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**Shipping Australia's submission regarding the
Coastal Shipping Policy and Regulation Inquiry by
the Parliament of Australia House of Representatives,
Standing Committee on Infrastructure, Transport,
Regional Development and Local Government**

April 2008



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Executive Summary

Shipping Australia firmly believes that there is a pressing need to promote the increased use of a viable coastal shipping industry for the carriage of domestic cargo in Australia compared to road and rail because of the inherent economic and environmental benefits of shipping. It is recommended that initially the Committee focus on what methods could be employed to promote coastal shipping generally vis-a-vis other modes of transport for domestic transportation rather than, initially who should provide that transportation.

It is important that it be integrated with the use of land transport modes and ports to contribute to the efficient functioning of the through transport chain. We fully concur with the publically announced vision by the Federal Government that its ambition is for a viable coastal shipping industry in a competitive domestic transport sector – an outcome critical to Australia's economic future and long term national security.

Shipping Australia accepts that there is an anti-sea transport mentality in Australia and yet we are a country that is ideally suited for sea transport, for the following reasons:

- Sea transport is much safer compared to road transport with significantly reduced road maintenance costs.
- Sea transport accounts for only around 10% of greenhouse gas air emissions per tonne kilometre of cargo carried compared to road transport.
- Importantly, sea transport has no congestion problems compared to road and importantly does not require land resumption.

As a maritime dependent nation, SAL believes it is important to establish principles at the outset for which we should all strive to achieve in whatever recommendations emerge from this inquiry and that urgent consideration should be given to encouraging investment in the industry. Certainty for investment will be created by an all-encompassing, well articulated policy in support of our national interests.

The policy should be flexible and able to meet changing circumstances in a measured but timely fashion and such a policy should be able to be integrated with other policies eg. those relating to the logistics chain and defence policy. The importance of avoiding a silo mentality for the development of an Australian shipping policy should be avoided if at all possible.

Outline the nature and the characteristics of the Australian shipping industry and the international and coasting trades:

This wording is a little ambiguous in that it can be inferred the reference to international refers to foreign flag vessels, for example under Continuous or Single Voyage Permits currently involved in the carriage of Australia's coastal sea trade. Alternatively that the Committee is being asked to examine the potential involvement

of Australian flagged shipping in the international trades as they affect Australia. This needs clarification.

Shipping Australia appreciates that the operation of the permit system could be improved and in fact believes there needs to be a more substantive link between the policy area of the Department of Infrastructure and the area issuing Single Voyage Permits, being the Office of Transport Security. In addition, the Ministerial guidelines relating to the issue of such permits could be streamlined and clarified.

SAL has also been closely involved with the development of a new training regime for sea pilots in Australia which could see young trainees having completed their Higher School Certificates or equivalent entering a college for four years with adequate sea training and with competency based training at each stage of their development prior to entering employment with a sea pilotage company. During that training period, trainees could branch off into a full sea going career or involvement with another aspect of the maritime industry such as surveyors, port corporation employees, shipping agency employees and so on. A number of members of Shipping Australia have offered to provide some sea time for these trainees and during this month it is expected that the first trainee will be involved in an Australian coast/Singapore return trip and plans are being made for other trainees to be involved in future years.

In terms of the future viability of a dedicated coastal shipping service, the impact of a possible future carbon trading system on land transport prices, particularly road could well assist in making coastal shipping more competitive.

Shipping Australia does support a viable and competitive, efficient coastal shipping service and believes that new innovative approaches need to be adopted in terms of:

- a. taxation systems
- b. the development of a second registry in Australia which could allow for mixed crews and it is considered that this matter be investigated in some detail
- c. other ways and means of developing a viable operation short of a direct operating subsidy. Any such subsidy would also seriously impact on the ability of road and rail to compete and those modes would demand equal treatment.

There may be other innovative/operational ways that could be considered to develop coastal shipping. It was interesting that when the TT Line ferry called at Sydney, domestic cargo carried onboard trucks was building up but they did have problems with passenger numbers and eventually withdrew the service. This points to the potential benefit of Ro-Ro vessels or large ferries with trailers of domestic freight and prime movers at either end to hook up and take the cargo to a staging depot or unpack facility. Assuming that we have the port infrastructure to develop such a trade this could be an important way forward. Even feeding between ports by tug/barge operations should be examined as a possibility.

