

Natasha Exel

Subject: FW: King Island Shipping Committee Inquiry Submission

Resent-From: <contact@ruthforrest.com.au>

From: David Kerr <david.kerr6@bigpond.com>

Date: 20 July 2017 at 1:20:07 pm AEST

To: <contact@ruthforrest.com.au>

Subject: King Island Shipping Committee Inquiry Submission

Dear M/s Forrest,
Chair,
L.C.K.I.Shipping Committee

We submit that long term solution for King Island Shipping needs to include provision for passenger and freight service as proposed by Incat some years ago.

A triangular service linking Burnie with King Island and Victoria would enable more capacity and competition to meet Tasmanias growing needs plus a King Island service that could not be justified for freight only. Victorian ports of Hastings and Geelong are options. Once new abattoir is operational live cattle volume will decline . A feasibility study was suggested by Senator Jackie Lambie last year and potential funding support on King Island would be fair on a pro rata basis with Burnie & others. Australian Maritime College have expressed interest in conducting appropriate economic enquiry. I refer you to Dean Cooke at AMC , Launceston.

An Incat the vessel can be designed for existing Grassy Harbour . I refer you to Richard Lowrie at Incat , Hobart.

Best regards,

David & Cheryl Kerr
King Island

Allison Waddington

From: Ruth Forrest
Sent: Thursday, 27 July 2017 3:05 PM
To: Natasha Exel; Allison Waddington
Subject: Fwd: King Island Shippingold submission to K.I. Shipping Group 2011
Attachments: King Island Shipping Proposal Presentation Brief 140211.pptx; ATT00001.htm

Please find additional part to previously received submission

Hon Ruth Forrest MLC
Independent Member for Murchison

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Begin forwarded message:

From: "David Kerr" <david.kerr6@bigpond.com>
To: "Ruth Forrest" <ruth.forrest@parliament.tas.gov.au>
Subject: King Island Shippingold submission to K.I. Shipping Group 2011

Ruth,

This old submission may be useful background information for you . Please attach to our submission or if too late , please peruse to assist your committee .

best regards,

David & Cheryl Kerr
King Island.

Note : This submission was initiated and paid for by for community.

Own Shipping Service Solution for King Island

A Long-Term Sustainable Shipping Strategy

'King Island Shipping Service' (KISS)

A King Island Ship Owning & Operating Company

A Proposal Presentation Brief

By

Captain Alan Thom

Master Mariner and Maritime Consultant

And

David Kerr

Currie, King Island

13 February 2011

King Island Shipping Overview

Current Situation

SeaRoad Shipping (SRS) is replacing its two ships in 2012 including the SeaRoad Mersey which operates the present weekly Sunday service to King Island (KI)

The SeaRoad Mersey replacement ship will be larger sized and therefore cannot fit into the existing berth facilities at Grassy Port unless the port berth facility is upgraded, and the harbour breakwater modified, at an estimated cost to the Tasmanian Government of around \$40 Million

The future of King Island's weekly shipping service is yet to be definitely clarified by the Tasmanian Government. King Islanders now waiting for advisement or confirmation of the future shipping service arrangements for KI

King Island Shipping

Shipping Service Solutions and Options

SeaRoad Shipping (SRS)

1. Following the commissioning of SRS's two new ships in Bass Strait service (2012), the SeaRoad Mersey could be retained in full commission by SRS just for the sole purpose of providing the King Island weekly service on a Sunday – an essential service

Not long-term solution. Will eventually have to be replaced down the track. No ship outage backup arrangement known at this time (same current situation)

The ship would be needed in seven days ship active employment just to operate three days only (part week) for the Sunday Grassy Port call. However, the shipping service would be “over tonnaged” and not considered a cost-efficient plan. Further costs incurred if the ship to be based out of Devonport, as Melbourne cargo transhipment would be necessary (double handled) in Devonport. Being the case, to operate and maintain the Sunday call service, and maintain current freight rates - expected this plan could need an ongoing annual Tasmanian Government subsidy

2. SRS replaces the SeaRoad Mersey with an optimal capacity smaller ship to more cost-efficiently operate the once (part) weekly service, to effectively reduce ship running costs and consequently any government subsidy that may be necessary by SRS to operate and maintain this scaled-down ship service. Or more to KI benefit, run a more frequent shipping service to KI that could provide the ship with full-week employment

King Island Shipping Shipping Service Solutions and Options King Island Shipping Service (KISS) – Proposed

The opportunity now exists for King Island to take control of its future shipping service arrangements with a KI owned and controlled shipping service. This effectively would be designed to mitigate viewed shortcomings in the current service in respect to service call reliability, cargo handling capability, and the high freight rates

This alternative strategy to the SRS solution and options is for KI to found a special purpose shipping company, a community owned shipping company (KISS), then acquire (lease) and operate a smaller suitable ship for the service. Backup ship (contingency) arrangement consideration could be with Southern Shipping (now under new management) or another suitable ship operator in times of ship outages

This solution plan for an "own shipping service" would give by design both ship and service capabilities for (best) achieving the King Island Shipping Group's 'eight-point plan' of requirements for a suitable and sustainable shipping service for KI - which cannot be achieved under the present shipping arrangements. Employment also will be created on KI in the KISS Company operations

