

Second submission to draft HFE report by Peter Brohier 17<sup>th</sup> November 2017

Western Australians are paying more while Canberra and Hobart keeps Tasmania poor.

My committees acted as the catalysts for the integration of Tasmania into the national economy by making Bass Strait ferries a part of the national highway. We met the purpose of federation- by finally linking all the colonies through the movement of people, by the introduction of the BSPVES - having a net present value in the billions.

Whilst the Coalition announced it was going to 'expand' the equalisation scheme, Canberra then, five years from the schemes inception, later, scrapped Tasmania's chance of full integration by failing to continue to equalize.

Tasmania has done nothing to rectify this. Its people under federation are entitled to the benefits of an integrated economy, not a separate one.,

Canberra has torn up a very valuable interstate, inter-capital highway and redirected its funding to massive subsidies, favoring leisure holidays to Tasmania and the core accommodation sector, driving directly about 7% not 70% of the Tasmanian economy.

The scheme is now indexed by CPI, not the former 'cost of road travel'.

\$50 foot passenger fare proposed PM Howard, at a time when a car was transported a no cost, were rejected. The intent of federation is not being respected.

This move, against the Interests of Tasmania, was either not thought out or intentional. Now it is endorsed by the Federal Minister for Transport.

Canberra has restored “the single most serious barrier to the growth in population, investment and jobs for Tasmania”.

With the re direction of the BSPVES monies to a subsidy, with no governance of the total costs of crossing, the flow of people into and out of Tasmania is savagely restricted. This impacts on very large people related sectors in need of people. Even the Midland Highway, in Tasmania, now becomes a road to nowhere when it can be extension of the Hume Highway from Sydney to Hobart.

HFE payments are now made to a largely, people related, service based Tasmania, deprived of people and thereby incapable of using Tasmania’s natural and developed strengths to advantage. This is reducing growth, GST revenue and leaving Tasmania and its businesses unable to spread overheads and use HFE service provision, effectively.

Right now, either Tasmania or Canberra can fix this overnight and restore equalisation and integrate the Tasmanian economy into a national economy by moving its ferries from a one way focus on leisure driving holidays to highway compatible transport.

This restoration should take place before HFE is allocated. HFE provisions should be set after the best economic position of Tasmania could be reached, and after the state is connected, as federation intended.

HFE payments should not be allocated to replace economic benefits that Tasmania could generate from a normal, well connected, nationally integrated economy.

Interstate transport equalisation based on federation must underpin service equalisation – Uniquely, this does not occur with Tasmania.

Canberra and the PC are guiding Tasmania to operate as if a self contained economy, dependent on federal subsidies – contrary to democracy, mandates, bi-partisan political and business support from across Australia for an equal interstate transport link.

Canberra seems now to have done better than a stretch of water to keep Tasmania separate - while the nation pays unnecessarily for an island state that can well stand on its own two feet, with the proper connections.

Why is Canberra unnecessarily making Tasmania poor and spending HFE dollars in a state where Canberra is first holding its economy back by not meeting the provision of fundamental transport links under federation?

Why is Canberra not meeting the will of the nation that endorsed the BSPVES, as a highway equivalent scheme in the first place?

The foundation for Tasmania's role in the HFE is wrong. The PC should adjust its HFE report accordingly.