The issue of port infrastructure is an important one and we believe that the AusLink programme should be extended to assist with the development of common user and break bulk berths in major capital city ports where they are disappearing and forcing much of this trade to regional ports which can impose significant cost burdens on major consignees and consignors.

Shipping Australia stands ready to answer any of the questions the Committee may have in relation to this submission.

Introduction

Shipping Australia is a peak industry association representing the shipping industry and has forty –one full members which would be responsible for the carriage of over 80% of Australia’s container and car trade and over 50% of our bulk and break bulk trade as well as being heavily involved in the cruise shipping industry. Shipping Australia also provides secretariat services for shipping lines who are parties to Agreements registered under Part X of the Australian Trade Practices Act in respect of the regulation of international liner shipping. There are also 36 corporate associate members of Shipping Australia representing those providing services to the maritime industry in Australia. Attached is the current membership list of Shipping Australia.

Shipping Australia is pleased to be able to provide a submission in relation to this important inquiry and looks forward to the opportunity to elaborate upon it at the public hearing on 17 April.

General Comments

Shipping Australia firmly believes that there is a pressing need to promote the increased use of a viable coastal shipping industry for the carriage of domestic cargo in Australia compared to road and rail because of the inherent economic and environmental benefits of shipping. It is recommended that initially the Committee focus on what methods could be employed to promote coastal shipping generally vis-a-vis other modes of transport for domestic transportation rather than, initially who should provide that transportation.

It is important that it be integrated with the use of land transport modes and ports to contribute to the efficient functioning of the through transport chain. We fully concur with the publically announced vision by the Federal Government that its ambition is for a viable coastal shipping industry in a competitive domestic transport sector – an outcome critical to Australia’s economic future and long term national security.

Shipping Australia accepts that there is an anti-sea transport mentality in Australia and yet we are a country that is ideally suited for sea transport, for the following reasons:

- Sea transport is much safer compared to road transport with significantly reduced road maintenance costs, shipping costs.
- Sea transport accounts for only around 10% of greenhouse gas air emissions per tonne kilometre of cargo carried compared to road transport.
- Importantly, sea transport has no congestion problems compared to road and importantly does not require land resumption.

- As the Federal Minister for Infrastructure, Transport, Regional Development and Local Government has mentioned in a press release announcing the inquiry: “Between 2007 and 2020, the volume of freight needing to be transported around the country is predicted to grow by 40 per cent – that is an average of 14.9 billion tonne kilometres of additional domestic freight each year.” Shipping must make a more significant contribution to tackling the rapidly growing freight task.

It is Shipping Australia’s view that the focus of this inquiry, bearing in mind its terms of reference, should be that the national interests would be serviced by the development of an efficient and competitive coastal shipping service. AusLink, for example, should be extended to incorporate the funding of infrastructure that would assist the development of coastal shipping including the development of common user berths which would also assist in reversing an unfortunate trend in Australia of the disappearance of break bulk berths in our major capital city ports.

Our overall view is that the national interest would be best served whether it be international shipping services or coastal shipping services if they are able to support Australia’s trading efforts and result in the efficient provision of viable and globally competitive services around our coast. The principal objects of Part X of the Australian Trade Practices Act could be an important guide in this respect;

1. The principal objects of this Part are:
 - a. “To ensure that Australian exporters have continued access to outwards liner cargo shipping services of adequate frequency and reliability at freight rates that are internationally competitive; and
 - b. to promote conditions in the international liner cargo industry that encourage stable access to export markets for exporters in all States and Territories; and
 - c. to ensure that efficient Australian flag shipping is not unreasonably hindered from normal commercial participation in any outwards liner shipping trade; and
 - d. as far as is practicable, to extend to Australian importers in each State and Territory the protection given by this Part to Australian exporters.”

As a maritime dependent nation, SAL believes it is important to establish principles at the outset for which we should all strive to achieve in whatever recommendations emerge from this inquiry and that urgent consideration should be given to encouraging investment in the industry. Certainty for investment will be created by an all-encompassing, well articulated policy in support of our national interests.

It is our firm belief that policy relating to Australian transport including shipping should be an all encompassing policy which essentially follows the triple bottom line structure:

- promoting economic and commercial issues;
- contributing to the resolution of social problems;
- taking into account what is best from an environmental point of view.

