

**DEPARTMENT OF DEFENCE****SUBMISSION**

to the

**House of Representatives Standing Committee on Infrastructure, Transport,  
Regional Development and Local Government****Inquiry into Coastal Shipping Policy and Regulations****Preamble**

The submission summarises the combined views of different Groups and agencies within Defence that have varying levels of involvement with shipping and the Australian maritime industry. The content of this submission has been discussed with industry members of the Australian Maritime Defence Council (AMDC)<sup>1</sup> and, in general, reflects a consensus view.

At the most fundamental level, this submission reflects the role Defence plays in keeping open the vital shipping routes which carry the trade that sustains Australia's economy. It also reflects the important and ongoing linkages between Defence and key maritime sectors that support and sustain those ADF activities that rely heavily on access to Australian ports and the services they provide. It highlights the Defence considerations associated with chartering commercial shipping to support deployed operations, and the implications of a limited Australian shipping industry. Finally it seeks to highlight the common mariner skill sets that exist within Defence and the maritime industry, including the challenges in sustaining skilled workforces, and potential opportunities to cooperate more closely in shared training and improved skills recognition.

**Introduction**

Both the size and shape of the Australian maritime industry has changed dramatically in the last decade or so, with the numbers, types and roles of vessels and how they are operated, managed, controlled, registered (but not necessarily owned) by Australian-based companies changing considerably.<sup>2</sup>

Australia depends almost exclusively on shipping to move its exports and imports, and has the fifth largest shipping task in the world in terms of tonnes of cargo shipped and kilometres travelled. As a significant component of Australian industry seeking to create sustainable prosperity for the nation, the Australian maritime industry provides vessels, infrastructure and specialist marine, technical, commercial and management capabilities and skilled people to continue to operate competitively to world's best practice.

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<sup>1</sup> The Australian Maritime Defence Council (AMDC) is a non-statutory body, established by the Minister for Defence, with its mission being to promote and foster the partnership between Defence and the maritime industry operating in Australia, as well as to facilitate the provision of effective advice and support to Government on maritime-related issues. The AMDC comprises a Chairman (Deputy Chief of Navy) and members who hold specific appointments within Defence and the Australian maritime industry.

<sup>2</sup> AMG "International & Domestic Shipping & Ports Study" 23 April 2007.

There are significant implications for national strategic maritime capability and people/skills availability and suitability as a consequence of changes in:

- the global security environment
- ecological security and sustainability
- globalisation
- maritime trade patterns
- Government policy settings – military and civil.

There is a degree of mutual reliance between the Defence and commercial arms of shipping in Australia that transcends sectoral interests. In one sense, commercial shipping may at times rely heavily on the protection afforded by a highly capable, flexible and well trained Navy protecting vital trading links to and from Australia. Conversely, the Navy will always rely at some stage on the ability to access safe and well protected harbours, either to mount and/or support ongoing operations, or to undertake necessary repairs, maintenance, logistic re-supply and crew relief.

As a significant component of Australian industry seeking to create sustainable prosperity for the nation, the Australian maritime industry needs to provide vessels, infrastructure and specialist marine, technical, commercial and management capabilities and skilled people to continue to operate competitively to world's best practice.

The Australian maritime industry's ability to maintain the necessary mariner skills required for safe operation of Australian ports is clearly threatened, whether by a general demand for individuals with specialist technical trade skills, or by a shortage of Australian-trained and resident mariners whose skills have traditionally migrated from seagoing to shore-based roles.

