

MEDIA RELEASE

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Torres Strait Freight Equalisation Scheme

The introduction of a Torres Strait Freight Equalisation Scheme would provide Torres Strait industry equal access to the mainland commercial market, whilst also driving down the cost of living for communities.

Mayor Gela has been pushing for this since his election in 2008 but has mostly been ignored. "We've been actively lobbying both the State and Commonwealth, however I think it's more within the Commonwealths jurisdiction, than the State's".

"I can remember clearly this was one of many requests that we deputised with relevant Federal Ministers and tabled before a number of Committee Inquires, when TSIRC was first born. The disclaimed position or better still, excuse provided to our request calling for the implementation of a Freight Equalisation Scheme similar to that of Tasmania was, I quote it was a mistake, a mistake that will never be repeated." "However we later found out that the Federal Government extended the scheme to also include intrastate travel and announced an additional \$203 million expansion to the scheme."

There are local industries in the Torres Strait just waiting for equal and affordable access to the commercial domestic market and international market, but impeded by the prohibitive cost of doing business.

The cost of doing business in the Torres Strait is directly passed through to consumer residents. Lower business overheads may further attract business investment in the region.

Council will be raising the prospect of introduction of a Torres Strait Freight Equalisation Scheme during upcoming discussions with the Prime Minister and his senior Ministers.

Council is aware of the existence of a Freight Equalisation Scheme in Tasmania currently administered by the Commonwealth Government, which has been in place since 1976.

The Torres Strait and Tasmania share many geographical similarities in so far as they are both separated from mainland Australia by Sea, and in many cases, local communities themselves are separated by Sea from each other, resulting in greatly elevated cost of living and doing business.

The Scheme assists in alleviating the sea freight cost disadvantage incurred by shippers of eligible non-bulk goods moved by Sea. It provides Tasmanian industries with equal opportunities to compete in mainland markets, recognising that, unlike their mainland counterparts, Tasmanian shippers do not have the option of transporting goods interstate by road. Mayor Gela asks “How are we any different? All our Islands are separated by 42,000 square kilometres of water. We don't have a land bridge and we rely on shipping everything up by sea from Cairns into our islands. Our sea is our national highway everything is basically sent from Port to Port.”

To alleviate financial disadvantage that the industry face in competing with mainland market the Commonwealth Government provides financial assistance through the Tasmania Freight Equalisation Scheme to shippers of freight to Tasmania and mainland Australia. The scheme expanded in 2008 to include King Island, and the Furneaux Group of Islands in 2008.

The ACCC has in its recent decision not to support the buy-out of TOLL Marine Logistics by Sea Swift, confirmed that reversion back to a freight monopoly shall likely further drive up the cost of living in Torres Strait communities.

Freight cost contribute significantly to the high cost of living for constituents and is arguably the greatest impediment to achieving economic development on a local, State, national and international level for Torres Strait Islanders.

Further information can be obtained by contacting our Community Engagement and Media Officer, Bianca Barling on 0400 856 333 or bianca.barling@tsirc.qld.gov.au