The policy should be flexible and able to meet changing circumstances in a measured but timely fashion and such a policy should be able to be integrated with other policies eg. those relating to the logistics chain and defence policy. The importance of avoiding a silo mentality for the development of an Australian shipping policy should be avoided if at all possible.

A viable and efficient coastal shipping service will have many beneficial side effects including the development of much needed maritime skills and increase the availability of seafarers in Australia to fill many other tasks whether they be harbour masters, tug masters, pilots, marine surveyors and importantly, many shore-based jobs in shipping agencies, for example.

Addressing the Committee's Terms of Reference

Outline the nature and characteristics of the Australian shipping industry and the international and coasting trades and review the policy and regulatory arrangements in place for the coastal shipping sector:

This wording is a little ambiguous in that it can be inferred the reference to international refers to foreign flag vessels, for example under Continuous or Single Voyage Permits currently involved in the carriage of Australia's coastal sea trade. Alternatively that the Committee is being asked to examine the potential involvement of Australian flagged shipping in the international trades as they affect Australia. This needs clarification.

Almost 90% of Australia's trade is carried by sea and as an island national we are vitally dependent on the efficiency and viability of our international shipping services. It could well be that there is an interrelationship between the ability of Australian flagged shipping to engage in the international trades and their viable participation in Australia's coastal trade. SAL suggests that it is important for the Committee to be clear at the outset whether they are confining their investigation solely to coastal shipping or whether they see these Terms of Reference as extending their investigation into a much broader field involving the potential for Australian flagged shipping to engage more substantively in the overseas trades as they have done in the past.

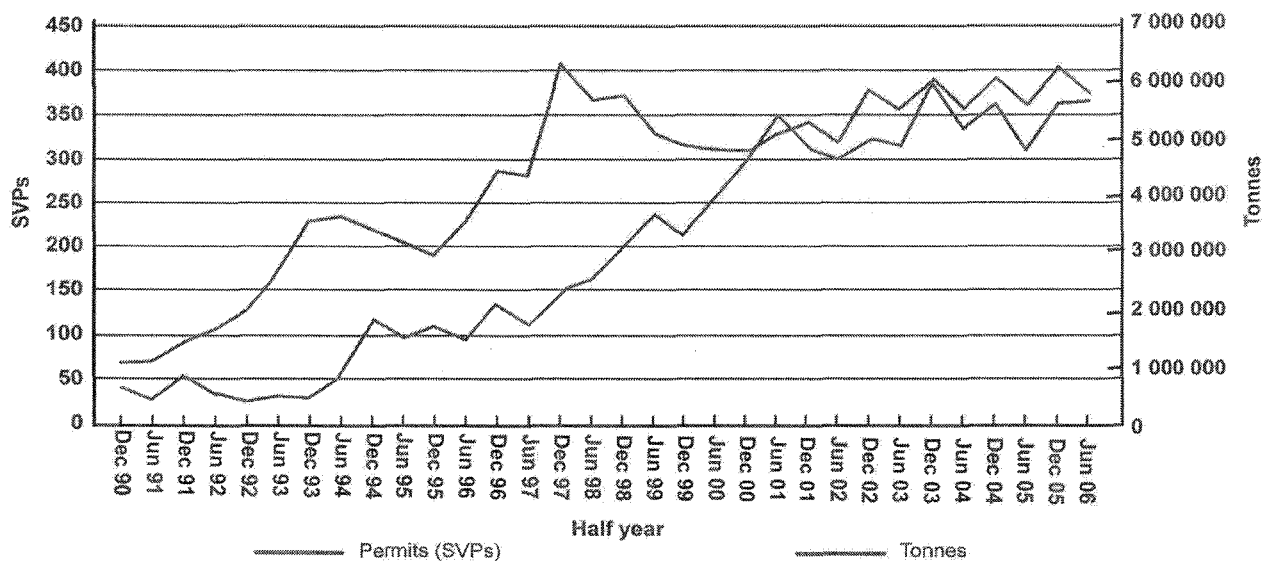
It is worth spending just a few moments to reflect on some of the reasons why there has been a decline in the participation of Australian flag shipping in the international trades. The overly simplistic answer is that increasing economies of scale and consolidation in the industry as well as increasing competition were the primary

factors in its demise. In the international liner cargo shipping area, the late 1970s/early 1980s saw a massive growth in developing country fleets which dramatically increased competition as a result of the increased shipping capacity and there were long periods in the bulk trades where the oversupply and increasingly larger bulk vessels, drove down charter rates to very low levels. Freight rates in the international liner industry have often been under severe pressure and all ship operators accepted the absolute necessity of reducing costs and achieving greater economies of scale through the increasing the size of vessels as well as consolidation between companies to reduce fixed costs.

