

27<sup>th</sup> April 2008

**ADDRESS TO THE FEDERAL GOVERNMENT REVIEW CONCERNING  
COASTAL SHIPPING SERVICES.**

Dear Sirs,

What is very obvious today is that Australia does not have a commercial maritime industry. There is no point in going back in history to determine who is responsible. What is important is the re-instatement of a commercial base on which Australian shipping can successfully survive.

My specific interest is the re-instatement of an environment that will allow Australian coastal shipping to thrive in a way that other major countries in the world have achieved.

I understand that Australia has less than 50 vessels on the Australian maritime register. I also understand that those vessels virtually all act as a part of a Company and are not operating in a competitive way. The only liner (container) cargo that moves around the coast at present is handled by foreign international companies. They carry coastal cargo (i.e. say Sydney to Fremantle) when convenient to them.

On the basis that Government is keen to see a growing coastal shipping trade, that is provided by Australian maritime companies with Australian manning, there are some issues that need to be understood and modified where necessary. The main issues are as follows:-

- a) It is important that the Single voyage and Continuous voyage permits be used for their original purpose as set out in the Navigation Act 1912.
- b) That the Licencing arrangements are used to the benefit of an Australian maritime industry, and,
- c) The Withholding Tax, applied to the chartering of foreign owned tonnage to Australian operators, be stopped. Foreign tonnage allowed into Australian waters by foreign owners on a time contract, are not subject to Withholding Tax.

There are, also, some significant benefits in supporting the development of an Australian owned and operated coastal shipping service.

- a) Coastal container operations would significantly ease congestion on the coastal roads, particularly in suburban, city and outer areas of cities on the coast
- b) Pollution will be significantly reduced with the main benefit, again, accruing to coastal cities
- c) The per capita maintenance costs of both road and rail systems will be lower as volume moves to shipping services.
- d) With the reduction in long haul truck movements the percentage of accidents will equally reduce.
- e) The overall consumption of engine fuels will significantly reduced.
- f) There is a very significant positive effect on the Balance of Payment's and/or GDP. Currently all seaborne container cargoes moving around the coast are moved on international (foreign) vessels. The container numbers are in the "thousands". Besides the revenue earned by the foreign vessels moving earnings off shore a considerable amount of the operating costs and profit from the cargo movement also move off shore. In the case of an Australian crewed vessel, however, virtually all of the cost and revenue etc., remains in Australian i.e. a plus for the Balance of Payments and an addition to GDP.
- g) Australian seaman gain employment.

I have a long held interest in shipping – over forty years - and hope to see the return of successful coastal operators.

Regards,

Anthony O'Hare

