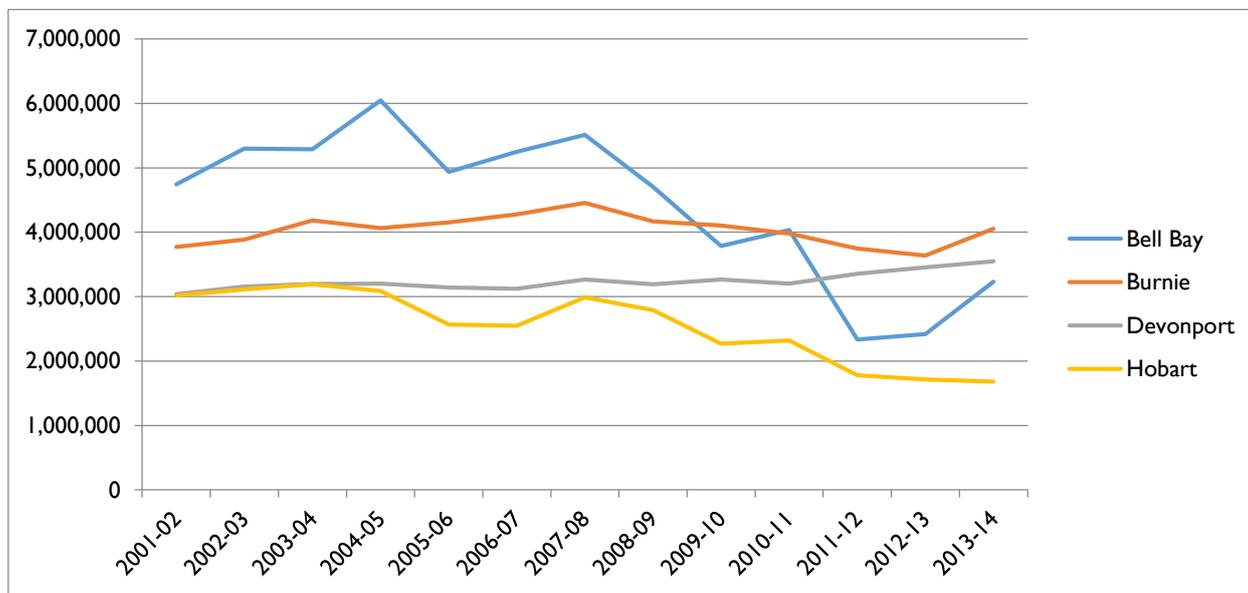




Tasmania's sea freight task

- Over 99% of Tasmania's freight by volume is moved by sea.
- In 2013-14, 12.5 million tonnes moved through Tasmania's major publicly-owned ports, with an additional 2.4 million tonnes moved through Port Latta (2014 calendar year).
- Tasmania's freight task comprises around 65% bulk and 35% container freight.
- Total ports volumes have declined from a peak of over 16 million tonnes in 2007-08. However, recent volumes have shown a trend upwards at Tasmania's northern ports (Figure 1).

Figure 1. Trends in freight volumes, major ports (million tonnes)



Source: TasPorts

Container shipping

Task

- In 2013-14, Tasmania's container task comprised 451,304 TEU (226,828 TEU inbound and 224,476 TEU outbound) or 4.6 million tonnes.
- 80% of the task is interstate trade, 17% international exports and 3% direct overseas.
- Major exports include agricultural products, zinc, newsprint, retail goods and empty containers (Figure 2).
- Major imports include retail goods, industrial products and empty containers (Figure 3).

Figure 2. Export container commodities

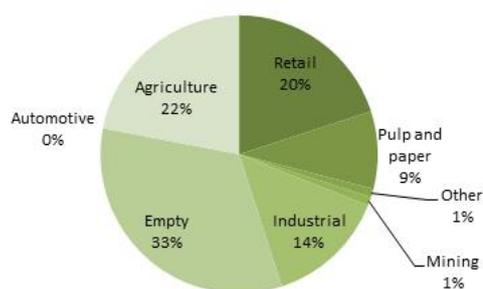
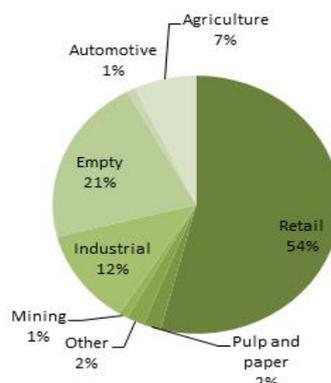


Figure 3. Import container commodities



Source: Aurecon (2013)

- Empty containers comprise 33% of total exports and 21% of total imports.
- For domestic shippers, Bass Strait comprises 65% of total supply chain costs to domestic markets.

Services

- Container services are provided by Toll (market share 55%); SeaRoad Shipping (market share 25%); and TT-Line (market share 20%).
- Bass Strait container services experience seasonal peaks:
 - For *imports*, seasonal peaks occur between September and early December, driven by retail goods.
 - For *exports*, seasonal peaks occur between February-June, driven by high volumes of agricultural products.
- Toll and SeaRoad Shipping have announced plans to invest in larger vessels.
- The service characteristics of each operator are shown in Table I.

