



MEDIA RELEASE

TFGA PRESENTS TO PRODUCTIVITY COMMISSION

The TFGA today added to its previous submissions to the Productivity Commission's inquiry into Tasmanian freight assistance arrangements.

President Roger Swain said "All Australian States should be treated equitably with respect to accessing the benefits of interstate trade. Freight Assistance enables this to happen for Tasmania and its industries.

"It is gratifying that both the Australian and Tasmanian Governments have come out in support of freight assistance as the mechanism for addressing this equity.

In commenting on the Productivity Commission's draft report Mr Swain said "Any alternative to the current approach will only be supported if it can be demonstrated that it delivers better outcomes, anything less would be a step backwards.

"As such, the current approach based on a measure of actual disadvantage experienced, while not perfect, is preferable to a flat-rate approach.

Mr Swain added: "The benefits of freight assistance flow into all sectors of the Tasmania's rural and industrial community. It does so through jobs and the stability it provides for local economies. The impact of freight assistance should not be underestimated. Without it much of Tasmania's rural production would be severely compromised and the State set back as a consequence.

While TFES provides assistance for many containerised and vehicle based movements it is the complementary Tasmanian Wheat Freight Scheme (TWFS) which provides assistance to shippers of bulk wheat.

Mr Swain observed that: "As it currently stands the Wheat Scheme is compromised in its ability to deliver on its objectives. It needs to be put on a similar platform to TFES assistance with assistance based on the actual disadvantage incurred shippers of bulk wheat.

"The current upward pressure on wheat prices means it is placing more pressure on consumers of wheat with the need for appropriate rates of assistance for bulk wheat movements taking on a new importance amongst shippers.

"Our analysis has confirmed the vital importance of both TFES and TWFS to Tasmania and the TFGA looks forward to continued involvement with the Productivity Commission's inquiry into the Tasmanian Freight Assistance Arrangements.

ENDS

18 October 2006