The reality of this situation needs to be faced today.

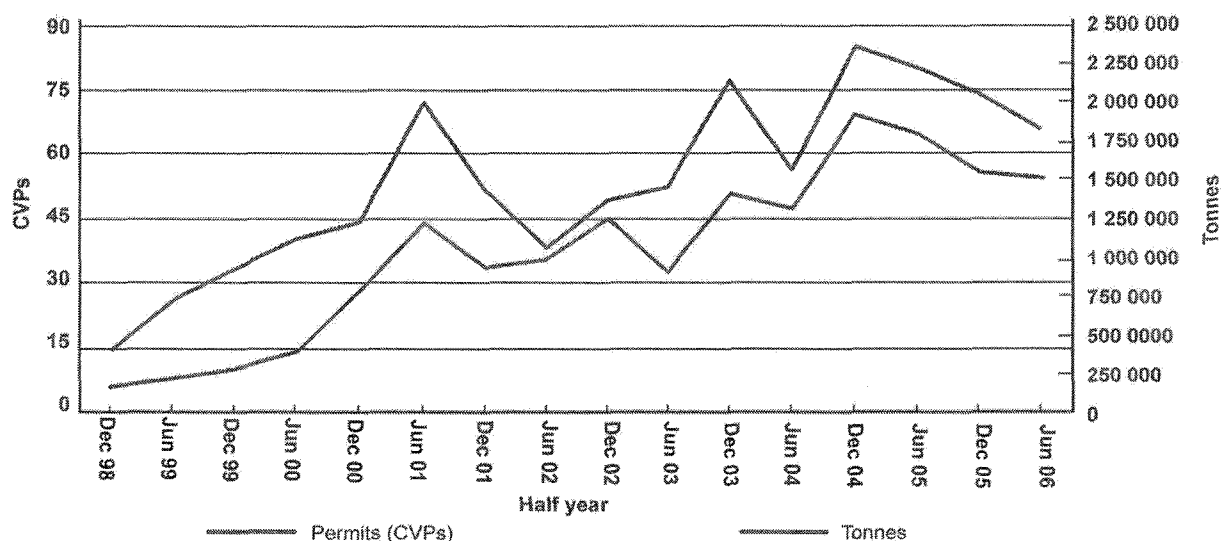
The following graphs provide some indication of the growth of Single and Continuous Voyage Permits over the last ten years or so as a result of the rapid growth in demand for domestic shipments whether they be by long distance road or rail or by ship. Whilst there have been peaks and troughs, the underlying trend has been a steady upward one reflective of increasing demand. Clearly, the absence of ships licensed under Part VI of the Australian Navigation Act, contributed to this growth over that period.

Single Voyage Permits, 1991-2006



Note: All tonnages are pre-voyage estimates
 Source: Office of Transport Security and Maritime and Land Division, Department of Infrastructure, Transport, Regional Development and Local Government, various years.

Continuing Voyage Permits, 1998-2006



Note: All tonnages are pre-voyage estimates

Source: Office of Transport Security and Maritime and Land Division, Department of Infrastructure, Transport, Regional Development and Local Government, various years.

Summary of Single Voyage Permits issued, January-March 2007

Cargo category	Permits	%	Tonnes	%
Petroleum products	44	19	1,059,129	36.4
Liquefied gas	5	2	9,212	0.3
Other bulk liquids	13	6	72,296	2.5
Dry bulk	83	35	1,670,769	57.4
General cargo	91	38	98,067	3.4
Total	236	100	2,909,472	100

Note: Tonnages are the pre-voyage estimated tonnes to be carried.

Source: Department of Infrastructure, Transport, Regional Development and Local Government, 2007a.

It is instructive to note that as a general point around 38% of SVPs are issued for general cargo with the remainder being bulk cargo of one sort or the other. It is accepted that in terms of Continuing Voyage Permits as shown in the following table a significant percentage of permits are accounted for by general cargo.

