



Office of the  
Director-General

Department of  
Transport and Main Roads

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Dr Jane Thomson  
Secretary  
Standing Committee on Rural and  
Regional Affairs and Transport Reference Committee  
PO Box 6100  
Parliament House  
CANBERRA ACT 2600

Dear Dr Thomson

Thank you for your letter of 10 December 2018 about making a submission to the Senate Rural and Regional Affairs and Transport References Committee's (the Senate Committee) inquiry into the policy, regulatory, taxation, administrative and funding priorities for Australian shipping.

As you would be aware, on 15 November 2018, the Queensland Legislative Assembly passed a motion for the Queensland Transport and Public Works Committee (the Queensland Committee) to inquire into and report to the Legislative Assembly on a sustainable Queensland intrastate shipping industry.

It is noted there are common elements in the terms of reference for the body of work being undertaken by the Senate Committee and that of the Queensland Committee. The works of the Queensland Committee are well progressed at this stage, with the Queensland Committee's final report due on 24 May 2019.

Queensland's coast is serviced by a total of 21 ports including 16 trading ports, two community ports and three smaller gazetted ports located from Brisbane in the south-east of the state, along the coast to Burketown in the north west.

These ports provide a vital connection to global markets, supporting trade in commodities, goods and materials that are integral to Queensland's economy. In 2017–18 alone, Queensland's ports had a throughput of 354 million tonnes, a 5.2 per cent increase over the previous year. This involved more than 16,000 movements in Queensland ports by ships engaged in intrastate, interstate and international trades.

Due to Queensland's geography, decentralised population and trade, we have a long history of coastal shipping which supports our communities and economy. Existing coastal shipping services (including intrastate coastal shipping) are primarily focused on bulk trade or providing essential transport links to communities with limited road and rail infrastructure access, as well as to island communities, such as those in the Torres Strait and other remote islands.

Much of Queensland's maritime freight is transported within a closed logistics transport chain, meaning the services are not widely available to the wider shipping community on a commercial basis. Vessels are often used to connect one industry processing facility to another.

While containerised freight is carried to remote communities, there are presently no scheduled intrastate coastal shipping services dedicated to containerised freight in Queensland. Containerised freight is generally transported by road and rail along the Brisbane to Cairns corridor.

The current intrastate shipping operations in Queensland play an important part of the state's more localised regional economies. It is vital to some remote North Queensland and island communities as all freight to these areas, including food and household items, can only be delivered by sea.

Historically, Queensland had strong interstate shipping links. However, over the last 40 years, we have seen a decline in break-bulk and roll-on-roll-off cargoes with bulk, primarily liquid fuels, remaining our principal interstate cargo.

The introduction of increased coastal shipping available on a commercial basis would have positive impacts for the Central and North Queensland economies. Growth for intrastate shipping could be achieved for carriage between our larger ports such as Brisbane, Gladstone, Mackay, Townsville and Cairns. Intrastate shipping between these centres has the potential to service containerised and break-bulk cargoes such as large mining equipment and other project cargoes.

Increased coastal shipping between our regional areas could create additional employment opportunities in local economies, both in the shipping industry and through the supply chain, including jobs in relation to stevedoring, container transport, and packing and unpacking containers. It would also provide flow-on effects for industries supporting the port and regional transport industries. A coastal shipping service would be expected to provide regional opportunities for manufacturing where the products are oversize, heavy or non-time sensitive.

While important economic benefits will derive from increased coastal shipping, we also recognise the need to ensure our environmental objective of protecting the Queensland coast and the Great Barrier Reef (GBR) is observed. Any decline in vessel standards and crew competency of foreign flagged ships trading in Queensland may place increased risk on our coastal and reef environments.

The Queensland Government has taken very significant steps to safeguard the GBR including enacting the *Sustainable Ports Development Act 2015* which confines major port development in the Great Barrier Reef World Heritage Area (GBRWHA) to our four priority ports and limits all other port development to within existing port limits. Our *Maintenance Dredging Strategy* guides port authorities in their management of the impacts of maintenance dredging in GBRWHA.

Significant shipping traffic occurs through the GBR region and along our east coast. In 2015, north of Townsville, there was an oil spill of approximately 15 tonnes and a foreign vessel is currently being prosecuted by the Australian Government. In 2009 the cargo ship, the *Pacific Adventurer*, leaked more than 270 tonnes of fuel oil which polluted the beaches of Moreton Island, Bribie Island and the Sunshine Coast. The *Shen Neng 1*, a bulk coal carrier that ran aground on Douglas Shoal in the southern GBR, spilled three tonnes of fuel oil and gouged a three-kilometre long channel in the reef in April 2010. A *Pacific Adventurer*-sized spill within the GBR Marine Park could have damaged a significant area of reef.

Significant work is being undertaken to manage the impacts of ship movements on the GBR. The Queensland and Australian Governments have a suite of management systems and measures, including navigation assistance and pollution prevention measures, in place for the GBR. These controls have proved very successful, with no serious shipping incidents within the GBR and Torres Strait since 2010 when the *Shen Neng 1* ran aground. However, improvements to crewing and shipping practices may further enhance existing controls, especially given the fact that crewing practices, such as fatigue, were a factor in the *Sheng Neng 1* incident.

Once the Queensland Committee report is published, the Department of Transport and Main Roads will provide a copy of this report to the Senate Committee's inquiry into the policy, regulatory, taxation, administrative and funding priorities for Australian shipping.

I trust this information is of assistance and thank you for the opportunity to make a submission.

Yours sincerely

Neil Scales  
**Director-General**  
**Department of Transport and Main Roads**