Under the plan, the ship to be placed under SRS ship and cargo management (full SRS Commercial Management) – to operate a (proposed) three times a week service to KI alternating overnight direct with Melbourne / Devonport (or other Victorian and Tasmanian port/s). Ship can also offer Melbourne / Devonport thru-cargo services in support of SRS's Bass Strait services. Under this plan, KISS sets the freight rates

Initial company set up and vessel acquisition costs would need to be supported by the Tasmanian Government. Envisaged KISS would be a stand-alone operation - to be validated by a feasibility study

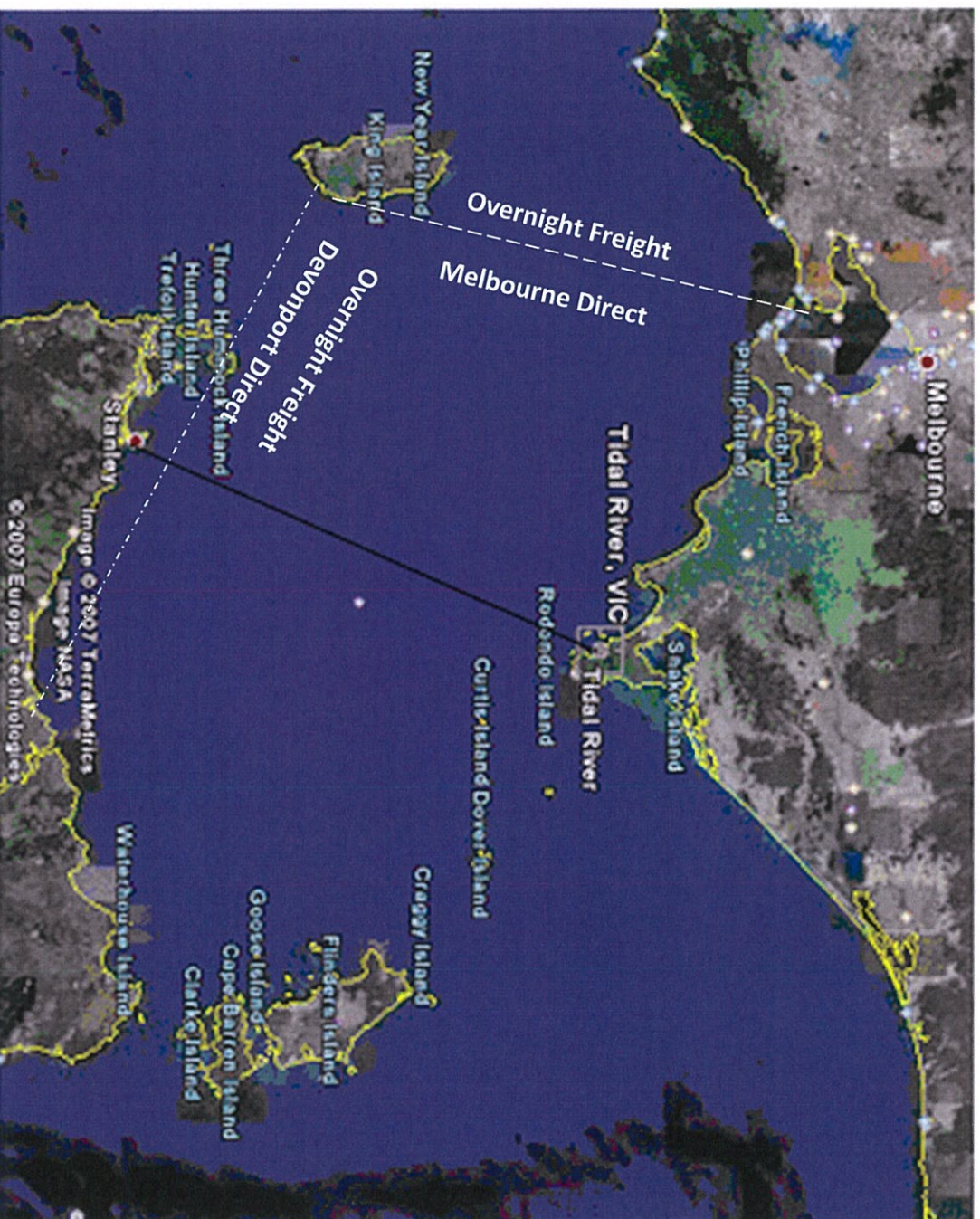
King Island Shipping Service Vessel

MV “King Island Trader”



**An example of a ship type indicative of being suitable for the King Island shipping service
Self-Sustaining, Roll-On Roll-Off (RO-RO) and Lift-On Lift-Off (LO-LO) Vessel (50 Tonne cranes)
Vessel acquired and renamed ‘King Island Trader’
(Note: no Grassy Port/Harbour upgrade cost necessary with this size vessel)**

