



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**

**COMMITTEES**

**Infrastructure, Transport, Regional  
Development and Local Government Committee**

**Report**

**SPEECH**

**Monday, 20 October 2008**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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## SPEECH

**Date** Monday, 20 October 2008  
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**Questioner**  
**Speaker** King, Catherine, MP

**Source** House  
**Proof** No  
**Responder**  
**Question No.**

**Ms KING** (Ballarat) (8.39 pm)—On behalf of the Standing Committee on Infrastructure, Transport, Regional Development and Local Government, I present the committee's report entitled *Rebuilding Australia's coastal shipping industry: inquiry into coastal shipping policy and regulation*, together with the minutes of proceedings and evidence received by the committee.

Ordered that the report be made a parliamentary paper.

**Ms KING**—As Chair of the House of Representatives Standing Committee on Infrastructure, Transport, Regional Development and Local Government, it gives me great pleasure to table the inquiry report *Rebuilding Australia's coastal shipping industry*. It is no surprise, given that we are a vast island nation, that our economy is highly dependent on sea trade. However, while almost all of our export trade is moved by ship, domestic freight is predominantly transported by road and rail, with shipping representing 24 per cent of the total freight task in 2004-05.

The Australian coastal shipping industry has been in decline for some time. Increasingly, foreign vessels have been employed to carry goods around the Australian coast to the detriment of the Australian coastal shipping fleet. The Australian registered trading fleet has reduced from 75 to 46 ships in the decade from 1996 to 2006. With Australia's freight task set to double by 2020, there is significant room for growth in Australia's shipping industry.

The Minister for Infrastructure, Transport, Regional Development and Local Government has signalled a clear wish on the part of the government that Australia's coastal shipping industry be revitalised. This committee was tasked with reviewing policy and regulatory arrangements for the coastal shipping sector with a view to developing a more competitive and sustainable Australian coastal shipping industry. This report identifies strategies to grow the coastal shipping industry, including employment in the sector, and considers the implications of coastal shipping policy for defence support, maritime safety and security, and environmental sustainability. In undertaking the inquiry, the committee has been encouraged by the work that has been done between the industry and the unions to move the industry forward.

Obviously, the major reason for revitalisation of our domestic shipping export industry is an economic one. A renewed domestic shipping industry can provide new job opportunities and grow the maritime sector. A renewed domestic shipping industry can also help reduce land transport bottlenecks, infrastructure constraints and impacts on the environment. But there is no denying that the industry faces many challenges.

In order to be competitive in the transport market, it is essential that shipping is competitive against road and rail. It must be able to offer a reliable and affordable service. Limited shipping infrastructure and skills shortages throughout the industry are challenges the industry must overcome. Revitalisation of the Australia's coastal shipping sector begins with regulatory reform. The committee has recommended reform of part VI of the Navigation Act 1912, the Navigation (Coasting Trade) Regulations 2007 and the Ministerial Guidelines for Granting Licences and Permits to Engage in Australia's Domestic Shipping to better reflect current government policy.

These regulatory reforms should underpin a new policy framework which, the committee recommends, should include: a single national approach to maritime safety for commercial vessels; an optional tonnage tax regime in Australia that is linked to mandatory training requirements; reintroduction of accelerated depreciation arrangements; a one-year review of the maritime crew visa; amending the Seafarers' Rehabilitation and Compensation Act 1992 and the Occupational Health and Safety (Marine Industry) Act 1993; creating a national port development plan to address Australia's current and potential capacity constraints; creating a national maritime training authority and the introduction of a national training vessel; reviewing of section 23AG of the Income Tax Assessment Act 1936; and establishing a reform implementation group to implement any future Commonwealth government reforms.

This report is focused on revitalising the Australian shipping industry. In the time permitted it is not possible for me to go into detail on each of the recommendations, but central to the report is the introduction of an optional tonnage tax and accelerated depreciation, which are designed to encourage growth in the sector. Such schemes have proven very successful in revitalising the shipping industries in countries such as the United Kingdom.

In presenting this report, I wish to thank my colleagues on the standing committee. I particularly want to thank the deputy chair, the member for Hinkler, who has a longstanding interest in Australia's freight task. I thank him very much for his support and the bipartisan support of the committee. I also want to thank committee members. Particularly I want to thank the committee's secretariat, led by Ms Janet Holmes and latterly Mr Richard Selth, but I also want to acknowledge Michael Crawford, who undertook the bulk of the work on the complex inquiry in a very short time frame. I also acknowledge the work of Katie Ellis, Jazmine Rakic and Emma Martin.

The revitalisation of our coastal shipping industry has long been a topic for discussion and review. I want to acknowledge the many participants in the inquiry for their passion for this industry, which was evident throughout their appearances before the committee. Previous reviews have raised significant expectations on the part of industry participants. It is the hope of the committee that this inquiry provides the opportunity for the government to significantly revitalise Australian coastal shipbuilding into a much more competitive and sustainable industry.  
*(Time expired)*