



The Company of Master Mariner of Australia – Sydney Branch

The Senate Standing Committees on Rural and Regional Affairs and Transport

P.O. Box 6160
Parliament House
Canberra, ACT 2600

The Preservation of the Australian Merchant Navy

Submission to the Senate Rural and Regional Affairs and Transport Legislation Committees
Inquiry into the Coastal Trading (Revitalising Australian Shipping) Amendment Bill 2017.

1. The Company of Master Mariners of Australia is an Australia – wide, professional organization, with branches in all states, whose members all hold Masters Certificates. The Company has no union or business affiliations and the objectives of the organization are to promote the professional standards of the Master Mariner and the safety and efficiency of the maritime industry, in particular the Australian industry.
2. The Proposals
 - Removal of the five voyage minimum will mean that any foreign ship can apply for a temporary licence for a single voyage, a laissez – faire which will destroy any protection for the local shipping. At least under the five voyage arrangement foreign shipowners are required to show that there is sufficient volume of business to justify a temporary licence.
The proposal will only serve the interests of foreign flag vessels, invariably flag of convenience with the cheapest crews and shippers whose interests are inimical to the Australian shipping industry.
We note that the Aluminium Council and Manufacturing Australia have made submissions to the Committee and while we have seen their content, we have little doubt that they are in support of the proposals. As will we suspect, organisations such as the Farmers Federation and Shipping Australia. It is ironic that whilst the industry organizations enjoy government and subsidies they would deny protection for the local maritime industry.
In the case of Shipping Australia, might be expected to favour of the proposals, for despite its name, the organization represents the interest of foreign shipowners and their agents.
 - The Minister already has broad discretionary powers under the present Bill, those now sought will give the Minister carte- blanche.
In the Minister's speech to Parliament he mentions that between 2010 -2030 the coastal freight task is expected to increase by 30%, without any suggestion that any should be carried in Australian coastal vessels.
 - The remaining dot points in the Summary are either merely supportive of the basic proposal and do not require elaboration, or issues such as dry-docking which are simply commonsense.
3. Rather than dealing with the detail of the proposed Amendment Bill, our submission seeks to address the state of Australian shipping in the broader context, in its significance to the Australian transport task with some suggested suggest options for the future of the coastal trade.
4. Australia is the largest island in the world, with a coastline of 19,320 kms and an exclusive economic zone of 10,148,250 square kms, (including our Antarctic Territory), which we are obliged to oversee and protect.

How serious is our commitment when, with such an immense maritime area for which Australia has safety and security responsibilities, we lack any dedicated Coast Guard or Fisheries Protection vessel ?

5. Australia is probably the largest bulk mineral and agricultural exporter to the world – iron ore, coal, wool, wheat, barley, natural gas, alumina, salt, wood chips, uranium, petroleum and LNG – the statistics do not require reiteration. However, with the exception of a small proportion of LNG, the export of all the other commodities is carried in foreign ships. There is not another country in the world so reliant on shipping for all its exports and imports, but with no ships of its own to carry them. **Can there be a greater indictment of Australia's shipping policy ?**
6. Our total reliance on foreign vessels to carry all our exports is bad enough, but to consider that we should now rely on foreign vessels to carry our domestic cargoes, shows a reckless disregard for national security. As Senators will be aware, most of our oil refineries have been shut down and all Australian flag or licensed tankers have left the Australian coast; thus, we are now **wholly** reliant upon foreign flag tankers for fuel distribution.
7. Historically, it was coastal shipping alongside the horse that opened up this country. From the early 1800s, shipping services operated all around the Australian coast, establishing ports and towns. Shipping services have the same potential today.
10. For the last 65 years, Governments have ignored the "Blue Highway" and its efficiency, and have instead ploughed vast amounts of money into the least efficient form of all, long distance road transport. Whilst all transport methods are necessary, in terms of cost efficiency, shipping uses up to 6 times less fuel than road transport and around 50% of the amount needed for rail. Shipping emits approx 25% less CO₂. It's 90 times safer than road and 5 times safer than rail and is 30-60% cheaper than land transport and more reliable with fewer traffic constrictions.

The Australian Maritime Industry

The industry is divided into two integrated branches – Ports and Shipping

Ports

There are approximately 70 ports around Australia, which rely on approximately 4,000 – 5,000 skilled and qualified people to provide round the clock services essential for port operations – Harbour Masters and Port Administrators, Pilots, Marine Surveyors, Tug crews, Linesmen.

Almost all have some form of seagoing qualification, which requires a minimum level of maritime experience, which may vary from 3 to 15 years. For instance, Pilots who number approximately 400 nation-wide, will have served at sea in the shipping industry, usually as Masters or senior Officers for a minimum of 10 years.

To date the port services industry has relied on the Australian shipping industry to supply the personnel to satisfy local requirements. However with the reduction in local shipping, we will no longer be able to provide these services from our own human resources.

Where does the Government expect to obtain personnel with equivalent qualifications and experience ?

Cabotage

Cabotage is not protectionism; every country has the right to retain sovereignty of its own coastal trade and the preservation of its own maritime safety standards and national integrity.

The Government's proposals would permit foreign vessels to trade continuously on the Australian coast. Relinquishing sovereignty of our coastal shipping industry is both short-sighted and against the national interest.

The people whom these proposals intend to replace are AUSTRALIAN citizens, with qualifications approved by Australian government authorities.

The Coastal Trade

Until the late 1980s, the Australian National Line operated coastal shipping services, but poor management, union intransigence and lack of Government commitment saw the gradual demise of the Line.

At the time, the Australian National Line operated a very efficient coastal roll-on/roll-off service, across Bass Strait and along the eastern seaboard, from Melbourne through east coast ports to Darwin, employing small ro-ro vessels carrying containers, trailers and large break bulk cargo. Their only 'disadvantage' was their inability to match the transit times of road transport.

Interestingly, a foreign shipping group now operates a service between Fremantle and East Coast ports, under the same name "ANL Searoad Service ", so obviously no stigma attaches to the name.

A Way Forward

High Speed Catamarans

Australian ship designers and constructors are world leaders in high speed catamaran, ro-ro ferry design and their vessels have been sold all over the world. These craft have the ability to handle containers and vehicular traffic, and require minimal port infrastructure – essentially just a stern ramp.

There is scope for re-opening the coastal maritime highway, using fast catamarans operating a daily service between Melbourne and Sydney and similar services covering east coast ports from Adelaide through to Darwin.

Dr. Stuart Ballantyne in his address to the ICHCA on 20 May, 2015 and covered in other submissions, outlined various projections of the capacity of such vessels to provide coastal services.

The Meyrick Analysis in 2007 estimated the trade between Fremantle and the East Coast to be approximately 1 million teu per annum, thus offering scope for several larger ro-ro or fully containerised vessels to be employed in this service.

The Sydney Branch of the Company of Master Mariners requests that the Senate Committee reject the Coastal Trading (Revitalising Australian Shipping) Amendment Bill 2017 and commends the proposals for a fast Ro-Ro fleet of Australian built vessels, which would truly revitalize Australian shipping

Yours faithfully,

Capt. Ted van Bronswijk
Branch Master