Summary of Continuing Voyage Permits issued, January-March 2007

Cargo category	Permits	%	Tonnes	%
Liquefied gas	4	11	23,662	6
Dry bulk	1	3	192,155	47
General cargo	30	86	195,094	47
Total	35	100	410,911	100

Note: Tonnages are the pre-voyage estimated tonnes to be carried.

Source: Department of Infrastructure, Transport, Regional Development and Local Government, 2007a.

It is worth recording that the system of Single and Continuous Voyage Permits is a long standing one and as far as we can ascertain, was included in the original Navigation Act of 1912. The system seeks to promote the national interests by recognising the various interests of those who may wish to provide coastal shipping services, as well as the recipients of those services, importantly the consignors and consignees who often employ many Australians as they are not only large but also small to medium sized enterprises.

The Committee will be aware of the licensing provisions of the Part VI of the Australian Navigation Act. Following are the companies that held licences to engage in the coastal trade as at 5 March, 2008.

Licence vessels as at 5 March, 2008

Company	Number of vessels
ANL Container Line	2
ASP Ship Management	9
BHPB Freight Pty Ltd	3
BP Australia	3
Coral Princess Cruises	2
CSL Australia Pty Ltd	5
Inco Ships	2
MISC	3
North Star Cruises	1
P&O Maritime	2
Perkins Shipping	7
Seacorp Coastal	1
Seaway Shipping	2
Shell Company of Australia	2
Southern Shipping	2
Teekay Shipping (Aust)	7
Toll Shipping	2
TT Line	2
Total	57

Source: www.infrastructure.gov.au

Types of vessels that have licences, as at 5 March, 2008

Type	Number of vessels
Bulk carriers	18
Chemical tank ship	1
Container	8
General dry cargo	3
High speed cargo craft	3
Oil tanker	9
Ro-Ro cargo ships	6
Ro-Ro passenger ship	7
Special purpose ship	1
Supply ship	1
Total	57

Source: www.infrastructure.gov.au

It is acknowledged that some stakeholders have alleged that the issue of Single and Continuous Voyage Permits has been exploited in recent years on the basis that consignees and consignors have ensured that domestic cargo will only be shipped when it is likely that a licensed ship would not be available. Shipping Australia has seen no evidence to support that assertion and the figures above, with their peaks and troughs do not substantiate that allegation with any type of shipping as neither liner or bulk/break bulk has shown a consistent and rapid upward trend. Shipping Australia appreciates that the operation of the permit system could be improved and in fact believes there needs to be a more substantive link between the policy area of the Department of Infrastructure and the area issuing Single Voyage Permits, being the Office of Transport Security. In addition, the Ministerial guidelines relating to the issue of such permits could be streamlined and clarified.

It is considered that these points also cover the review of policy and regulatory arrangements in place for the coastal shipping sector as mentioned in the Terms of Reference.

Assess strategies for developing an adequate skilled maritime workplace in order to facilitate growth of the Australian coastal shipping sector:

This is an area where Shipping Australia has been actively engaged for a number of years. In the transport and logistics industry there are a large number of initiatives, at times unconnected, to develop the attraction of the industry for potential employees, and it is acknowledged there is a need to retain them through adequate training, education and incentives. Shipping Australia has developed materials for schools to attract potential employees and runs a successful "introduction to the shipping industry course". An e-learning scheme is also being progressed so as not to disadvantage those in regional and remote areas of Australia. Every effort is being made to tackle the need for upgrading skills and to be an employer of choice. SAL strongly believes that the maritime industry should embrace the employer of choice concept. Please refer to the paper prepared by Mr Stuart Wilkinson (stuart.wilkinson@hotmail.com) and Dr Stephen Cahoon (s.cahoom@amc.edu.au)

entitled “The Shipping Industry as an Industry of Choice? Extending the Employer of Choice Strategy to Overcome Labour Shortages.”

SAL has also been closely involved with the development of a new training regime for sea pilots in Australia which could see young trainees having completed their Higher School Certificates or equivalent entering a college for four years with adequate sea training and with competency based training at each stage of their development prior to entering employment with a sea pilotage company. During that training period, trainees could branch off into a full sea going career or involvement with another aspect of the maritime industry such as surveyors, port corporation employees, shipping agency employees and so on. A number of members of Shipping Australia have offered to provide some sea time for these trainees and during this month it is expected that the first trainee will be involved in an Australian coast/Singapore return trip and plans are being made for other trainees to be involved in future years.

