

NOTE: Government response came too late for proper investigation

The interstate movement of people in volume is critical to productivity, particularly across South Eastern Australia.

In the case of the recent Tasmanian Freight Equalisation Scheme 'TFES' and BSPVES Productivity Commission review, the Federal Government's response relating to the question raised by the PC as to the purpose of the BSPVES, came too late for it to be dealt with effectively by the PC, the ACCC or by the PC's respondents.

Regardless of this, the Productivity Commission should have an ongoing role in revisiting findings subsequently proven to be inappropriate, ineffective or inconsistent with sound democratic processes and proper fiscal redistribution.

Peter Brohier



📷 The Spirit of Tasmania could make Bass Strait part of the National Highway. Picture: SUPPLIED

Talking Point: Our 'grand highway' is in dire straits

PETER BROHIER, Mercury
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IN 1996, the Coalition promised to make Bass Strait part of the National Highway, using shipping.

This was a key core election promise to the nation and to the people of the Apple Isle.

Under policies put forward by John Howard and Paul Keating, all-year fares could be expected to drop by about 75 per cent. The Bass Strait gap in the National Highway would close and the highway would connect the whole nation.

Key marginal seats of Braddon and Bass then went with Howard. The Coalition attained government.

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An uncapped, demand-driven, federal highway equalisation scheme was soon introduced.

The total cost of crossing fell substantially for people and cars. Two ferries, each capable of crossing twice a day, were introduced — Tasmania boomed under then premier Jim Bacon largely as a result.

Public National Highway justification for the scheme continued for some years, under both Labor and the Coalition. Such unity was rare. Nearly every activity across Tasmania benefited.

Usually interstate highways offer comprehensive long term benefits and remain in perpetuity.

But within the past two decades the public policy supporting this strategic transport connection has, under promises of enhancing the scheme, been changed substantially.

Application and monitoring of the scheme moved to cover a very limited part of the potential travel market. The wider international definition of “tourism”, covering most north and southbound travel, was not measured — also promises to encourage sea-based competition remain unfulfilled.

Under Tony Abbott's government, the Productivity Commission, faced with documentary proof of detailed National Highway promises, asked the Federal Government to confirm the purpose of the equalisation scheme.

Under Prime Minister Malcolm Turnbull, Canberra then finally denied any current intention to equalise the price of crossing to the price of highway travel using the “equalisation” scheme.

The united will of business and the people, evident from 1996, shouldn't have been progressively reversed.

The scheme, now opened up to meaningless “equalisation”, was largely failing to support key travel groups, namely, those visiting family and friends, business travel and the broader tourism market — together, about 50 per cent of existing sea travel.

Also excluded was equalisation of northbound transport, vital to encourage population retention in Tasmania and substantially increased travel movements across the strait, based on consistently low highway fares.

The potential economic impact of the sea highway to southeastern Australia was not given a chance of continuing to work.

The Tasmanian economy would continue to be separated from the rich drivers of the mainland economy at its doorstep. What was described by the Coalition in 1996 and remains as “the single most serious impediment to the growth of jobs, investment and population for Tasmania” would, under Mr Turnbull, be largely maintained.

Commonwealth and private sector investment in Tasmania would continue to lack critical mass and services would be diminished by limiting access to people.

Fears that any Bass Strait scheme adjustment would reduce federal funding to Tasmania, would cost too much or that the highway would affect the level of air travel have now re-emerged.

These were all allayed in 1996, with the Keating proposal costing a fraction of the Howard alternative.

Concern that Tasmania would lose federal support was unfounded. The existing scheme funding is quarantined from fiscal allocation to Tasmania and was to deliver a national highway link, not to increase subsidies to Tasmania — and half of Bass Strait is in Victoria.

As well, air travel should be required to compete with highway travel over every interstate border, so why not for access to a growing Tasmania?

Yet fears in 1996, raised by both prime minister Keating and in national resolutions of the Coalition parties, of federal equalisation funding being turned into unjustified “subsidies” to Tasmania seem now to be close to reality.

Efforts seeking transport equality have been reduced to nothing, possibly leaving the federal Treasurer to prioritise the future direction of vast amounts of now unjustified federal funding.

No alternative approach to a National Highway connection can ever have an impact on the Tasmanian national economy as much as a sea highway, and be so supported and justified.

Erosion of the democratic process and the “highway” should not continue. A campaign that brought uncapped federal funding to achieve equalisation should deliver that outcome.

It is not a case of more subsidies for Tasmania — it's about core promises based on the will of the people and business, and making far better use of the existing highway systems and federal equalisation funding.

This major infrastructure link is by far the cheapest and easiest to implement in the nation.

The gap can be closed in weeks and the economic benefits are large and certain.

It is not in Tasmania's interests to forget core promises or the history of bipartisan support for interstate transport equity and its parallel freight scheme.

The Turnbull Government and Labor Opposition need to reconfirm their support for highway equalisation and apply it — not subsidies.

Peter Brohier is a retired lawyer and the chairman of the former National Sea Highway Committee.