The ability of the commercial shipping sector to provide support to ADF operations is limited by the following factors:

- There is currently very little spare capacity in the global maritime industry and almost none at all in the Australian area. Any ship chartered or requisitioned from the Australian coast for Defence use would have to be replaced by another ship; international shipping is an efficient, globalised industry, which attempts to minimise excess capacity.
- An ongoing trend towards ever larger cellular container ships, very large crude carriers and large bulk carriers has resulted in a decline in the number of suitable commercial vessels available to support ADF operations.
- The Australian Shipping Register has declined in the number and suitability of Australian flagged ships. During the same time, in response to increasing demand, the number of Single Voyage and Continuous Voyage permits allowing foreign-owned vessels to operate on coastal routes has increased fourfold. Given the reduction in the domestic shipping industry, and given that without the formal concurrence of the nations concerned it would not be possible for the Australian Government to requisition foreign-owned property, regardless of the contingency or the level of need, the ADF could face maritime transport shortages that could impact adversely on planned operations.

## Maritime Security

The nation's economic well being depends upon the maintenance and expansion of export trade, while essential manufactured goods, industrial tools and high technology equipment are among our imports. Coastal shipping not only plays a substantial role in Australia's domestic transport network, but its free movement is essential to the survival of many cities and towns in the north.<sup>3</sup>

Australian seaborne trade faces two important vulnerabilities. The first is that shipping moving to and from our trading partners in East Asia must pass through many archipelagic chokepoints to reach its destinations. The only alternative is to divert through much longer, time and fuel consuming deep ocean routes. The second is that shipping in the Indian and Pacific oceans can be identified from some distance away as being bound only for Australia or New Zealand.<sup>4</sup>

While the short term economic effect on Australia of any interruption to maritime trade would be immediately apparent at the national level, it would be most acutely felt at the local level. In the medium to long-term, the effect would be profound and would be felt nationwide, through loss of reputation for reliability and stability, which would then likely lead to higher import costs and loss of export markets. This in turn would affect the nation's balance of payments, its gross national product and levels of employment, causing other flow-on effects such as increased domestic costs and a commensurate drop in consumption. The government would inevitably come under strong pressure to respond swiftly and decisively. It is thus vital that Australia both appreciates the nature of its maritime trade and maintains the capability to protect it.<sup>5</sup>

Less evident in peace, but vital if Australia's security was directly threatened, is the need to provide sufficient naval assets to ensure that commercial trade routes, choke points and vital supply lines for military material are kept open. Options for commercial shipping may continue to include convoying methods employed in previous conflicts as a means of protection, but are more likely to rely on dispersed ships transiting at higher speeds now available to many merchant ships. In any case, the Royal Australian Navy (RAN) and other Defence operational and intelligence agencies would play a major role in ensuring that Australia's economy and security are maintained through use of military, diplomatic or constabulary operations at sea,<sup>6</sup> including through defensive routeing and/or active escorting of merchant shipping.

Responsibility for security of Australia's ports rests initially with port authorities and then primarily with state/territory governments and the police. In a defence emergency, or if called upon to aid the civil authority, the ADF may provide assistance. The RAN could provide teams of specialised personnel (usually Reservists) familiar with port and merchant ship operations; mine countermeasure vessels and clearance diving teams to locate and neutralise mines and guard against remotely controlled underwater vehicles and swimmer attacks; and contribute to mobile teams in defending key harbours and port approaches.<sup>7</sup>

Defence also plays a vital role, in cooperation with Border Protection Command and other government departments, in maintaining maritime domain awareness of all shipping activity in

<sup>3</sup> Royal Australian Navy, *Australian Maritime Doctrine*, Canberra 2000, p.14.

<sup>4</sup> *Ibid.*, p.42.

<sup>5</sup> Royal Australian Navy, *The Navy Contribution to Australian Maritime Operations*, RAN Doctrine 2 Canberra, 2005, p.184.

<sup>6</sup> The Span of Maritime Operations is described more fully in *Australian Maritime Doctrine*, Op.Cit. p.57.

<sup>7</sup> *The Navy Contribution to Australian Maritime Operations*, Op.Cit.,pp. 192-193.

Australia's EEZ or destined for Australia, and providing surveillance and interdiction capabilities as necessary.