The institutional arrangements surrounding this future development have been the subject of very close consultation between all stakeholders in the industry and the Australian Marine Pilots Association is to be commended for undertaking this initiative originally. It is envisaged that the future training regime will include involvement from sections of the maritime industry as well as the pilots themselves.

We are also have been working with the Royal Australian Navy on some of their initiatives to assist ex-Naval personnel make the transition to the merchant marine and the Australian Maritime Safety Authority has been heavily involved in developing those bridging courses.

The efficiency of sea going training courses in Australia needs to be reviewed. Carnival, for example, has found that the NZ Maritime College was more suited to meeting their requirements than those in Australia although they would have preferred utilising the Australian facilities.

Consider the affect of coastal shipping policy on the development of an efficient and productive freight transport system, taking into account issues such as environmental and safety impacts and competitive neutrality between coastal shipping and other modes of transport.

It is instructive from the point of view of the shipment of domestic cargo by containers to consider reasons for the demise of Pan Shipping in 2006. Such a commercial venture was subject to many challenges but certainly the lack of a reliable sailing schedule impacted on the operation as did the high charter rates at that time for the vessels employed. They also did not have their own containers which would have been an issue and overall a lot of experience in running a shipping line did not appear to be available to them. The fact that the Pan east/west coastal service ended after a short period of operation leaving cargo stranded and large debts, serves to demonstrate that any effort to mount such a service that can be viable is extremely difficult. The failure of Pan placed a large number of shippers and consignees in a difficult position and has created a sense of uncertainty in the market for such a service in the future.

There could well have been other reasons for their demise and we did receive complaints from some consignors and consignees of containerised domestic cargo that the freight rates PAN were charging were too high which was threatening the viability of their markets. They were concerned about the potential sourcing of material from overseas rather than in Australia. This will also be an issue with the bulk shipping industry if costs are so high that potential sourcing from overseas becomes more viable. Essentially, a real issue affecting viability is that coastal shipping is a one-way trade. In terms of liner shipping in the east/west trades there is an imbalance which makes dedicated services difficult in terms of viability unless they charge higher freight rates. If freight rates are too high compared to rail or long distance road then, of course, domestic cargo will be diverted away from shipping back onto land based transport modes.

The costs of running coastal cargo through Australia's ports with port charges, wharfage, stevedoring costs, towage and pilotage mitigate against a diversion of cargo away from long distance road and rail, at least on the grounds of price alone.

The Terms of Reference raises the issue of the competitive neutrality between coastal shipping and other modes of transport. At the moment whilst foreign vessels provide a good competitive element for long distance rail in particular, it is marginally costed but the vast majority of domestic cargo is still carried by road and rail in terms of both interstate and intrastate domestic transport. It has been stated that domestic shippers are concerned that international container shipping lines, in particular, will drop coastal cargo when there is a surge in demand for international cargo. However, a number of major international liner operators are prepared to enter into reasonably long term contracts with major consignors/consignees for domestic cargo which would provide some assurance of space and services required. It is accepted that for smaller volumes and ad hoc shippers there is still the potential for lack of space at peak international shipping times.

In terms of the future viability of a dedicated coastal shipping service, the impact of a possible future carbon trading system on land transport prices, particularly road could well assist in making coastal shipping more competitive.

Another way of making coastal shipping more competitive could be the development of Australian flagged international liner shipping operations which could engage, again in terms of containers in both domestic and international trades similar to how foreign shipping lines are conducting their operations at the present time.

Such a development would raise some of the issues contained in the Morris/Sharp report which was finalised in September 2003. This was a specific industry inquiry and, in our view, was a limited industry inquiry as it is not even mentioned in the report that Shipping Australia made a submission and the economics report that was presented to support a number of the conclusions was not available for independent review. Nevertheless, a number of the conclusions and recommendations of that report are supported by Shipping Australia.

In terms of international arrangements, we support the Australian Shipowners Association's view that Section 23AG of the Income Tax Assessment Act, 1936 should be amended to ensure that Australian nationals are not disadvantaged

compared to other country's nationals by allowing them to compete and permit them to pay tax under the relevant country's tax law through double taxation agreements. At present, Australian seafarers who earn their income from overseas are denied access to the concessionary taxation arrangements making them uncompetitive in international trades, unlike other Australian workers who earn income in a similar manner but not on the high seas. This view is elaborated upon on pages 24-25 of the Morris/Sharp report.

