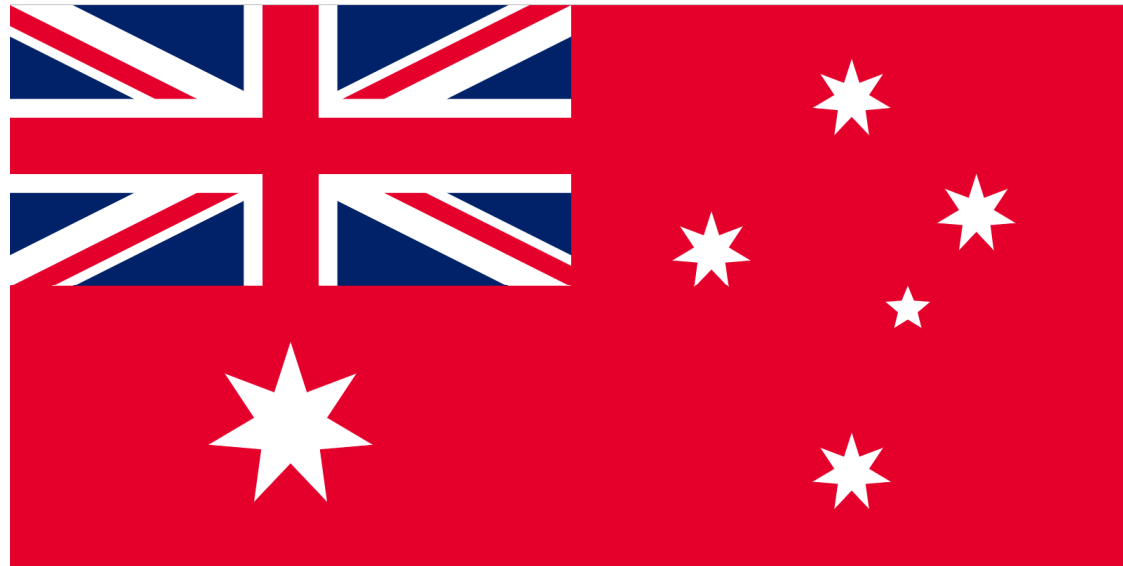


# The policy, regulatory, taxation, administrative and funding priorities for Australian shipping



Senate Standing Committees on Rural and Regional Affairs and Transport

## Submission by ANL Container Line

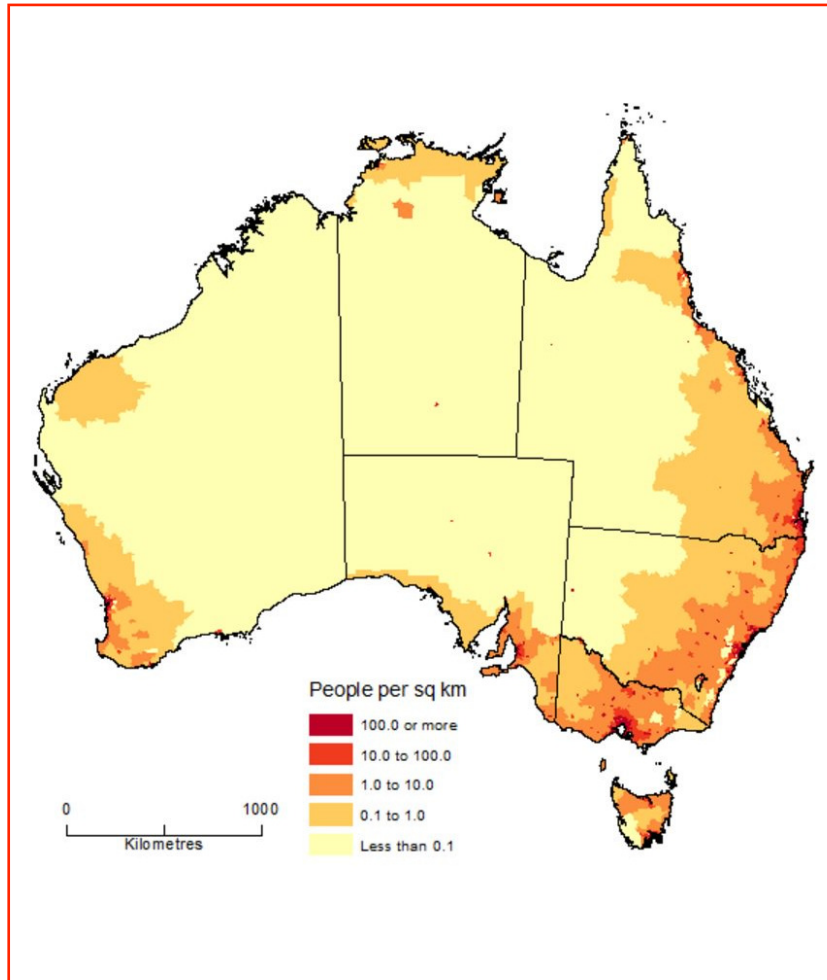
5<sup>th</sup> March 2019

## Terms of Reference

**The policy, regulatory, taxation, administrative and funding priorities for Australian shipping, with particular reference to:**

- new investment in Australian ships and building a maritime cluster in Australia;
- the establishment of an efficient and commercially-oriented coastal ship licensing system and foreign crew visa system;
- the interaction with other modes of freight transport, non-freight shipping and government shipping;
- maritime security, including fuel security and foreign ship and crew standards;
- environmental sustainability;
- workforce development and the seafarer training system;
- port infrastructure, port services and port fees and charges; and
