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Submission — King Island Shipping Service

20th July 2017

A lot has changed on King Island since August 2009 when the Legislative Council Select Committee on Island Transport Services submitted its report.

The biggest single disaster was the closing of the J B Swift Abattoirs. Not only did 80+ people lose their jobs, whole families were forced to leave the Island, shops suffered/closed due to loss of population, and farmers forced (by circumstance) to ship their Prime KI Beef over the roughest strip of water in the southern hemisphere, causing incredible stress to the islands animals who have known only gentle, soft paddocks.

This comes at an extra cost to farmers out of their bottom line of \$150 per head!.

So much for prime beef!

Following the sudden closure of JBS Abattoir, overnight it was revealed the Searoad Mersey was much too small. Shipping cattle live took more space than packaged beef, than the Mersey had on its animal carriage upper deck.

The main deck had a capacity of 136 TEU's, and the upper deck capacity is 21 forty-foot semi-trailers. Allowing for gas and petrol a maximum of 18 semi's of cattle. At around 45 per trailer only

Effectively 40,500 cattle could be shipped per year, even though we produce twice as many!.

This is further impacted because most cattle for slaughter are at peak slaughter condition at the same time and also many farms cannot get cattle out in winter, due to waterlogging of pastures.

This led to the situation of other small boats being forced into service to take extra cattle (i.e Les Dick's boat) Not an ideal situation, for the past 3-4 years.

On the last sailing of the Mersey 2nd April 2017, ninety containers (teu's) came in, sixty went out (some 16 were left behind), plus 18 stock semis plus m/t petrol and gas iso's.

The current boat, the Navigator can only hold 10 stock 40ft-semi-trailers of 45 per head, which equates to 22,500 per head per year, assuming no missed sailings. (already a regular occurrence due to weather factors)

We do note they are trying to do 2 cattle shipments a week, leaving only per one per week for general cargo which is insufficient for the volume required on an island dependent on the ship to carry all other goods including building materials, food, farm/animal supplies and an average of 15-20 vehicles a week (the Navigator can only carry 4 vehicles) back and forth in a timely manner.

Grassy harbour was always regarded as a 6 meter harbour. However with the use of Les Dicks Eastern Shipping Landing Craft, sand has been shifted into the shipping channel. This is being exasperated by the current Navigator which is also a Landing Craft.

Landing craft do not tie up in the normal manner, but use their motors to hold them in position, which creates continual turbulence in the water and results in sand shifting into the channel.

Due to the sand shifts, the Searoad Mersey ran aground on 30th October 2016 at 5.1 meter draft.

It had also touched the bottom in the previous year on two occasions and again hit bottom on the 13th November 2016 even with the Survey boat following it out

There have been two ships designed for Grassy harbour, the first being the Straitsman that serviced Melbourne and Tasmania. It was about the same size as the Investigator, launched 1972, went bankrupt 1973, taken over by the state government, sank 1974-5 and was subsequently rebuilt. Brambles also got a look in in 1986 with Challenger B, but they could not make it pay. The Straitsman eventually finished in 1991.

April 22 1991 saw the Mersey begin its weekly service. The big difference was that its schedule included Melbourne - Tasmania daily and King Island once a week, and was certainly profitable.

First built at 91.5 meters, it was extended to 118.39 meters, not only to increase cargo capacity but to enhance handling and prevent cargo damage in Bass Straits bad weather.

At 91.5 mtr the ship was too short to handle the waves of Bass Strait, due to burrowing into the first wave creating a force that snapped cargo lashings, with subsequent damage to cargo and ship.

The ship was quickly extended to 118.39 metres which corrected the ships ride by allowing it to traverse 2 waves which had a stabilizing effect.

Photograph show the Sea road Mersey at original 9.5 meters.



Since 2009 when the Goliath ran aground Tas Ports have imposed a 90 meter maximum length on use of the port of Grassy. (the Searoad Mersey received a "special exemption")

It is noteworthy that Tas Ports imposed 90 metres limit, even the problematic 1st version of the Searoad Mersey would not be allowed to enter the harbour.

It is patently obvious that the current Harbour is much too small for today's requirements for volumes and ships.

We are a significant contributor to the Tasmanian economy, but in order to reach our significant growth potential the big picture needs to be addressed. Investment by Government in major infrastructure would allow growth to continue, both in agriculture and tourism.

Tas Wind in their Commercial Wind Farm Proposal intended to build a new port to the north-east of the existing breakwater in 12 meter water, so that the wind towers could be imported direct as the Searoad Mersey could not have handled the volume or the size.

Tas Wind's estimate was \$35 million for a basic port.

While this may seem a lot of money, consider our exports are \$550 million per year and increasing.

A purpose built ship will cost \$100 million plus running costs.

Building a new port allows the "shipping market" to service the Island, whether that be Toll, Searoad or any other shipping company. Maybe we could have live cattle to Indonesia, cows to China or Cruise ships to play for golf tourism, each with appropriate profit generated for government.

You also need to take account of the profit made by Tas Ports, currently in excess of \$5 million per year on assets given to them by King Island Ports on the assumption that they would reinvest, which has not happened.

We do appreciate the interim measure provide by Tas Ports, and acknowledge the workers who are doing their utmost to provide the service, however sorting out a long term, viable solution is a matter of urgency as investment is already stopping.

While we are less than 1% of the population we are providing 20% of beef and dairy, increasing tourism and world renowned cheese amongst other commodities, a significant help to government coffers.

IN CONCLUSION:

The current shipping service will not cope, and building a new ship to use the current sized harbour is not cost effective, both for the ships purchase price, its cargo size limitations and its ongoing running costs to service a dedicated King Island Boat

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I am happy to be co.n.tacted for further information or clarification