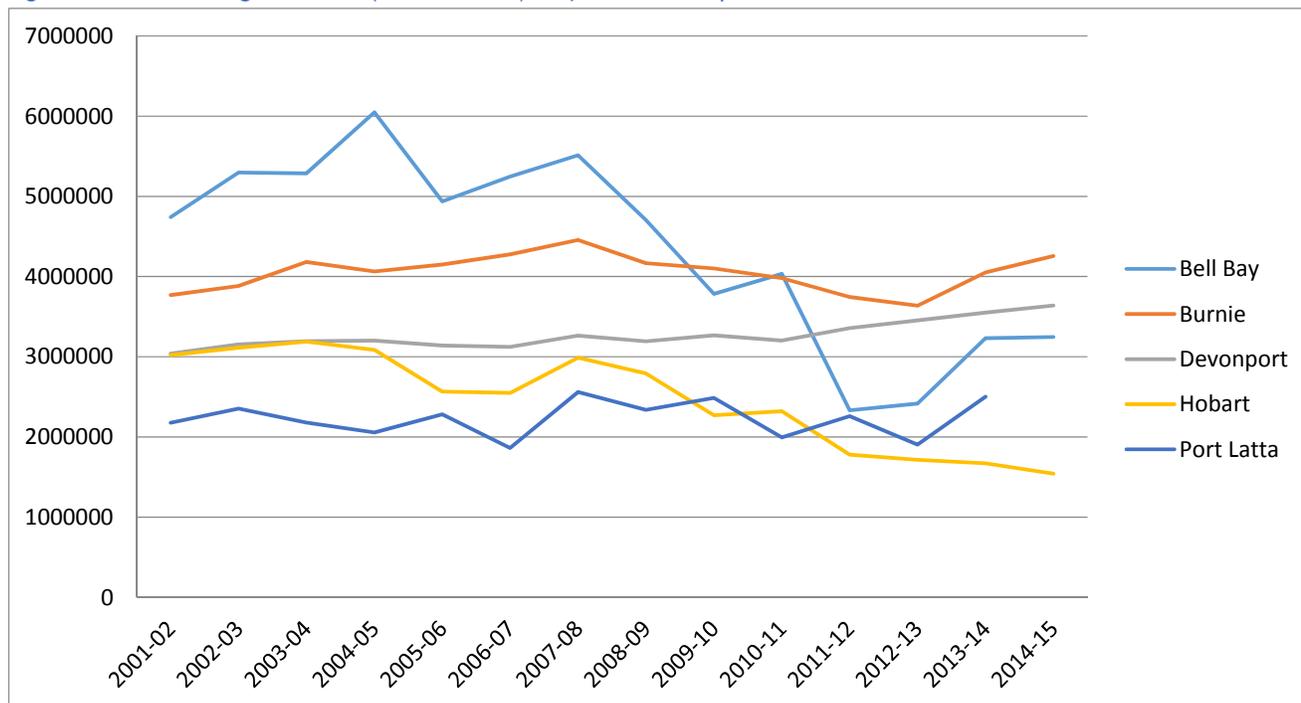




Tasmania's sea freight task

- Over 99% of Tasmania's freight by volume is moved by sea.
- In 2014-15, 12.7 million tonnes moved through Tasmania's major publicly-owned ports, with an additional 2.5 million tonnes moved through Port Latta (2015 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 I).

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



Source: TasPorts and Grange Resources

Container shipping

Task

- In 2014-15, Tasmania's container task comprised 461,656 TEU (232,514 TEU inbound and 229,051 TEU outbound) or 12.7 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).
- Empty containers comprise 30% of total exports and 16% of total imports.
- For domestic shippers, Bass Strait comprises 65% of total supply chain costs to domestic markets.

Figure 2. Export container commodities

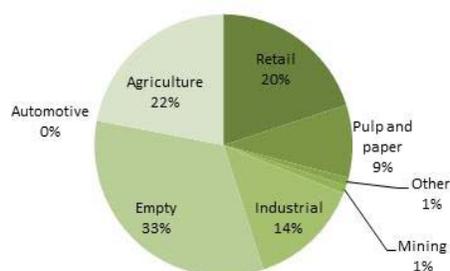
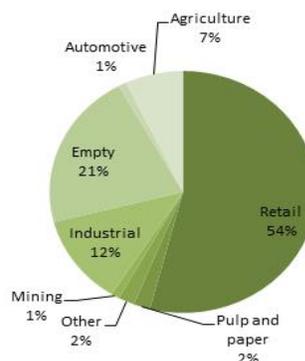


Figure 3. Import container commodities



Source: Aurecon (2013)

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 1.

Table 1: Summary of Bass Strait Container Services

	Toll-ANL	SeaRoad Shipping	TT-Line
Port	Burnie	Devonport	Devonport
Vessels	MV Tasmanian Achiever MV Victorian Reliance	MV Searoad Tamar MV Searoad Mersey	Spirit of Tasmania I 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	182 to 260 TEU plus trailers	144 TEU
Market share (TEU %)	55	25	20

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.
- A number of new services have commenced in the last few years, including: Swire Shipping's multipurpose service on a 32-day rotation from Bell Bay to Korea and China, carrying base load cargo from Pacific Aluminium; Swire Shipping's multipurpose service out of Hobart on a 9-day rotation connecting to Sydney and Brisbane; and Mediterranean Shipping Company's (MSC), international container service from Bell Bay to New Zealand via Sydney, Brisbane and Noumea.

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)