- any related matters.

## Australia – A Country Crying Out for Coastal Shipping



### Coastal Shipping - Why

- 37,000 kms of coastline.
- 95% of population within 100kms of major ports
- Congested road and rail networks with investment struggling to catch up with demand
- Dwindling Australian Flag fleet due to cost pressures and a lack positive inducement
- Road & Rail networks vulnerable to natural disasters e.g. flooding, cyclones
- \$26.1bn spent on road funding and \$8.5bn spent on rail funding (2016/2017)  
Shipping spending = \$0
- Safety concerns on major roads with increased density of heavy vehicles
- Critical lack of maritime skills to support industry and government ashore, leading to Australia needing to import these skills
- Scarce training opportunities and career paths for Australia's young people to choose a maritime career

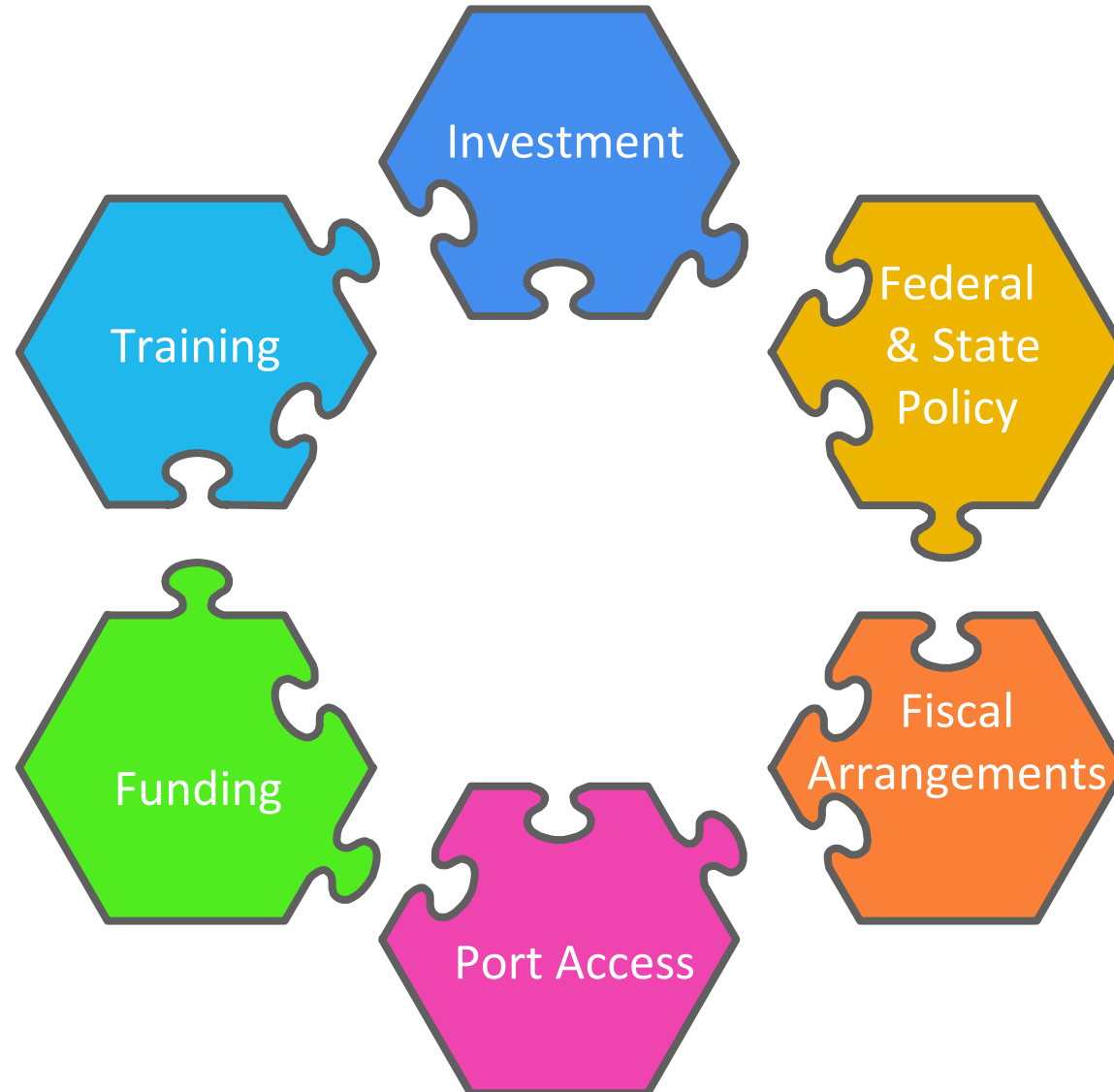
## Australian Coastal Shipping – “One Size Doesn’t Fit All”