In addition, it is our understanding that if a coastal shipping operator was to bareboat charter a vessel, crew it with Australians and employ it in the Australian coastal trades, they would be subject to a royalty withholding tax on the charter amounts payable overseas. A rate of 30% can apply if there are no tax treaties between Australia and the country of residence of the receiver of the charter payment but if there is a tax treaty between the two countries the tax rate applied varies between 5% and 10%. The impact of this tax will need to be examined if potential Australian coastal shipping operators propose to bareboat charter vessels rather than buying them. Another problem is, in fact, existing crew numbers and it was understood that Pan Shipping was forced to employ a number of foreign crew because Australian crews, at least initially, were not available. This also needs more in depth examination.

Shipping Australia as mentioned above does support a viable and competitive, efficient coastal shipping service and believes that new innovative approaches need to be adopted in terms of:

- a. taxation systems as mentioned above
- b. the development of a second registry in Australia which could allow for mixed crews and it is considered that this matter be investigated in some detail
- c. other ways and means of developing a viable operation short of a direct operating subsidy. Any such subsidy would also seriously impact on the ability of road and rail to compete and those modes would demand equal treatment.

There may be other innovative/operational ways that could be considered to develop coastal shipping. It was interesting that when the TT Line ferry called at Sydney, domestic cargo carried onboard trucks was building up but they did have problems with passenger numbers and eventually withdrew the service. This points to the potential benefit of Ro-Ro vessels or large ferries with trailers of domestic freight and prime movers at either end to hook up and take the cargo to a staging depot or unpack facility. Assuming that we have the port infrastructure to develop such a trade this could be an important way forward. Even feeding between ports by tug/barge operations should be examined as a possibility.

The issue of port infrastructure is an important one and we believe that the AusLink programme should be extended to assist with the development of common user and break bulk berths in major capital city ports where they are disappearing and forcing

much of this trade to regional ports which can impose significant cost burdens on major consignees and consignors.

Consider the implications of coastal shipping policy for defence support, maritime safety, security, environment sustainability and tourism:

The question of shipping and defence support is a complex question and has been the subject of deliberations over the years in the Australian Maritime Defence Council (AMDC). During the crisis in East Timor there were many foreign ships chartered to carry supplies to the forces in East Timor with only a few of those vessels involved being Australian flagged. Within the existing defence outlook, it is not considered that there is any particular vulnerability associated with the current environment. There are skills and training issues which have been addressed above. However, some very useful work in this area is being carried out within the AMDC at the present time regarding training and skill development and Shipping Australia is closely involved in it.

Most of the vessels currently employed on the Australian coast being cellular container vessels which are gearless, very large bulk carriers and tankers, are not conducive to defence support in any case and this is a recognised reality. The potential building of defence vessels that could be employed solely on the coast waiting the possibility of some future overseas defence requirement could be an option for government but it is considered it would be a very expensive operation and it would be part of the defence effort rather than being seen as solely supporting coastal shipping.

Maritime safety and security is an issue that the Maritime Union of Australia have raised, particularly relating to the carriage around the Australian coast of sensitive cargoes whether that be ammonium nitrate or chemicals of high security concern, using foreign crews. Nowhere has Shipping Australia seen a risk assessment made of the current situation and how it has evolved in recent years ie. since the attacks on the World Trade Centre in America on 11 September, 2001 that would provide any foundation for this concern, whatsoever.

The Australian Government made mandatory on 1 January, 2008 the application of a full visa system for foreign seafarers; being only the second country in the world ie. other than the United States to apply this security measure. The Maritime Crew Visa is very similar to the visa applied to visitors to Australia and the Department of Immigration and Citizenship could provide the Committee with further details in that respect in terms of the various checks that are undertaken prior to the issuing of the visas. It should be noted, that so far, over 240,000 visas have been issued even though only approximately 130,000 foreign seaman visit Australia every year.

