



UNCERTAIN OUTLOOK: Coral Princess' Oceanic Discoverer is competing with a Bermuda-flagged vessel off the Kimberley coast in Western Australia. Inset: Tony Briggs.

# Reforms bid forces tourism firm to sell

TONY RAGGATT

A CONTENTIOUS move by the Abbott Government to reform cabotage for shipping contributed to a decision to sell Cairns-based tourism venture Coral Princess Cruises to Singaporean interests.

The decision will cost Australian jobs and tax receipts, the company's founder Tony Briggs says.

However, a spokesman for Federal Transport Minister Warren Truss said no decision had been made yet on any amendments to the current regulatory framework governing coastal shipping.

Mr Truss signalled the re-

forms last year and the Northern Territory Government is pushing to remove cabotage.

Coral Princess Cruises, which was founded in Townsville more than 30 years ago, has sold to Kallang Capital Holdings, an investment company controlled by the founders of Singaporean financial services group Prime-partners Group. Mr Briggs has retained a minority share.

Mr Briggs said the company was enjoying record patronage and had been considering building another \$30 million cruise ship but was concerned by cabotage reforms he believed had already been made.

He said a foreign-crewed

and Bermuda-flagged cruise ship, the *Caledonian Sky*, began operating last year on the Kimberley coast of Western Australia on an itinerary that competed directly with Coral Princess Cruises and a big domestic fleet.

Mr Briggs said changes to cabotage were stupid.

"There will never be another passenger ship built in Australia if there is no certainty on how we can operate," Mr Briggs said.

"It's exporting jobs."

Cabotage is the exclusive right of a country to operate shipping and air services within its territory.

Mr Briggs said without

cabotage it would be impossible for Australian companies to compete.

"Foreign-flagged vessels can employ cheaper (overseas) crew, they don't have to comply with Australian regulations including (those of) the Australian Maritime Safety Authority — they don't have to comply with Occupational Health and Safety, HR and IR and the main thing is they don't have to pay tax," Mr Briggs said.

Coral Princess Cruises, now based in Cairns, employs 120 people and has three cruise ships, including its \$30 million flagship the *Oceanic Discoverer* built in Cairns in 2005.

A spokesman for Mr Truss said the Government was committed to building a more competitive industry by reforming the coastal trading sector.

"The special circumstances of the cruise shipping industry will be taken into account during the reform process," the spokesman said.

Cairns federal MP Warren Entsch said the licensing of the *Caledonian Sky* had been a departmental "stuff-up" but that the annual licence could not be withdrawn.

Mr Truss's spokesman said the current provisions of the Coastal Trading (Revitalising Australian Shipping) Act 2012 continued to apply.