



STRATEGIC FLEET TASKFORCE – RESPONSE FROM RMIT UNIVERSITY

Questions

Please provide written answers to the following questions.

Please list your organisation and contact name.

Organisation: RMIT University

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Part One – Nature of business and nature of shipping needs

To get a picture of your activities and put your later responses into the right context, please answer the following questions.

1. Are you a cargo owner moving freight by sea? Yes or no (if not please move to next question) - No

If yes, please answer the following:

- Do you move sea cargo
 - internationally
 - domestically
 - both
- Do you
 - import
 - export
 - both
- What is the major cargo moved
 - Manufactures – what type
 - Agricultural – what type
 - Chemicals – what type
 - Fuel – what type
 - Minerals – what type
 - Building products – what type
 - Other – please describe
- What vessel type is used to move your cargo
 - bulk
 - container
 - roll-on roll-off
 - Other – please describe

- How often do you move cargo
 - Weekly
 - Monthly
 - Seasonally
 - Ad-hoc
 - Other
- Do you use a freight forwarder to arrange your sea freight?
- Do you own any Australian registered vessels? If yes, what type?
- Do you hold a Temporary Licence under the Coastal Trading Act?
- Do you charter or arrange for charter of foreign flagged vessels? If yes, what type?

2. Are you a Freight Forwarder? Yes or no (if not please move to next question) - No

If yes, please answer the following:

- Do you organise sea freight?
- If yes, is this
 - Internationally
 - Domestically
 - both
- Do you specialise in a type of freight?
 - If yes, what type.

3. Are you a ship owner/operator? Yes or no (if not please move to next question) - No

If yes, please answer the following:

- Do you operate
 - Internationally
 - Domestically
 - both
- Do you specialise in a type of vessel/freight movement?
 - If yes, what type?
- Do you own any Australian-flagged vessels?
 - If yes, how many and what type?
- Do you operate foreign flagged vessels in Australia?
 - If yes, how many and what type?
- If you own or operate vessels, what determines your choice to register a vessel in a particular flag-state?
- What would motivate you to register (more) vessels in Australia?
- What specific obstacles prevent you from registering more vessels in Australia today?
- Are you also a freight forwarder?
- Do you use the services of a freight forwarder?

4. Are you representing an industry or other peak body? Yes or no (if not please move to next question) - No

If yes, please answer the following:

- Who do you represent?
- What is your group's interest in the strategic fleet?
- Why are these of interest?

5. Are you another stakeholder? Yes or no (if not please move to next question) - Yes

If yes, please answer the following:

- What do you do?
- What is your interest in the strategic fleet?

I am currently an academic in the School of Accounting, Information Systems and Supply Chain at RMIT University. I am also the founder of the Australian Maritime Logistics Research Network (AMLRN: <https://rmit.edu.au/amlrn>). At RMIT, we offer Bachelor, Master and PhD programs in supply chain and logistics management, including a specialisation in maritime logistics. We have also been conducting research in the domain of maritime logistics and supply chain management.

Meanwhile, the Australian Maritime Logistics Research Network (the “AMLR Network”) is established to connect academics with academics in the field of maritime logistics, as well as with industry professionals and organisations that have interest in maritime logistics research and related activities in order to achieve the synergy in producing the outcomes.

Part Two - Strategic needs

What is the strategic need?

To help the Taskforce home in on what the strategic needs the fleet could meet, the next question takes the example of a long-term stoppage to shipping. This is to help focus attention on the situation where there will be major consequences for the economy and community and to consider how the fleet could be used in times of crisis. This is not to discount the impacts from other disruptions or the consequences for businesses or individuals, but to help government understand how to best use limited resources and identify a fleet that meets the greatest needs.

6. If there was a major disruption that means shipping ceased for more than a few weeks what would be the financial and non-financial consequences for:
- your business
 - your customers
 - the economy
 - the community

Please provide as much detail as possible. You may wish to think about whether the consequences are high, medium or low. A high consequence would mean people’s lives would be at risk, medium is where activities could operate at a reduced level through to minor consequence where activities would be able to operate in any case or alternatives are available.

For example, if container shipping stopped and imports of medical equipment were unable to be shipped people’s lives may be put at risk. If imports of Halloween decorations were not shipped then there would be little consequence to the economy or community (acknowledging the individual business impacts).

From the perspective of a higher education institution and a research network, I would like to elaborate on the consequences for the economy and the community. First, there are several “strategic” commodities that are relied on shipping in Australia e.g. crude oil, some important medical and chemical supplies, etc. and as such a major disruption i.e. shipping ceased for more than a few weeks may lead to multiplier effects and potential stoppage of the national economy, given these commodities being critical inputs to many other essential necessities for people in the community. This, in turn, may lead to social unrest especially when the disruption is prolonged.

What are the benefits from the fleet during ‘business as usual’ or other scenarios?

Outside of the strategic fleet being called on in times of great disruption, the Taskforce is interested in what other benefits the fleet may provide. In providing your answers to the questions below, you may wish to consider where the fleet might provide more certainty and more control for Government or industry. The following list is a guide – there may be more areas of opportunity for your particular area of shipping.

- Continuity of supply
- Service frequency and reliability
- Service quality
- Risk mitigation – controlling unknown risk factors
- Efficiency and productivity
- Ability to secure long terms contracts of affreightment
- Freight contract terms e.g. moving from FOB contracts, to, for example, CRF contracts
- Future investment in ships, shoreside infrastructure and the workforce
- Business development opportunities
- Innovation and uptake of technology
- Decarbonisation
- Creation of a maritime cluster

To start with, we are of the view that, being an island state with very high level of maritime dependence, Australia should possess a strategic maritime fleet at least for critical commodities, if not yet including the coastal fleet. Such a fleet will help enhance the control and thus stability of the maritime supply chain, which eventually the resilience of the national supply chains and economic and social security. Besides, the development of such a fleet will also be the catalyst for the development of related maritime clusters which will eventually benefit the country in terms of employment and other multiplier economic and social effects.

7. Benefits to you or your stakeholders.

- If a fleet of Australian flagged and crewed vessels was established, would you see benefits from the fleet for your business or your stakeholders during periods of ‘business as usual’?
- What are these and who would benefit?
- Do you have any data or research that quantifies these benefits?

For example, having a fleet may provide training and employment opportunities.

Having a strategic fleet will create a constant demand for research into the optimization of maritime logistics and supply chain operations in Australia and beyond. This, in turn, will create the need for training and employment in relevant fields not only to our institution but also others in the AMLRN.

8. Broader benefits

- Do you see the fleet providing benefits to national security and sovereignty?
- What are these benefits and who would benefit?
- Do you have any data or research that quantifies these benefits?
- Do you see the fleet supporting future economic activity?
- What activity and who would benefit?
- Do you have any data or research that quantifies these benefits?

For example, having a fleet may open up regional manufacturing opportunities by moving bulk goods in volumes that are currently unable to be moved by road or rail.

Having a fleet will revitalize the Australian coastal maritime trade which will in turn trigger the development of other related industries.

Part Three – any other information

Please provide any other information that you think would assist the Taskforce in its deliberations on identifying the strategic needs a fleet of vessels could address.

A recently released report by the productivity commission also noted that the proposal for a strategic fleet 'requires further evaluation as on present evidence it is not the best remedy for concerns about domestic shipping capacity and training'.

Hence, a comprehensive analysis of how such a fleet shall be established from various aspects i.e. procurement, operations, management, ownership, etc. is required so that it can realistically contribute to national security and resilience while being effective and efficient at the same time.