In addition, Customs conduct face to face passport checks with the crew on each vessel they board, that is on first port arrivals for each ship visiting Australia. Ship operators and charterers are most concerned about the reliability and security of crew and their qualifications. The arrangements that currently apply in Australia are at IMO security level 1 and extra precautions could well be taken should there ever be the need to move to IMO security level 2 (high) or 3 (extreme).

Tourism is vitally important to Australia's economic welfare and cruise shipping plays a very important part in developing tourism in Australia. Both Carnival Shipping and Royal Caribbean Cruise Line, for example, are members of SAL and they own and operate a number of cruise vessels that call at Australia or have home ports in Australia. Present arrangements that apply to cruise shipping as far as coastal shipping is concerned are considered satisfactory and in Shipping Australia's view should be retained. Should the Committee require further information on cruise shipping in Australia this can be provided.

We have referred before to the fact that shipping has the lowest CO₂ emissions per tonne kilometre of cargo carried than any other mode of transport. Whilst the International Maritime Organisation is developing new guidelines for greenhouse gas emissions from ships, the Director General of IMO has questioned whether there are some who are unfairly criticising the environmental credentials of shipping on the basis that they are seen as a soft target. Over recent years many shipping companies have taken action to reduce their environmental impact and in Australia a new national ballast water management regime is currently planned to be introduced on 1 July, 2009. Later on this year, it is expected that a new bio-hull fouling regime will be introduced. Shipping Australia accepts the point mentioned at the beginning of this submission that the development of coastal shipping generally will assist in terms of environmental sustainability.

Shipping Australia stands ready to answer any of the questions the Committee may have on this submission.

MEMBERS

AAL Shipping
ANL Container Line Pty Ltd
APL Lines (Australia)
Asiaworld Shipping Services Pty Ltd
Carnival Australia
CMA CGM
Evergreen Marine Australia Pty Ltd
Five Star Shipping & Agency Co Pty Ltd
Gold Star Shipping
Goodman Fielder
Hamburg Sud Australia Pty Ltd
Hapag-Lloyd (Australia) Pty Ltd
Hetherington Kingsbury Shipping Agency
Inchcape Shipping Services
Indian Ocean Shipping Agencies
John Swire & Sons Pty Ltd
"K" Line (Australia) Pty Limited
Maersk Australia Pty Ltd
McArthur Shipping & Agency Company
Mediterranean Shipping Company (Aust) Pty Limited
MISC Agencies (Australia) Pty Ltd
Mitsui OSK Lines (Australia) Pty Ltd
NYK Line (Australia) Pty Ltd
Oceanway Shipping Agency Pty Ltd
OOCL (Australia) Pty Ltd
Pacific Asia Express Pty Ltd
PB Towage
RCL (Australia) Pty Ltd
Royal Caribbean Cruise Line
Searoad Shipping Pty Ltd
Seaway Agencies Pty Ltd
Svitzer Australia Pty Ltd
US Lines (Australia) Limited
Wallenius Wilhelmsen Logistics
Wilhelmsen Ships Service

Contributing members

China Shipping container liner Co. Ltd
Hanjin Shipping
Hyundai Merchant Marine

Neptune Shipping Line Pty Ltd
PT Djakarta Lloyd (Persero)
Pacific Forum Line (NZ) Ltd

Corporate associate members

ABB Grain Export Ltd
AGS World Transport
Associated Marine Insurers
Australian Maritime College
Australian Ship Suppliers Association Inc
Blake Dawson
Brisbane Marine Pilots
Darwin Port Corporation
DP World
Eastern Shipping Associates Pty Ltd
Ebsworth & Ebsworth
Feliba Pty Ltd
Flinders Ports South Australia
Fremantle Ports Authority
Holman Fenwick & Willan
Macquarie Telecom
Middletons
Newcastle Port Corporation
Newcastle Stevedores
Norton White
NSW Maritime
OMC International Pty Ltd
P&O Automotive & General Stevedoring Pty Ltd
Patrick Stevedores
Port Kembla Gateway Pty Ltd
Port Kembla Port Corporation
Port of Brisbane Corporation
Port of Melbourne Corporation
Port Phillip Sea Pilots Pty Ltd
Queensland Rail
Royal Wolf Trading Pty Ltd
Sea Transport Solutions
Sydney Ports Corporation
Thomas Miller (Aust) Pty Ltd
Thompson Clarke Shipping Pty Ltd
Toll Logistics
Torres Industries Pty Ltd
Tradegate Australia Limited