Service Routes – Freight Delivery Times



Victoria Port Options: Geelong - Westernport | Tasmania Port Options: Burnie

King Island Shipping Service

Example Itinerary and Schedule

KING ISLAND SHIPPING SERVICE

VOYAGE SCHEDULE EXAMPLE (1)

Weekly Service Plan:

Port	Code	Calls
King Island	KI	3
Melbourne	MEL	2
Devonport	DPT	1

Day	Week Day	Port	Arr/Dep	Time
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1	MON	KI	ARR	8:00 AM
			DEP	3:00 PM

2	TUE	MEL	ARR	8:00 AM
			DEP	4:00 PM

3	WED	KI	ARR	8:00 AM
			DEP	3:00 PM

4	THU	MEL	ARR	8:00 AM
			DEP	4:00 PM

5	FRI	KI	ARR	8:00 AM
			DEP	3:00 PM

6	SAT	DPT	ARR	8:00 AM
Stay Over Night				
7	SUN	DPT	DEP	4:00 PM

Next Week Service

1	MON	KI	ARR	8:00 AM
			DEP	3:00 PM

KING ISLAND SHIPPING SERVICE

VOYAGE SCHEDULE EXAMPLE (2)

Weekly Service Plan:

Port	Code	Calls
King Island	KI	3
Melbourne	MEL	2
Devonport	DPT	1

Day	Week Day	Port	Arr/Dep	Time
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1	MON	KI	ARR	8:00 AM
			DEP	3:00 PM

2	TUE	MEL	ARR	8:00 AM
			DEP	4:00 PM

3	WED	KI	ARR	8:00 AM
			DEP	3:00 PM

4	THU	DPT	ARR	8:00 AM
			DEP	4:00 PM

5	FRI	KI	ARR	8:00 AM
			DEP	3:00 PM

6	SAT	MEL	ARR	8:00 AM
Stay Over Night				
7	SUN	MEL	DEP	4:00 PM

Next Week Service

1	MON	KI	ARR	8:00 AM
			DEP	3:00 PM

Subject berth availability

Main Benefits to King Island

- 1. Long term secure and sustainable shipping service**
- 2. Own control of shipping arrangements – itinerary and schedule**
- 3. More frequent shipping service – three calls per week (only one now)**
- 4. Operations flexibility (not possible under current shipping arrangements)**
- 5. Reliability - minimised missed calls. Ship can wait-off if bad weather on scheduled day and berth next**
- 6. Freight rate control = rate setting = reduction in current freight rates**
- 7. Less inventory stocking needed on Island (eg Diesel, food supplies)**
- 8. Fresher food availability on Island – less shelf life required**
- 9. If ship has passenger capability = tourism growth potential - tourist travel to KI by sea and can bring own car (like main ferry)**

Shipping Service Operations - Management

No changes in existing ship operation and commercial managements

ONLY THE SHIP CHANGES

(With a revised ship service operating plan for KI)

- ☐ Ship Management
Crewing , Maintenance etc
SeaRoad Shipping
(Contingency alternative, Toll-ANL)
- ☐ Ship Service Operations Management
- ☐ Ship Agency / Commercial Management
- ☐ Cargo Movement Management
Melbourne / Devonport
SeaRoad Shipping
(Contingency alternative, Toll-ANL)
- ☐ Ship Agency / Commercial Management
- ☐ Cargo Movement Management
King Island
Jim McKenzie Agencies / Currie Cargoes
Cargo Consolidation and Stevedoring

[KISS Marine Manager to generally oversee day-to-day ship operations in liaison with SRS]

Project Advancement Process

Project Feasibility Evaluation Phase

Step (1) Pre-Feasibility Study

- Meetings of project proponents with KI Council and stakeholders
- Ascertain interest in proposal
- Ascertain shipping service operation requirements / needs
- Identify associated problems/concerns
- Identify Government assistance/grants available for project set-up and commissioning funding
- Identify project funding type (eg government loan/guarantee)

Step (2) Feasibility Study

- Investigate and Evaluate commercial feasibility and financial viability of the proposal
- Identify suitable ship candidates for KISS acquisition
- Report

For engagement of Captain Alan Thom to undertake the studies:

Estimated Total Cost Budget: A\$30,000 = Time \$25,000 + Expenses: \$5,000

END OF PROPOSAL PRESENTATION

Prepared By:

Captain Alan Thom

Master Mariner and Maritime Consultant

1/378 Amatex Street – Albury NSW 2640 – Australia

Tel: (02) 6021-0272 | Email: alanthom@cngi.com.au

Captain Thom is a Master Mariner and Maritime Consultant with over forty years experience in the international maritime industry. Seventeen years was with the Australian National Line (ANL) – in both seagoing service, including extensively in Bass Strait shipping, and in ANL's Webb Dock Terminal, Melbourne: stevedoring, ship cargo planning, Terminal administration and port operations. Left ANL in 1985 to pursue a personal career in marine consultancy, management and shipbroking - specialising mainly in the industry sectors of cruise & ferry, high speed craft, commercial (cargo) and gas shipping

Captain Thom has previously undertaken two private studies for the shipping of natural gas (LNG) to King Island and is familiar with King Island, Grassy Port and its ship operations

King Island Contact:

David Kerr

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