

More tourists on TT-Line

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The Plan to build a modern economy,
to create jobs

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Tourism is one of Tasmania's competitive strengths, and the Liberals have a plan to grow our tourism industry to 1.5 million visitors annually by 2020.

To achieve this we need to tackle the access problems we endure as an island state. That means working with airlines and the TT-Line to make services more attractive, thereby attracting more visitors to Tasmania.

As part of this plan, the Liberals will make travel on the Spirit of Tasmania cheaper and more attractive to tourists by altering the Members' Letter of Expectation.

We will do this by making an additional requirement that TT-Line take into account measures aimed at maximising the number of visitors they bring to our State when setting their fare structure.

A majority Hodgman Liberal Government recognises the value of TT-Line to the Tasmanian economy, and the further potential contribution that it could make, given the right support through crucial policy settings.

The Spirit of Tasmania ferries are an important tourism asset, injecting about \$300 million annually into the State's economy.

The Liberals know that more can be done to grow the number of passengers travelling on the Spirit of Tasmania, and understand that that the cost of travel on the ferries is an inhibitor to more passengers travelling on the Spirits.

There have been a number of recent examples of Tasmanians and visitors to our State being charged well over \$1,000 for two adults and their car.

Similarly, the motorhome tourist trade is seriously inhibited by the costs associated with getting their campervan or car and caravan across on the Spirits.

How we will do this

The current TT-Line Members' Statement of Expectation, states:

4.4 Pricing

The Members expect TT-Line to set prices, fees and charges which:

- *Meet the objectives of efficiency, and financial sustainability;*

Nowhere in the Statement of Expectations is there an expectation that TT-Line should work to maximise the number of visitors brought to Tasmania on the Spirit of Tasmania ferries.

A majority Hodgman Liberal Government will insert a new point in Clause 4.4 requiring the TT-Line to also take into account the need to increase the number of visitors to Tasmania in their pricing structure. The new Clause will read:

4.4 Pricing

The Members expect TT-Line to set prices, fees and charges which:

- *Meet the objectives of efficiency, and financial sustainability;*
- *Are aimed at increasing the number of visitors to Tasmania carried on the Spirit of Tasmania ferries;*
- *Comply with all legislative and regulatory instruments; and*
- *To the extent possible, move towards a commercial return on assets employed as set out in the Statement of Corporate Intent.*

This crucial policy change will ensure that the Company focuses more on the need to attract visitors to Tasmania, and will give it scope to provide a fare structure which attracts more visitors, rather than being solely focussed on commercial return, as is currently the case.

The annual Statement of Corporate Intent will also need to reflect this change in expectation.

Attracting more visitors to our State will potentially generate an extra \$300 million of economic activity and bring an extra 120,000 people to our State.¹

This policy to grow visitation to the State through the TT-Line will help deliver our vision to grow our tourism industry to 1.5 million visitors per year by 2020.

Our expectation is that the average fare will be able to be reduced by up to 20 per cent.

Devonport to remain the home of TT-Line

A majority Hodgman Liberal Government will also ensure that Devonport remains the home of the TT-Line.

Additionally, providing a greater focus on getting tourists on the Spirits will mean more people are passing through the north-western gateway. Having visitors arrive in Devonport means we have a greater opportunity to send visitors to all our regions – those parts of the State largely missing out on the tourist trade.

Costings

Nil - TT-Line has averaged a \$20 million operating profit across the past two years, and we expect that TT-Line will still be able to operate on a financially sustainable basis with this amended Statement of Expectation and Charter.

¹ Legislative Council Select Committee examining Tourism in Tasmania.

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Devonport will remain the home of TT-Line. The Spirits I and II will be reinvigorated through this crucial policy change