### Why “One Size Doesn’t Fit All”

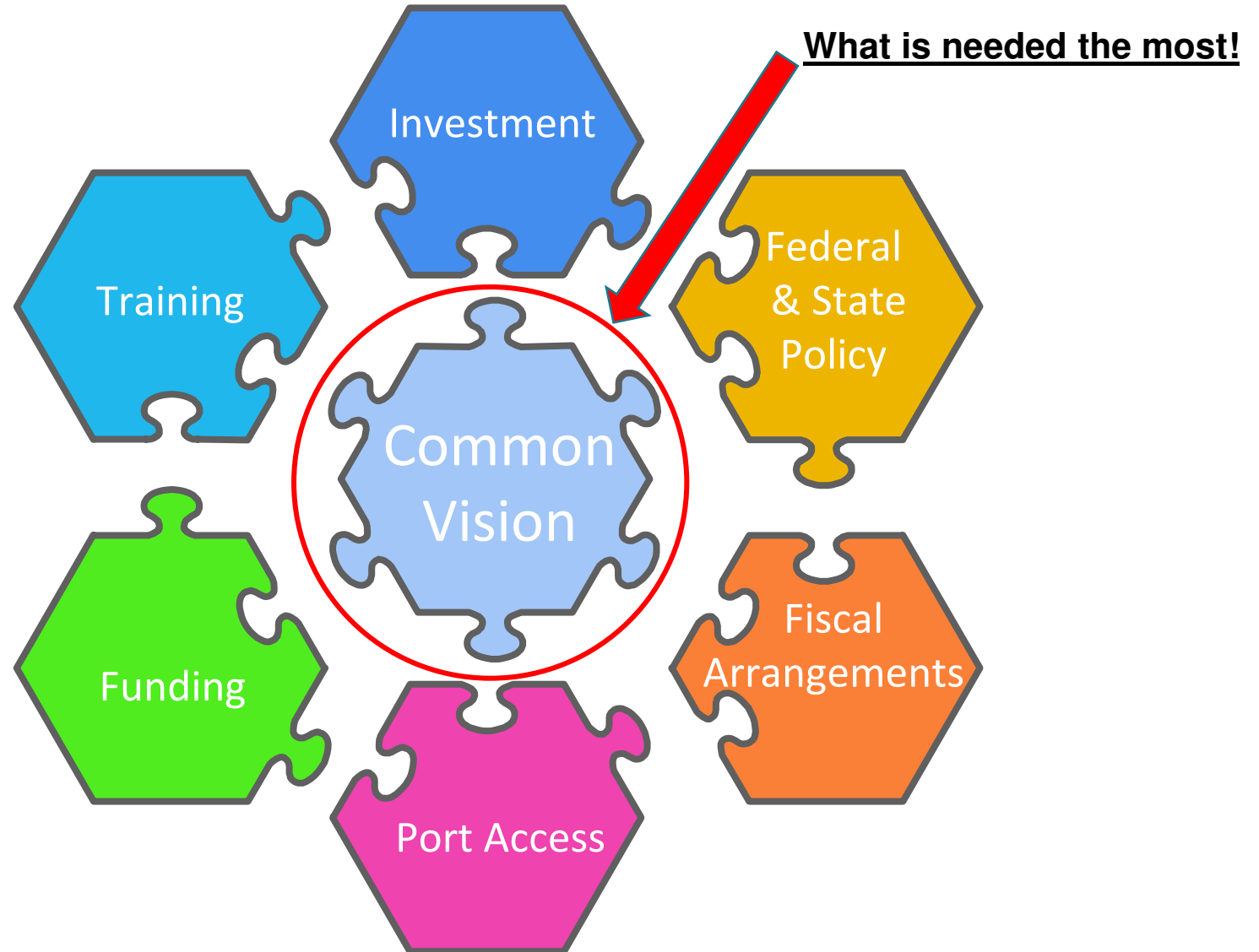


- Distinct types of freight movements (i.e. type of ship and commodity)
  - Liquid Bulk
  - Dry Bulk
  - Container Freight (ANL’s market segment)
- ANL Quick Facts
  - Once Australian Government owned
  - 20 years now as part of the CMA CGM Group - 4th largest container line in the world
  - Major container carrier In, Out and AROUND Australia
  - Excluding General License vessels, ANL is the largest container sea freight mover around Australia
