



CMA CGM group



## SENATE SELECT COMMITTEE ON RED TAPE

### *THE EFFECT OF RED TAPE ON CABOTAGE*

Submission by:

**Chris Schultz**  
General Manager Business Development  
ANL Container Line Pty Ltd  
[www.ANL.com.au](http://www.ANL.com.au)  
5 April 2017

ANL is pleased to offer the following comments in relation to the Senate Select Committee on Red Tape's review on the effect on red tape on Cabotage.

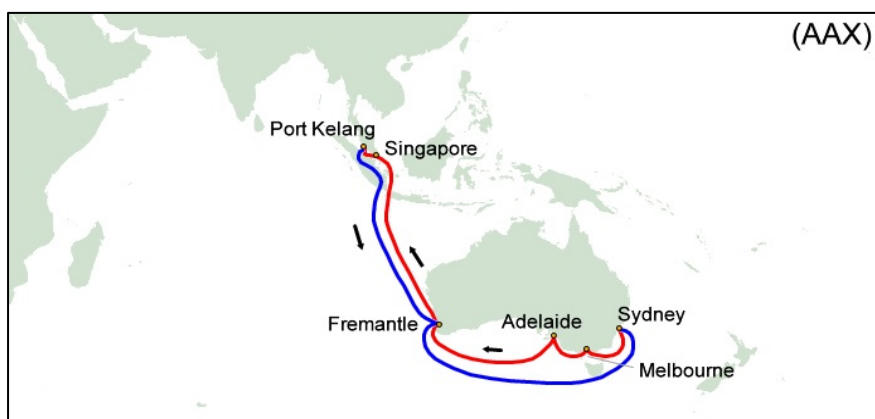
ANL has a long history in Australian shipping being a government owned line involved in overseas and domestic shipping for most of its life. Now owned by CMA CGM, the world's 3rd largest container line in the world, ANL remains a major carrier to/from and around Australia.

ANL is in a unique position to comment on the provision of coastal shipping services as we carry significant coastal cargo on our international vessels under temporary licences and in the past we were a general licence holder.

ANL is the biggest carrier of containerised coastal cargo around Australia using segments of our international services which are operated by foreign flag vessels. This cargo is carried under a Temporary Licence.

The main services we use to carry Australian coastal cargo are

**AAX** - for westbound cargo from Sydney, Melbourne to Adelaide and Fremantle;



**A3N** – for northbound cargo from Melbourne, Sydney to Brisbane;



## Cabotage Regulation

In reviewing Cabotage regulation it is important to understand that the coastal shipping task is broken into three distinct segments; containers, dry bulk and liquid bulk. Each segment has its own characteristics and requirements meaning the current “one size fits all” regulatory regime may not provide the best approach.

On the container side, each shipment is small and there are many hundreds of them on each weekly voyage from many different shippers. Therefore ANL’s Temporary Licences have many voyages on them and require amendment as vessels come closer. As the container trade is characterised by many shipments from many shippers, it means that sometimes we are outside the 20% tolerance level as cargo is cancelled or transferred to a following sailing.

## Coastal Volumes

ANL’s coastal shipping customers tell us their primary focus is reliability. They want to know that there is space on the vessel for coastal cargo week in week out. This enables them to plan their forward movements and build coastal shipping into their overall supply chain. The option to de-regulate coastal shipping will put this at risk as international carriers move in and out of carrying coastal cargo depending on the circumstances of each voyage. The reliability of supply will be removed and many of our customers have told us they won’t be able to use coastal shipping under these circumstances.

There have been reports that the current regulatory regime has been detrimental for coastal volumes. This is NOT the case for container volumes. ANL’s volumes have been growing which is real evidence the current regulatory regime is working.

## Current Regulatory Process (i.e. Red Tape)

We find the current regulatory regime in relation to **Temporary Licence Application** to be administered efficiently by the Department and the application process and reporting framework is clear.

However we find the **Temporary Licence Variation** process to be overcomplicated and burdensome on the industry with no benefit. The need to amend volumes under Temporary Licences as volumes change serves little point as most times there are no General Licence vessels deployed on these routes,

**We would propose that at the point of issuing the Temporary Licence should there not be a General Licence holder on that route, then the requirement for variation applications and subsequent reporting should be waived.**

oooOOOOOooo

