



**AUSTRALIAN MARITIME OFFICERS UNION**

ABN 56 181 230 800

Australian Government – Senate Red Tape Committee

# **The effect of red tape on cabotage**

Submission of the

**Australian Maritime Officers Union**

5 April 2017

1. The Australian Maritime Officers Union (AMOU) makes this submission to the Senate Red Tape Committee (Committee) inquiry into the effect of red tape on cabotage.
2. The AMOU represents the professional and workplace interests of members including: Masters and Officers in the 'bluewater' and 'offshore oil and gas' maritime sectors, Marine Pilots, Tug Masters, Bunkering, Dredging Industry, Stevedoring Supervisors, Ferries Crew, Port Services, Vessel Traffic Services/Port Control, Marine Tourism together with Professional/Administration/ Supervisory/Technical staff of Port Corporations and Marine Authorities.

Our union was established in the 1880's and since foundation has represented members employed in Australian coastal trade.

3. We are unsure of the purpose of this inquiry or indeed the exact subject of the Committee's red tape examination. We understand that the Committee is inquiring into the effect of red tape on cabotage. Whether that means sea or air cabotage or both is unclear.
4. The meaning of cabotage differs from country to country. A recent Senate Committee Report adopted the meaning of cabotage as offered by our fraternal union the Australian Institute of Marine and Power Engineers as: '*... laws by which countries reserve the carriage of cargoes on their coast to ships of that country.*'<sup>1</sup>

Phil Potterton in his paper presented to the 2016 Australasian Transport Research Forum used the definition: '*... the transport of goods or passengers between two or more points within a country.*' Mr Potterton also noted that: '*In Australia, the term is used on occasion to refer to reservation of domestic traffic to nationals.*'<sup>2</sup>

5. Using the above definitions it is apparent that Australia does not have coastal trade cabotage.

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<sup>1</sup> Senate Rural and Regional Affairs and Transport Legislation Committee, Shipping Legislation Amendment Bill 2015 [Provisions] Report, October 2015 at 3.49

<sup>2</sup> Phil Potterton—Australian maritime transport policy: what drives or constrains success? At Footnote 27, [www.atrf.info](http://www.atrf.info) accessed 4 April 2017

6. The Parliament of Australia, Parliamentary Library describes Australian coastal shipping as a *'partially open system'*, that is *'open to foreign shipping, to a degree, but protections or incentives for domestic ships exist.'*<sup>3</sup> The Parliamentary Library listed other *'partially open systems'* as those in the European Union, Japan and New Zealand. Examples of *'Closed systems'* (a coastal shipping regime that is either entirely or predominately closed to foreign ships) were Canada, the United State and China.
7. A short summary of Australia's coastal shipping licensing regime is provided at Appendix A to the Coastal Shipping Reforms Discussion Paper released by the Minister for Infrastructure and Transport, The Hon. Darren Chester MP, on 21 March 2017.
8. The Regulation Impact Statement (RIS) prepared by the Department of Infrastructure and Regional Development that accompanied the *Shipping Legislation Amendment Bill 2015*, gives an abridged account of the development of coastal shipping legislation in Australia since 1913. The RIS details at page 46 that: *'Australian Governments have been considering with the issues involved in coastal shipping regulation for over a century.'*[sic]
9. As mentioned above, Minister Chester has recently released a discussion paper on coastal shipping reforms. We note that the discussion paper *'proposes retaining the basic structure of the current regulatory regime, with amendments to remove the aspects reported as unreasonably limiting, inflexible or onerous for stakeholders.'*<sup>4</sup> The AMOU will be taking the opportunity to contribute to the debate around coastal shipping regulation by making a submission on the discussion paper and presenting our views to all industry stakeholders. The deadline for submissions in response to the discussion paper is 28 April 2017.
10. Without understanding the context of the Committees inquiry and its interplay with Minister Chester's review, it is difficult to comment in isolation on *the effect of red tape on cabotage*.

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<sup>3</sup> Parliament of Australia, Department of Parliamentary Services, Parliamentary Library, Bills Digest No. 53 2015-16, 23 November 2015, Shipping Legislation Amendment Bill 2015, page 5

<sup>4</sup> At page 4

11. As submitted, Australia has a coastal shipping regime that is far from a closed cabotage system and allows foreign vessels to operate on the Australian coast under a license. That licensing regime is subject to current stakeholder discussion by the relevant Minister. The AMOU will be happy to supply the Committee with a copy of the submission we make to Minister Chester's review after 28 April 2017.