Responsibility for meeting Australia's international obligations under the SOLAS Convention for the safety of navigation in Australian waters is met by the RAN Hydrographic Service. The Hydrographic Service undertakes a wide range of survey and charting activities, with a focus on existing and alternative shipping channels and routes in confined areas and port approaches, plus tidal predictions and other tasks vital to the safety of coastal shipping around Australia.

The key point arising from the above is that Defence plays a vital role in ensuring that Australia's trade continues to flow, by acting either to maintain national stability by deterring potential aggression, or as a source of active military response if required to ensure that vital sea lanes remain open for the conduct of the international and coastal shipping on which the economy relies.

### **Importance of Ports to Operations**

The ability of Defence to conduct and sustain various offshore operations relies to a significant degree on the capacity of key Australian ports to provide either RAN home port facilities necessary for deeper repair and maintenance of fleet assets,<sup>8</sup> or as strategically vital locations<sup>9</sup> from which forward deployed ships would embark forces and mount operations. In all Australian ports, the fundamental infrastructure and skills necessary to support all types of shipping activity generally also provide the essential requirements for Defence use of the port. More recently, the need for Australian ports to comply with more robust security regulations enacted under Australia's *Maritime Transport and Offshore Facilities Security Act 2003* has enhanced and complemented the RAN security measures now adopted during all port visits.

The maintenance of Australia's port infrastructure and the safe and efficient movement of ships, cargo and passengers are vital for the nation's continuing economic prosperity and security. Over the last decade, management of Australian ports has changed significantly, with ports being corporatised or privatised, and in most cases needing to accommodate substantial increases in trade and related berth occupancy. Ports are expected to operate at the highest level of efficiency and productivity commensurate with current and future trade expectations, and in the interests of their shareholders and various stakeholders. Defence has acknowledged the changing nature and commercial imperatives of ports, and the importance of continued good relations with Australian ports, through a set of agreed Guiding Principles which are regularly reviewed and updated.<sup>10</sup>

Technologies employed in ships, ports and intermodal systems are becoming highly specialised and are continuing to be refined and introduced around the world. These technologies seek to solve a range of environmental challenges and improve transport system/infrastructure productivities. Specialised merchant ships are now designed to transport specific cargoes between specific ports, and commonly their engines are designed for the bunker fuels available from those ports. This has potential implications for Defence, if such ships are not compatible with available cargo discharge and terminal facilities in regional Australian and Pacific ports.

<sup>8</sup> Subject to confirmation in the new Defence White Paper of the Government's Two Ocean Basing Policy, major RAN Fleet Bases will continue to be located in Sydney (at Garden Island/Fleet Base East) and Rockingham, WA (at Garden Island/Fleet Base West). Homeport facilities for smaller Mine Warfare vessels are located in Sydney (HMAS *Waterhen*) and for Patrol Boats, Landing Craft and Hydrographic force elements in Darwin and Cairns.

<sup>9</sup> For example, the ports of Townsville and Darwin, both of which are located in close proximity to primary deployable elements of the Australian Army, and close to air protection afforded by RAAF bases.

<sup>10</sup> The "Guiding Principles for Defence Access to National Ports" are signed jointly by Defence and Ports Australia (as the national representative body for Australian ports). The latest version was issued in July 2007.

The tendency towards specialist berths with improved capacity for high tempo turnaround of commercial shipping, plus the demolition or 'gentrification' of surplus waterfront areas for residential housing, is steadily working against the ability for naval vessels to find ready access to berth space in many Australian ports. Given that Defence does not pay for access to commercial berths, this often means that naval vessels in peacetime will take second priority for berth space behind commercial shipping.<sup>11</sup> The fact that this is not a greater problem than might appear is generally due to the cooperation and willing assistance of Port Harbourmasters and Operations Managers around Australia.

