	4.1	4.2	<b>14.4</b>
Tasmanian Freight Equalisation Scheme extension to King and Flinders Island	0.4	0.7	0.7	0.7	<b>2.5</b>
<b>TOTAL</b>	<b>2.3</b>	<b>4.8</b>	<b>4.9</b>	<b>5.0</b>	<b>16.9</b>

Note: Figures may not add due to rounding.