Table I: Summary of Bass Strait Container Services

	Toll-ANL	SeaRoad Shipping	TT-Line
Port	Burnie	Devonport	Devonport
Vessels	MV Tasmanian Achiever	MV Searoad Tamar	Spirit of Tasmania I
	MV Victorian Reliance	MV Searoad Mersey	Spirit of Tasmania II
Frequency	6 nights per week	6 nights per week	7 nights per week
Cargo delivery cut off	2:00pm – 3:30pm	3:30pm (1:00pm Saturday)	7:00pm
Departure (Tasmania)	5:00pm (4:00pm Saturday)	4:00pm	7:30pm
Arrival (Port of Melbourne)	7:00am	8:00am	6:00am
Capacity (one-way)	500 TEU plus general freight	180 to 260 TEU plus trailers	175 TEU
Market share (TEU %)	54	25	21

Sources: Aurecon; TasPorts

Container shipping prices and freight equalisation

- Bass Strait container rates vary. Generally, high volume, frequent shippers pay less per TEU than lower volume, seasonal shippers (Table 2).
- The Australian Government subsidises eligible container freight movements across Bass Strait through the Tasmanian Freight Equalisation Scheme (TFES). The Government recently announced a four-year targeted extension of the Scheme to cover the shipment of non-bulk goods to an international destination, effective from 1 January 2016.
- In 2011-12, the TFES subsidised 128,000 TEU (93,154 outbound TEU, and 35,402 inbound TEU).

International container services

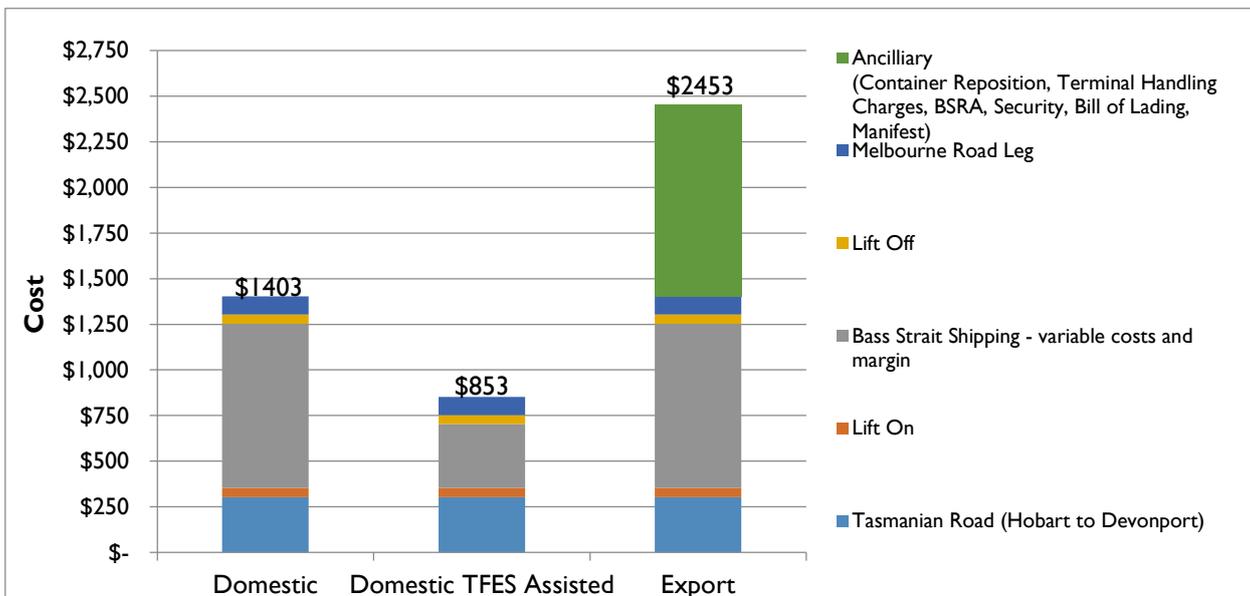
- 17% of Tasmania's exports are to international destinations. There is significant variation in both product and end market destination.
- International exporters face higher transport costs (Figure 4). The Australian Government recently extended the TFES to eligible non-bulk goods transhipped to an international destination.
- International container services are currently provided by Swire Shipping (multipurpose service on a 32-day rotation from Bell Bay to Korea and China) and the Mediterranean Shipping Company (MSC) (New Zealand via Sydney, Brisbane and Noumea). Both services operate out of Bell Bay.
- Swire Shipping will recently commence a new service out of Hobart, based on a 9-day rotation, and connecting to Sydney and Brisbane.

Table 2. Indicative container shipping rates

Container	High Volume	Medium Volume	Low Volume
20 foot container	\$600 - \$800	\$800 - \$1,000	\$1,000 - \$1,200
20 foot unit refrigerated	<\$1,000	\$1,000 - \$1,400	\$1,400 - \$1,800

Source: Aurecon

Figure 4. Comparative domestic and international export costs, Tasmania (Aurecon 2013)



Bulk shipping

Task

- In 2012-13, around 8 million tonnes of bulk sea freight was transported to and from Tasmania.
- Around half of this task was traded within Australia, and half within international markets.
- Bulk international trade is predominantly exports, with around 4% overseas imports.
- Tasmania's bulk domestic trade is evenly balanced between imports and exports.
- Major bulk export commodities include mineral ores and woodchips (into international markets), and cement and sulphuric acid (into domestic markets).
- Major bulk import commodities include petroleum and mineral processing inputs.

Services

- Bulk freight shipping services are generally chartered by individual companies, often from private port terminal facilities.
- Tasmania's bulk coastal trade involves commodities being shipped between Tasmania and interstate ports, sometimes on foreign vessels as part of international voyages.
- Bulk international exports are predominantly shipped direct to overseas markets, with 10-15% of bulk export freight transhipped overseas via domestic ports (primarily through the Port of Melbourne).

Figure 5. Major shipping services, Tasmania