Defence has invested in infrastructure in key commercial ports (notably Darwin and Townsville) where ongoing access to specific commercial facilities is necessary to support operational sea-lift of Army equipment. In these ports, Defence has previously invested relatively minor capital in berth/Roll-on-Roll-off (RoRo) facility upgrades and ongoing annual maintenance costs under provisions of a Deed of Licence with each Port Authority. This has ensured that facilities remain accessible for Defence purposes when retention on purely commercial grounds has been marginal. The specialised nature of new technologies, different rates of take up (Defence and industry), combined with commercial limitations in Australian ports have seen Defence's in-port vessel support requirements diverge from those of commercial shipping operators. These divergent requirements are resulting in a reduced ability for Defence to leverage off existing commercial port facilities. Detailed requirements definition and investigation are now necessary to identify options to meet the special berthing and loading requirements of new capabilities, such as the new LHDs being introduced from 2014.<sup>12</sup>

### **Defence Sea Lift Requirements**

In September 2003, an Independent Review of Australian Shipping (IRAS) was submitted to the Government through the Australian Shipowners' Association. The IRAS noted that the coastal shipping industry in Australia was in a confused state. The regulatory provisions of Part IV of the *Navigation Act 1912* made permits and licences available for foreign-owned vessels to participate in the coastal trade business where a licenced vessel was not available. Licences were available for both Australian and foreign-owned vessels if the foreign owned vessels pay Australian wages while engaging in the coastal trade business. The interaction of a number of different pieces of legislation caused a competitive disadvantage to Australian operators whose ships operated permanently on coastal trades compared to the less onerous regulatory environment applicable to foreign vessels who had licences. There has been a steady decline in Australian-flagged vessels in the coastal trade.

The release of the IRAS Report prompted the AMDC to seek a clearer understanding of Defence's requirements of commercial sealift and the opportunities this might present to the Australian indigenous shipping fleet. Consequently, in March 2005 the AMDC, in conjunction with Defence stakeholders, established a joint Industry-Defence Working Group to examine these issues in greater detail and report accordingly.

<sup>11</sup> Exemption from the payment of berthage and other port levies is claimed under the *Defence Act 1903* Section 70C. Regardless, it is likely that even if Defence did pay such charges, Warships would take a lower priority due to the greater revenue provided by commercial vessels, and trade requirements for speedy turnaround. These priorities can be overridden in time of contingency but, even then, shortage of berths will require operational decisions to prioritise berth assignments for vitally important cargoes.

<sup>12</sup> The Government has decided to acquire two 230 metre Navantia-designed Landing Helicopter Dock (LHD) amphibious ships under Project JP 2048 Ph 4A/4B, to replace current amphibious ships (HMA Ships *Tobruk*, *Kanimbla* and *Manoora*), and to provide the ADF with increased amphibious deployment and sustainment capability to support an enhanced deployed force.

The Working Group developed options for the maritime industry to support Defence.<sup>13</sup> Furthermore the Working Group noted that the ADF requirement for sealift in previous conflicts has been largely met from a combination of requisitioning (in declared defence emergencies) or chartering from Australian and international shipping providers, and from assistance provided by coalition military partners and their associated military/civil sealift support capabilities. It was also noted that there were limited capabilities within the Australian-controlled shipping fleet that could serve the ADF's requirements.

The Working Group commented that the major impediments to the concept of requisitioning Australian ships were the limitations of the Australian-controlled shipping fleet and the increasing propensity for Australian-controlled coastal shipping to be foreign-registered and foreign-crewed. In addition, removal of those that would be available for a Defence-related activity would impact greatly on Australian national economic circumstances. Any long-term requisitioning of Australian vessels would place further strains on the presently limited Australian maritime industry in servicing the international export trade.

Complete dependence on coalition partners in all circumstances to provide the shipping required is problematic. Equally, should the incident/contingency (for which the ships and/or crews were requisitioned) be one of such magnitude as to deter the normal international shipping trade coming to Australia, the situation would be exacerbated.

An outcome of the 2005 AMDC Working Group deliberations was the development (by Joint Logistics Group in Defence) of a long-term standing panel contract arrangement with selected shipping brokers to provide Defence with the flexibility it requires to respond quickly to a range of scenarios, quickly access sealift support services in support of ADF operations, and open up the competition to Australian and international shipping providers.

Four commercial companies (HK Logistics, ALLTRANS International, APL Logistics and Patrick Toll) now form a Standing Offer Panel, which is valid for three years,<sup>14</sup> with the Commonwealth having the right to offer two one-year extensions (up to a maximum of 60 months). Whenever operationally practicable, Defence intends to increase the use of movements by sea. The deployments of vehicles and large consignments of low priority cargo are examples of where sealift offers a more effective and cost efficient method of movement into operations.

The ADF has been involved in sustained overseas deployments for nearly ten years. Aside from the initial insertion into East Timor, and the use of HMAS *Jervis Bay*<sup>15</sup> for sustainment operations, there has been a very limited requirement for non-Defence vessels to provide support to overseas activities. Currently in East Timor, sustainment is serviced using a civilian barge on a scheduled run, with urgent supply items moved by air. Defence's future interest in vessels would focus on Ro-Ro ships (with own quarter ramp) and heavy lift gear between decks. There may not be a sustainable commercial demand for such vessels plying coastal trade routes around Australia.

While the Standing Offer allows Defence to reach in to industry and secure specific vessels for specific tasks, there is clearly a lead time to achieve this. In the case of humanitarian or stabilisation emergencies, the immediate response will generally involve deployment by air.

<sup>13</sup> This was based on the Defence 2000 White Paper which stated that in our "immediate region, we may need to be able to sustain one major deployment up to brigade size and undertake a lesser deployment up to battalion size at the same time".

<sup>14</sup> From October 2007.

<sup>15</sup> HMAS *Jervis Bay* was a fast catamaran leased from industry to provide a high speed palletised cargo, vehicular and personnel transfer capability between Darwin and Dili in 1999-2001.

The global security environment has demanded new maritime security arrangements, reflected in Australia's *Maritime Transport and Offshore Facilities Security Act 2003*, with implications for operations and personnel. The effect of these recent security arrangements are relatively untested in the context of providing viable and rapid national and/or military response options within the warning time of credible regional contingencies, for example in respect of timely availability and security clearance of civilian commercial vessels and their crews for sealift support.

The extent to which this Sealift Support Services Standing Offer is affected in future by the outcome of Joint Project 2048 Phase 4C (Strategic Lift Ship Capability)<sup>16</sup> – which may consist of one or more ships - is not yet clear. However the current intent is that the Standing Offer will supplement, but not replace, the JP2048 Strategic Lift Ship Capability. Ships provided under the Standing Offer are more likely to be employed for freighting tasks to and from more secure and benign locations, whereas the JP2048 requirement may envisage ships being deployed to a more hostile location to support forces in situ.

In summary, short-notice maritime sealift requirements can be met by current RAN capability, with more sustained requirements met through the Defence Sealift Standing Offer panel members accessing the global market with appropriate lead times. Of itself, this does not justify the need for a coastal shipping capability based in Australia, although greater capacity in this area would provide heightened levels of self-reliance and flexibility.

### **Workforce Issues**

There is a current gap between the demands of the Australian maritime sector – both military and civilian – and the available skilled human resources required with specialist marine, technical, commercial and management skills to sustain viable business capability. Many business sectors are devising and implementing initiatives that focus on solving their own sectors' needs for skilled labour – creating a very competitive environment across the board.

Defence has recognised that working in partnership with industry, ideally by not competing but cooperating for its scarce vital human resources, is required in today's market and has embarked on a number of initiatives in the maritime people/skills area to address some of these constraints.

In March 2007, the AMDC established a joint Industry-Defence Working Group to assess the issues and opportunities for Defence and civil maritime industry collaboration in the identification of strategic maritime in-country capabilities and in providing solutions to the growing people/skills gap. This work was based on the premise that the national maritime capability to support the Government's regional and international security objectives is a direct function of maritime infrastructure, skilled people and sustainment.

An initial scoping report was developed by September 2007 and contained the following observations:

- Demands of both the military and civilian maritime capability requirements appear to be exceeding the supply of adequately skilled personnel.

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<sup>16</sup> This capability will enable the ADF to transport bulk equipment, supplies and forces into a theatre of operations and provide significant ongoing support to deployed forces. Strategic sea lift is complementary to the amphibious capability being acquired under JP2048 Ph 3 (Amphibious Watercraft Replacement) and Ph 4A/B (Amphibious Ships). The Australian Government has decided to acquire two Navantia-designed LHDs to meet this latter requirement from 2014.

- The growth in the equipment side (eg. ships, port infrastructure, systems etc) is receiving attention, whereas the people resource is lagging to the extent that current capability requirements are not being met, and capacity to meet forecast needs is in jeopardy. With the exception of the defence shipbuilders, it does not appear that the broader maritime industry is engaged with Defence in the identification of strategies that address ongoing capability sustainment.
- The people/skills shortages are affecting all maritime sectors.
- The interest level from school-leavers and others in careers at sea is reportedly high but investment uncertainty within the Australian shipping sector keeps recruitment to barely subsistence levels for Australian companies operating ships.
- A coordinated national approach to realise economy of effort and avoid duplication is necessary.
- Clear priorities for capability requirements are needed to establish the associated people/skills gap.
- The increasing viability of a domestic maritime container shipping service has far-reaching implications in respect of the scope and nature of vessels operating around Australia, but also regarding potential support to regional stabilisation and humanitarian response operations that might need to be undertaken at relatively short notice.
- Comparisons were made to the national AusLink program that is investing A\$38.1 billion in land (road and rail) infrastructure. It was mooted that the creation of a comparable national Sea Transport Plan might resolve some of the land based problems by reducing congestion, improving road safety and environmental risks, while contributing to national maritime capability and regional responsiveness.
- Workforce challenges are facing every sector of the transport industry: roads and railways, shipping and aviation. To varying degrees, industry finds difficulty attracting and retaining employees, and particularly young employees, whose entry into the industry is necessary to replace a workforce which is ageing and looking to retirement. Younger workers are deterred by poor industry image, more attractive career prospects in other industries (particularly mining), and lack of coordination and appropriateness of training regimes.
- The need to address these workforce challenges, which may compromise the transport industry's effectiveness, is becoming urgent in the face of estimates that the national freight task will double by 2020. There is a critical relationship between Australia's reliance on commodities for economic growth, a successful commodities industry and effective transport and logistics.

While there are many people-oriented programs underway in both Defence and the maritime industry, each sector is generally addressing its manifestations and resolution options separately, with little effective joint activity apparent, and ostensibly each competitively fishing in the same labour pool.

On the civil side, skills available for recruitment by the broader maritime industry of Australia are supplied primarily by the Australian shipping industry.<sup>17</sup> The source of maritime industry skills is obtainable only from training provided by those employers who are engaged in seagoing shipping

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<sup>17</sup> Of note is that many of those currently involved in Australia's maritime industry were trained overseas.



operations, due to the mandatory requirement for deep-sea seetime in obtaining maritime qualifications in both deck officer and engineering officer disciplines.

It is clearly evident that there are pockets of well-intentioned, maritime-related groups all over the country tackling similar people/skills gap issues in their own, independent way to resolve what they perceive as their apparently-unique, parochial issues.

The AMDC Working Group identified that the maritime industry might be able to take the opportunity to enhance its SeaSkills and related people/skills programs through access to Defence programs (e.g. the Skilling Australian Defence Industry [SADI] Program), in the context of growing military maritime sustainment capability.

Like all other business sectors, to achieve global best practice in the civilian maritime industry, pragmatic business reasons (primarily cost margins and prudent risk management) tend to drive ownership, registration and operational decisions, rather than more ephemeral notions of national 'duty' and less quantifiable concepts of contingencies for military sealift support.

