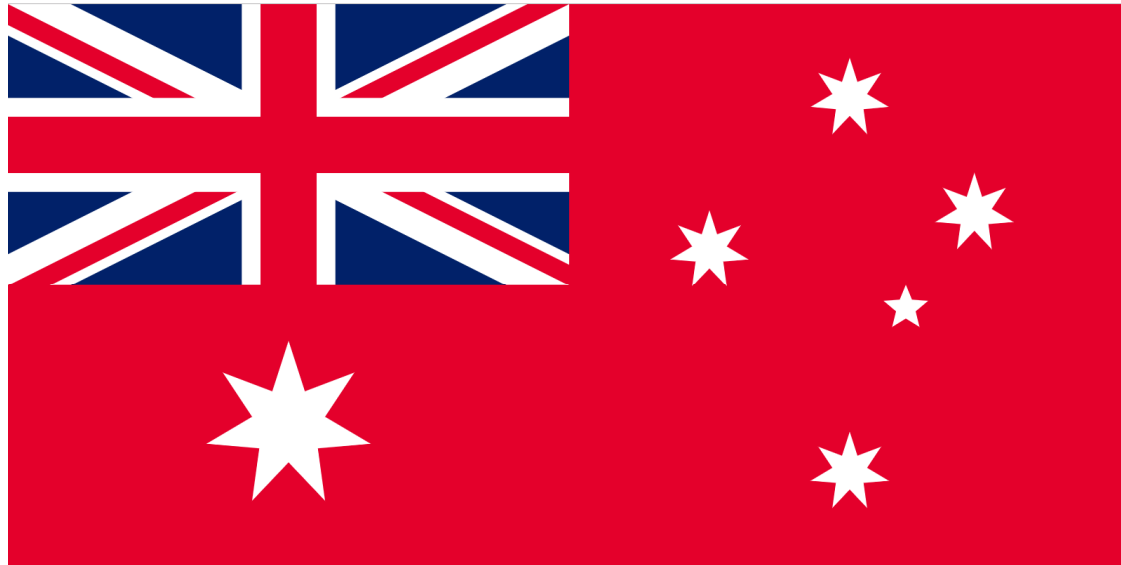


The policy, regulatory, taxation, administrative and funding priorities for Australian shipping



Senate Standing Committees on Rural and Regional Affairs and Transport

Submission by ANL Container Line

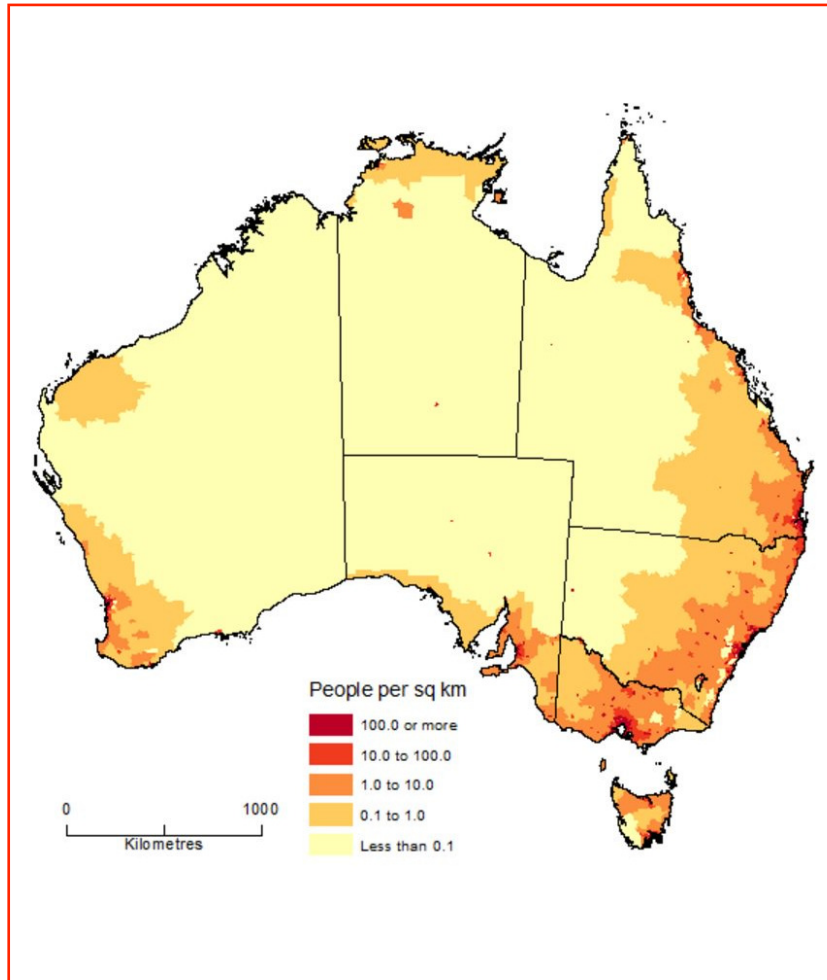
5th March 2019

Terms of Reference

The policy, regulatory, taxation, administrative and funding priorities for Australian shipping, with particular reference to:

- new investment in Australian ships and building a maritime cluster in Australia;
- the establishment of an efficient and commercially-oriented coastal ship licensing system and foreign crew visa system;
- the interaction with other modes of freight transport, non-freight shipping and government shipping;
- maritime security, including fuel security and foreign ship and crew standards;
- environmental sustainability;
- workforce development and the seafarer training system;
- port infrastructure, port services and port fees and charges; and
- any related matters.

Australia – A Country Crying Out for Coastal Shipping



Coastal Shipping - Why

- 37,000 kms of coastline.
- 95% of population within 100kms of major ports
- Congested road and rail networks with investment struggling to catch up with demand
- Dwindling Australian Flag fleet due to cost pressures and a lack positive inducement
- Road & Rail networks vulnerable to natural disasters e.g. flooding, cyclones
- \$26.1bn spent on road funding and \$8.5bn spent on rail funding (2016/2017)
Shipping spending = \$0
- Safety concerns on major roads with increased density of heavy vehicles
- Critical lack of maritime skills to support industry and government ashore, leading to Australia needing to import these skills
- Scarce training opportunities and career paths for Australia's young people to choose a maritime career

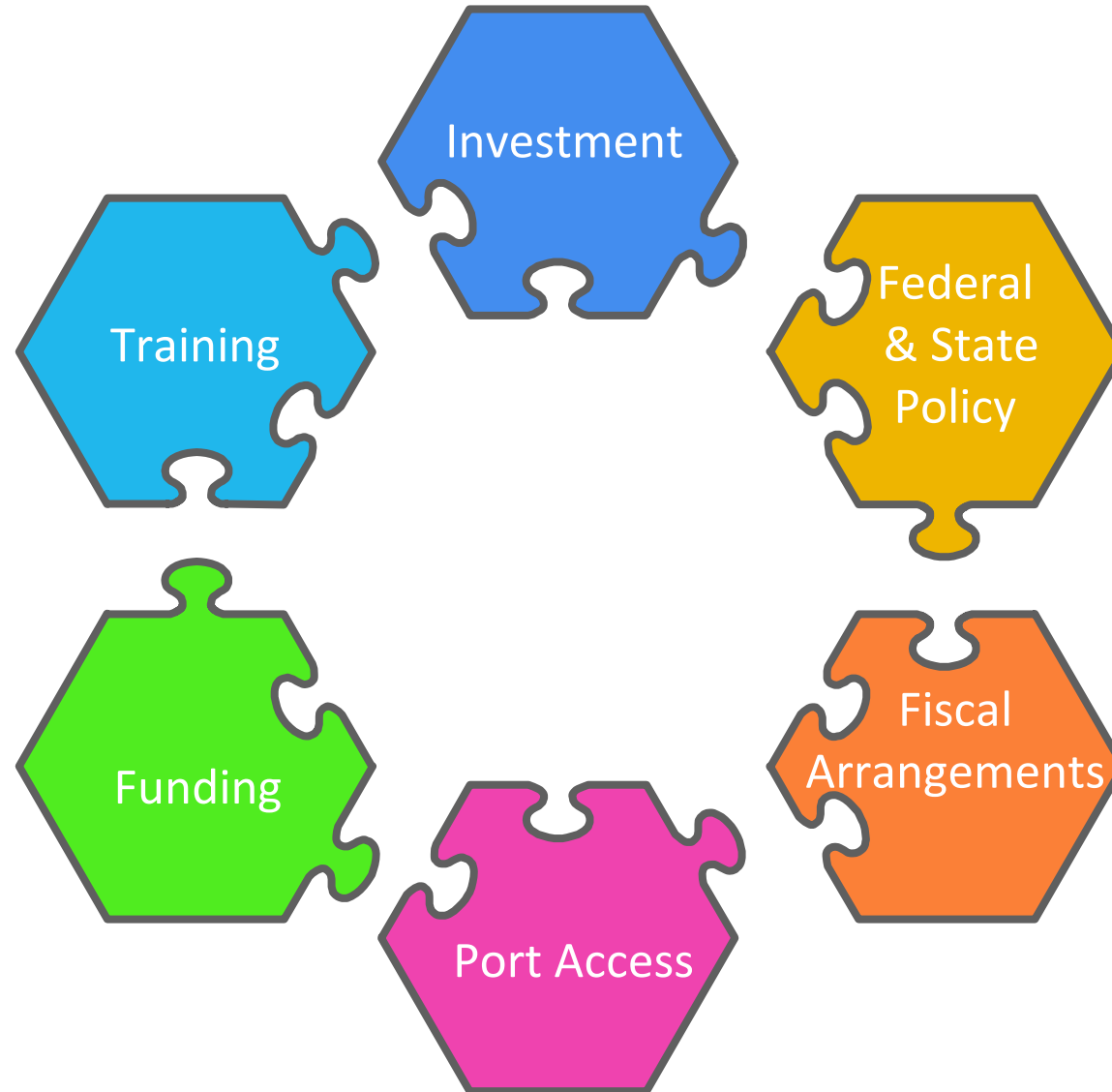
Australian Coastal Shipping – “One Size Doesn’t Fit All”

Why “One Size Doesn’t Fit All”

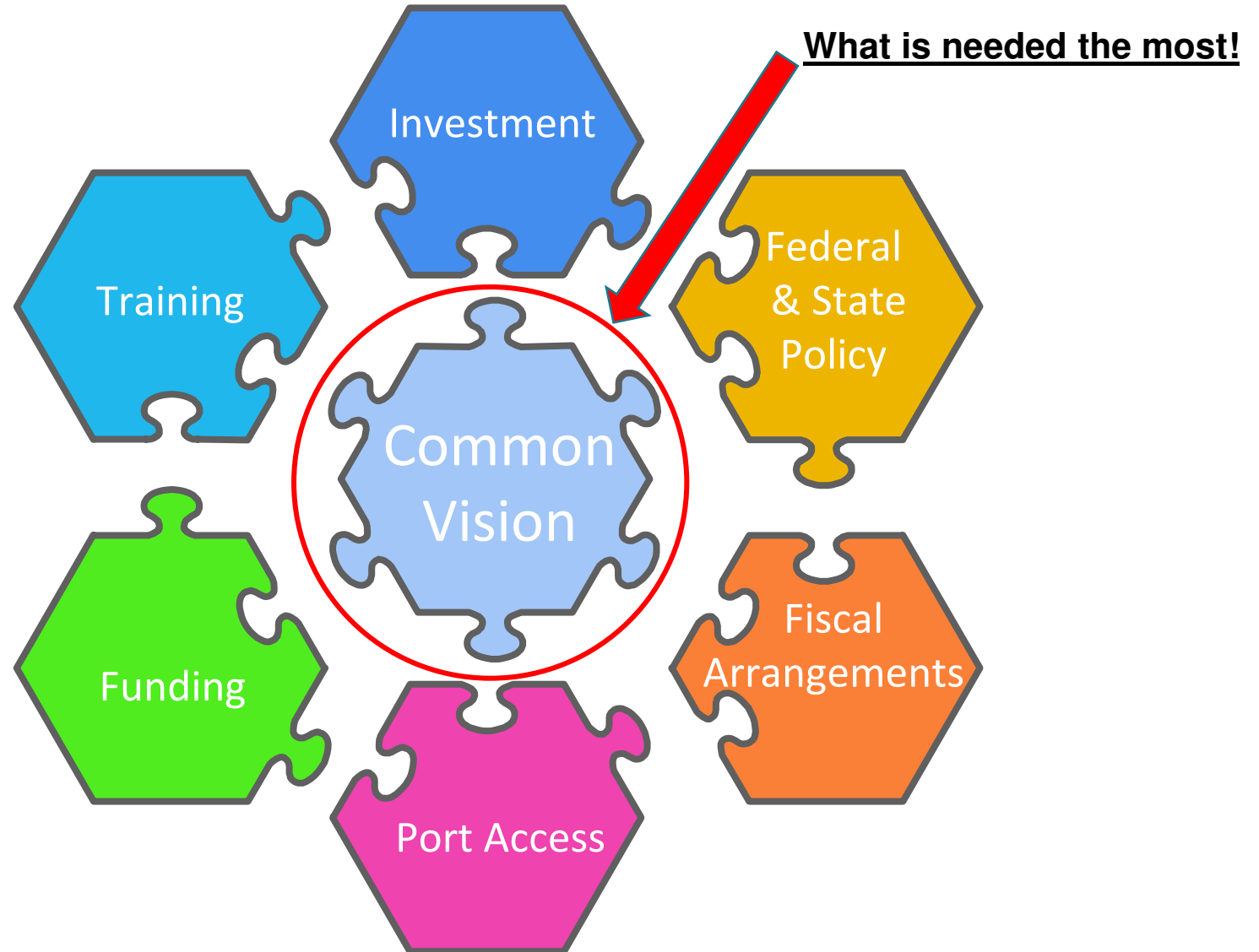


- Distinct types of freight movements (i.e. type of ship and commodity)
 - Liquid Bulk
 - Dry Bulk
 - Container Freight (ANL’s market segment)
- ANL Quick Facts
 - Once Australian Government owned
 - 20 years now as part of the CMA CGM Group - 4th largest container line in the world
 - Major container carrier In, Out and AROUND Australia
 - Excluding General License vessels, ANL is the largest container sea freight mover around Australia
 - Keenly interested in Australian coastal shipping and willing to invest if the right policy and fiscal framework exists
- Australian Shipping Policy needs to address each segment in a tailored and separate way
 - Bulk Shipping = Large parcels of cargo between few ports and relatively fewer voyages
 - Container Shipping = Small and frequent parcels of cargo

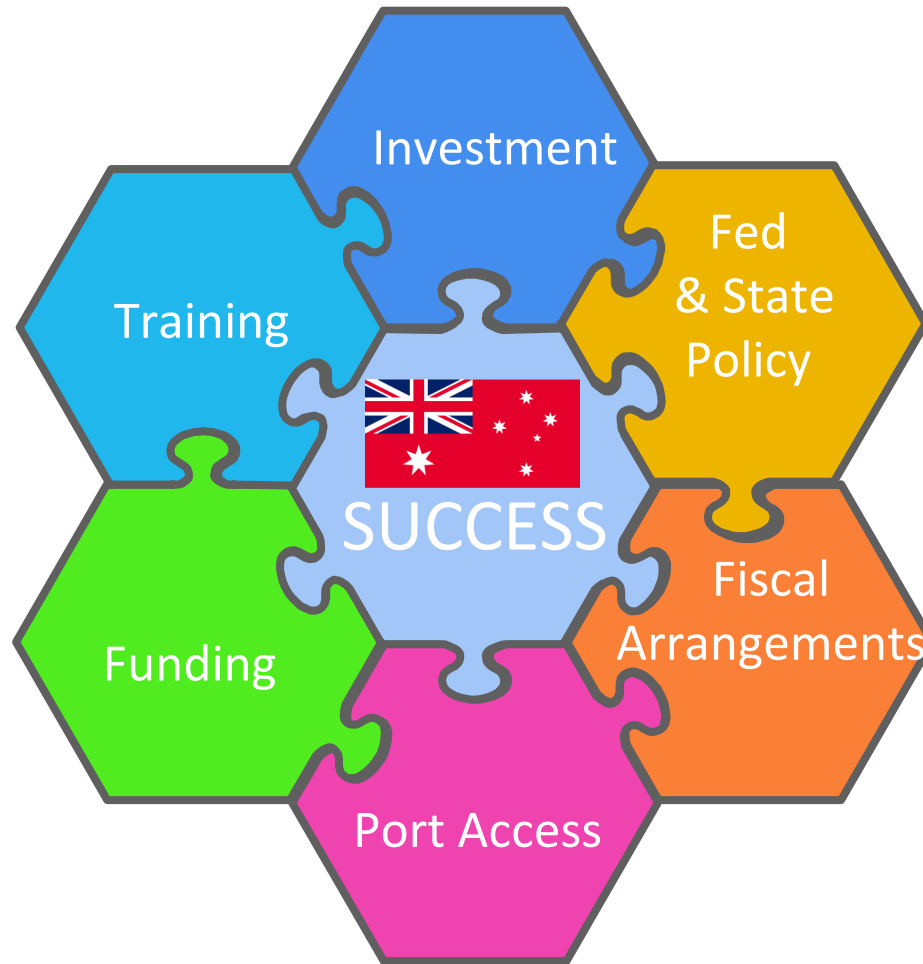
Australian Shipping – Needs a Complex Solution



Australian Shipping – Needs a Complex Solution



Australian Shipping – The Pieces Need to All Fit



Australian Shipping – What to do?



- Stable and clear regulatory framework
- Investment incentives



- Positive bias to encouraging coastal shipping
- Port privatisation to include promotion of Coastal shipping

Australian Shipping – What to do?



- Remove Tax on Dividends
- