

STP 02 Attachment A - Media Article 25 May 2012



Flawed freight scheme hangs on

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The Federal Government has reaffirmed its support for Tasmania's Freight Equalisation Scheme, despite a report recommending it be scrapped.

The report by the National Infrastructure Coordinator says after almost 40 years of subsidy for Tasmanian freight, inefficiencies remain.

It recommends the Federal Government consider withdrawing the Freight Equalisation Scheme and instead provide money through the GST distribution.

The Federal Infrastructure Minister, Anthony Albanese, says the existing scheme will remain.

"We're absolutely committed to that," he said.

Tasmania's Infrastructure Minister, David O'Byrne, is pleased.

"But that doesn't mean we just sit on our hands and not take the strategic steps to create greater efficiencies," he said.

The Federal Infrastructure Minister says he is concerned about allegations of fraud relating to the scheme, but will not refer them to police.

The report recommends the Commonwealth consider referring the allegations to federal police.

Mr Albanese says it's a competition issue.

"We're talking about tax payers funds here and we need to make sure that every cent of it has a benefit for taxpayers and that a system isn't abused and isn't capable of being abused and that's why we will refer the matter to the Competition Policy Issues to the ACCC," he said.

Topics: sea-transport, federal---state-issues, tas

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