Notwithstanding, there is growing recognition that there is mutual benefit in cross-sector collaboration to address the national capability and people/skills gap. Current excellent work on recognition of RAN training is addressing the essentially *one-way* mobility from the RAN to industry<sup>18</sup> but progress is slow, due to the myriad of conflicting state and commonwealth regulatory differences, and is only one part of a comprehensive solution to flexible, *two-way* labour mobility. While there has been significant work to facilitate transition of seaman and engineering personnel from the RAN to the civilian marine sector;

- It is not yet comprehensive and institutionalised.
- It may not yet be applicable to *all* civilian maritime sub-sectors.
- There is little evidence of the process working in reverse i.e., to facilitate civilian entry or lateral recruiting into the RAN.

In addressing common maritime personnel qualification issues, it was clear that the keys to resolution involved challenging time-honoured, but perhaps inappropriate, cultural idiosyncrasies, closely re-examining some of the required experiential factors and approaching mutual challenges from a joint perspective.

In facilitating greater communication between civilian and military mariners, the Defence Industry Study Course, personnel exchange and sea-riding programs (two-way), the Defence Reserve Employer Scheme and more frequent collaborative activities are fundamental to bridging gaps and de-mystifying myths and misconceptions.

In summary, it is clear that the maritime industry in Australia is keen to collaborate more closely with Defence in order to resolve mutual and common interests and challenges in maintaining mariner skills to support the national maritime industry capability. Some action has been taken, by both industry and government stakeholders. However, much work remains to be done, and the recommendations of the Coastal Shipping Inquiry may serve as a guide to where effort, investment and policy focus should be directed as the highest priorities.

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<sup>18</sup> Royal Australian Navy, 'Civilian Accreditation of RAN Sea Training' *Semaphore*, Issue 13, 2007, Sea Power Centre – Australia.

## Conclusion

Defence plays a key role in ensuring that coastal shipping around Australia can operate safely and with an element of protection afforded by the deterrent effect of the RAN and other Defence elements. In turn, the maritime industry provides significant port infrastructure that is essential to the mounting and support of maritime operations in Australia's region.

To sustain ADF operations offshore, sealift capabilities are provided by a mix of Navy and commercial assets. The latter demand is not high, and is generally focused towards specialised ships (eg Ro-Ro) with the capability to operate in ports with limited infrastructure, and in generally benign circumstances. The infrequency of tasks, the specialised nature of shipping needed for Defence use (which may not be compatible with the ship design needed by industry to ensure economic viability) and the numbers required would not appear to justify the expectation of a major Australian commercial opportunity based on this alone.

However, an expanded domestic Australian coastal shipping industry – including ships, port infrastructure and associated shore-side and seagoing jobs – would provide opportunities for attracting and retaining skilled personnel in the maritime industry. Opportunities to mix elements of Defence and Merchant Navy employment as part of a long-term career would help to ameliorate current serious people/mariner skills shortages in both sectors.

An expanded Australian merchant marine, working closely with other national maritime agencies, with aligned people qualifications, skill-sets, training schemes, lateral recruiting to keep sustained throughput and ongoing diversity for sailors and officers, engineers and deckhands, ashore and afloat, could provide a broader base to nurture the underlying marine skills and experiential foundation necessary for augmenting the ADF, Customs, Border Protection Command and other national agencies with maritime roles.

A growing and mature coastal shipping industry, of high-speed, versatile sea transport, potentially tailored with equipment and technology and Merchant Navy crews with ADF Reserve qualifications, owned by Australian companies/operators, would seem to provide a greater degree of national self-reliance and potential responsiveness to meet emergent national security contingencies.

Taken overall, Defence's primary interest in an expanded Australian coastal shipping capability is that it potentially presents an opportunity to enhance the scope and nature of the Australian maritime industry's capacity to support ADF operations, and through enhanced cooperation, to develop a broader national maritime skills base that would benefit all agencies operating in the marine environment.

