



BassIslandLine



11 August 2017

## Bass Island Line Update – edition 19

### Replacement vessel

The *Investigator II* is set to be replaced by a substantially larger and more fit-for-purpose vessel by the end of this calendar year. A worldwide search for a replacement vessel has resulted in two ships of interest. Commercial negotiations are continuing to secure the vessel for the people of King Island.

Bass Island Line (BIL) customers and stakeholders will receive more information about the new vessel after the negotiations have successfully concluded and well before the new vessel comes into service.

### Triangulated service

BIL is intending that the next vessel will provide a triangulated service for King Island. The exact configuration of crossings between mainland Australia, Tasmania and King Island will be determined in due course after the replacement vessel is secured and taking into account costs, efficiencies and the varying customer needs.

### Still delivering

BIL has now completed 104 crossings, moving moved 23,457 tonnes of freight into and off King Island including fertiliser, livestock, fuel, groceries, stockfeed, household goods, construction materials, agricultural equipment and motor vehicles. This includes 46 livestock sailings (both ways) with more than 7350 head of cattle moved from King Island to mainland Tasmania.

### The upcoming season

BIL welcomes your call to discuss your requirements for the approaching spring season when fertiliser demand is likely to rise. You can call BIL on **1300 038 228**.

### The schedule

Please be aware that a full schedule showing **both departure and arrival times** is available to view on the BIL website. Just visit [www.bassislandline.com.au](http://www.bassislandline.com.au), scroll down to the heading "Schedule" and click on the link "Port Schedule".

The next few sailings are as follows:

- Sunday 13 August: General cargo. Depart Devonport 1pm. Arrive Grassy 7am next day.
- Monday 14 August General cargo. Depart Grassy 1pm. Arrive Devonport 7am next day.
- Tuesday 15 August: Livestock. Depart Stanley 11pm. Arrive Grassy 7am next day.
- Wednesday 16 August: Livestock. Depart Grassy 12.30pm. Arrive Stanley 8.30pm same day.

### The Legislative Council inquiry

The Legislative Council inquiry into King Island freight services held its hearings this week on King Island and in Hobart. The CEO of TasPorts, Paul Weedon, appeared before the Committee yesterday. Below is a taster of some of what Paul had to say.

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## CEO appears before Legislative Council inquiry

*A summary transcript of some comments made by Paul Weedon, CEO TasPorts, at the Legislative Council Inquiry into King Island Freight Services, Hobart, Thursday 10 August 2017.*

### Cost of freight

I'm aware there is a lot of focus in terms of the cost of freight onto the island. Our role is the provision of a port to port shipping service. There are, in any shipping chain, additional costs which we are not in control of.



**HEARING:** Paul Weedon (centre) before the committee with TasPorts General Manager Marine Service Matt Johnston (right).

Our responsibility starts when a containers hits the ground in our terminal, whether that's in Victoria, in Tasmania or on King Island. Our freight rates cover the retrieval of that container and then all operational transactions until it is delivered. From receiving a container on our wharf to loading it on a truck at the other end, that is all our cost bucket and we charge a freight rate to cover those costs.

### Replacement vessel

The *Investigator* was the best available vessel in the time we had to get the service up and running. Since April 7, when we started the service, we began a simultaneous global search for the next vessel that would be more appropriate for the trade. That search continues. I'm pleased to say that we have reached a point where having considered over 20 candidate vessels we are entering into commercial negotiations on two possible candidates.

### Triangulated service

What normally informs a (shipping) service is where the predominant flow of cargo is: how it moves. And if you look at the King Island freight task it is predominantly containerised cargo flowing from mainland Victoria to King Island and livestock from King Island to Tassie. That service pattern would encourage a service that is sometimes referred to as a triangulated service that would initiate in Victoria, sailing to King Island, sail on to a Tasmanian port, then do a Tasmania-King Island return before then setting off back across to Melbourne.

### Freight and the private sector

I think it is important to recognise that the freight task into and off King Island is a challenging one. They are very small volumes even in the Australian context. It's very diverse in terms of the nature of the cargoes. And the way the flows move on and off the island is also diverse which makes the ultimate solution and the commercial sustainability of the solution particularly challenging. But we are very focussed on getting a good sustainable outcome that will support the island and will ultimately put us in a position to reengage with the private sector.

### The future

We have worked hard in the period that we have had to get a reliable, safe service and we have tried to maintain rates on par with how it was previously. And we have incurred the losses as a result of that strategy and that's OK. The focus is to a find a replacement vessel that will significantly advance the potential of turning this service into a service offering that the market wants and with a cost base that will bring it close to profitability. My preference is clearly into the black.