  - Keenly interested in Australian coastal shipping and willing to invest if the right policy and fiscal framework exists
- Australian Shipping Policy needs to address each segment in a tailored and separate way
  - Bulk Shipping = Large parcels of cargo between few ports and relatively fewer voyages
  - Container Shipping = Small and frequent parcels of cargo

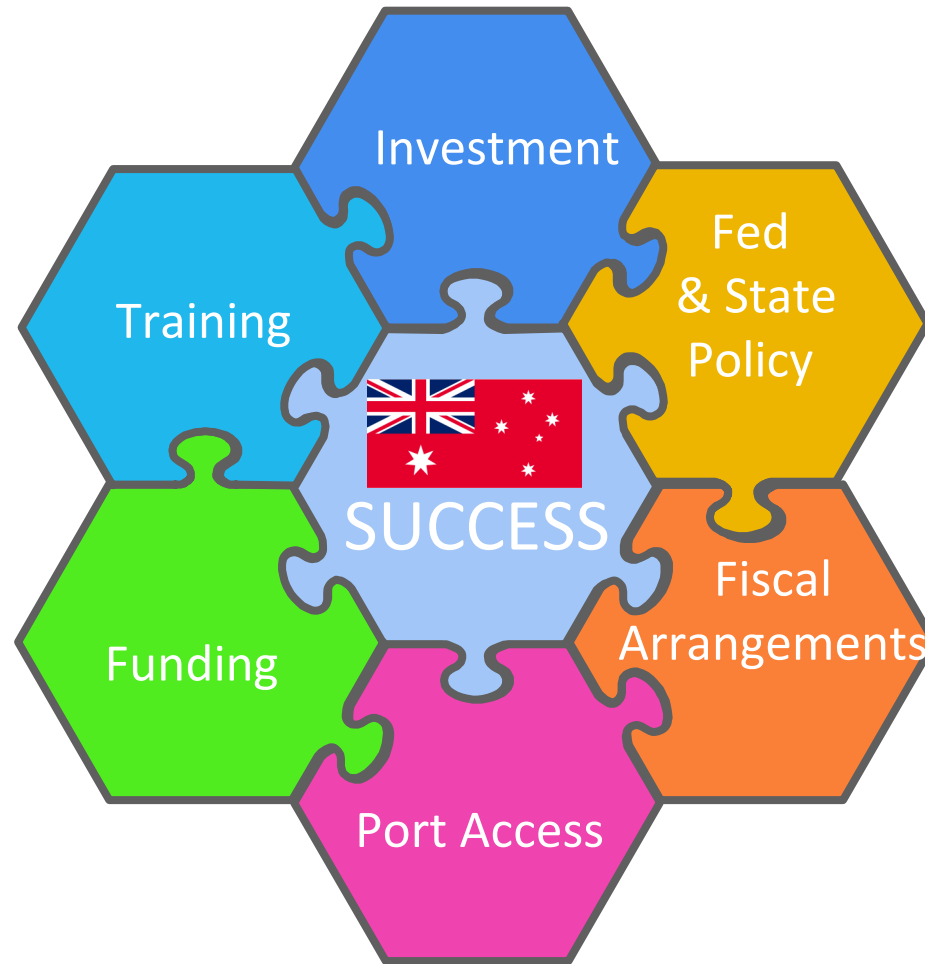
## Australian Shipping – Needs a Complex Solution



## Australian Shipping – Needs a Complex Solution



## Australian Shipping – The Pieces Need to All Fit



## Australian Shipping – What to do?



- Stable and clear regulatory framework
- Investment incentives



- Positive bias to encouraging coastal shipping
- Port privatisation to include promotion of Coastal shipping



## Australian Shipping – What to do?



- Remove Tax on Dividends
- Revise Seafarer Tax
- Revisit AISR detail to attract vessels and remove red tape
- Remove Seacare
- Extend “Coastal” Tax exemption to Offshore Industry



- New “open” access port developments tailored for coastal shipping incl. good road access etc
- Dedicated berths offering priority for coastal vessels
- Preferential port pricing (wharfage, berthage etc) to foster coastal shipping

## Australian Shipping – What to do?

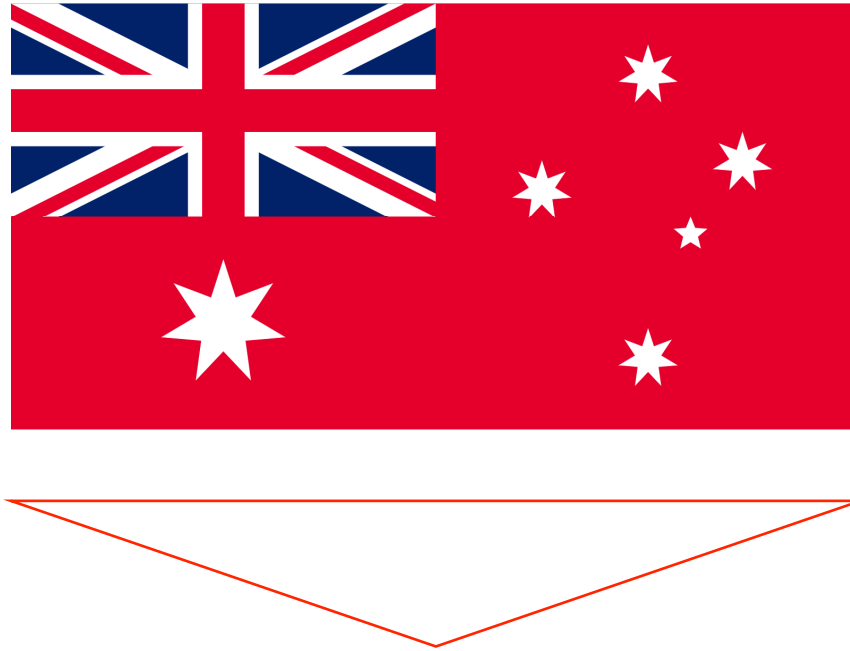


- Re-allocate a share of infrastructure spending to shipping development
- Possible direct subsidy on specific routes
- Consider a “Strategic Fleet” concept



- Coupled with AISR growth
- New incentives to employers

## Australian Shipping – We Must Grow



**AUSTRALIA NEEDS A MARITIME REVOLUTION NOW...**

**THE NATION'S FUTURE DEPENDS ON IT!**



# Contact Details

**Chris Schultz**

**General Manager Business Development and Inland Business**

ANL Container Line Pty Ltd