

*Government Administration A Sub Committee Inquiry  
King Island Freight Services*

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Thank you for this opportunity.

The cost of freight to and from King Island is unsustainable and has prompted many islanders to conclude that these costs are "killing King Island".

I can give some examples of the costs incurred in shipping farm equipment to and from King Island.

In the last 18 months I sent my heavy rigid cattle truck to Victoria for a new cattle crate. The quote from SeaRoad was \$5800 return.

Les Dick Shipping quoted \$1400 return.

I recently replaced a tractor. The quoted price with the government boat was \$1500 to send the old tractor out, \$1500 to bring the new tractor in. Les Dick Shipping completed the task for \$700 each way.

Fertiliser freight costs at the new rate of \$160 a tonne are unsustainable. At \$160/tonne a container holding 23 tonnes of fertiliser costs \$3680 to get to King Island.

We used nine containers last autumn. We paid \$30,000 under the old \$142/rate in fertiliser freight costs. Freight on fertiliser will cost us more than \$33,000 next year on the assumption there is no further rate rise.

Until April this year we have been able to bring consignments of 60-65 weaner steers to King Island from Victoria to grow and finish to heavy weights.

The last consignment from Yea in Victoria was \$5800, less the TFES rebate. The cattle were shipped on the SeaRoad Mersey direct to King Island from Melbourne.

We have been quoted \$10,000 to do this in future, with the cattle coming via Tasmania.

I hope this gives the committee some idea of the high costs those who live on King Island have to contend with and that the committee can find some answers.

As a director of the new King Island Multi Species Abattoir we have also found the cost of getting equipment to King Island very expensive.

The main issue in setting the business up has been the cost of getting containers of equipment to King Island.

We have avoided using the government ship to bring our equipment to King Island because of cost. We have used Les Dick shipping because his rate has been half that of the government boat - \$1400 compared with \$2600.

The government service has said it is not interested in handling 10 foot refrigerated containers. This means we will most likely send out product out on a refrigerated van and bring in freight to defray costs.

Ian Lester  
King Island  
