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Strategic Fleet Taskforce Section
Department of Infrastructure, Transport, Regional Development, Communications and the Arts
GPO Box 594
CANBERRA ACT 2601

Via email: SFConsultation@infrastructure.gov.au

Dear Sir / Madam

Shipping Australia submission to the strategic fleet taskforce

Shipping Australia is an industry association that represents the participants in Australia's international supply chain. We provide policy advice and information to over 70 members, which includes ocean shipping lines, shipping agents and marine services providers active in Australia.

Our members provide services such as the ocean carriage of freight, ship husbandry, towage, port and terminal operations, pilotage, and legal advice among other things.

Our members handle the vast majority of containerised seaborne cargo imports to, and exports from, Australia. They also handle a considerable volume of our car trade and our bulk commodity trade.

Our members employ more than 3,000 Australians.

Suggestions for Australia's shipping policy

Shipping Australia notes that the Australian Labor Party took a strategic fleet policy to the general election and has, since winning government, committed to that policy.

We would suggest that policy makers review the history of previous government policies aimed at inducing the creation of a national fleet (see the Shipping Australia website for further details).

Given that history, a reasonable course of action in the current round of policy formation – when weighing the risks against the perceived benefits – would be to ensure that the strategic fleet policy is limited in scope.

We therefore suggest that government intervention take the form of tax relief to such operators of ocean-going ships that would like to voluntarily participate in the new regime in return for a commitment to the various policy obligations – such as making ships available for disaster relief purposes – as enunciated so far. We would also add that shippers and consignees should not be subject to a compulsion to carry cargo on national fleet ships.

Shipping Australia further suggests that it be noted that, according to the Department of Infrastructure's briefing, only about eight per cent of foreign-flagged vessels carry Australian cargo.

Accordingly, the current period of policy formulation would be an opportune time to consider reviewing and revising the legal restrictions contained in the 2012 coastal shipping regime so as to deliver economies of scale and commercially viable product offers in the Australian coastal shipping

industry. Today, coastal shipping is quite expensive and East-West container volumes are limited, which raises difficulties in the building of a business case for participation in that trade given the costs and complexities of applying for a licence especially given the costs of complexities of other mandates, such as the requirement for ongoing reporting.

Authorised by:

Captain Melwyn Noronha

CEO, Shipping Australia.

SUBMISSION ENDS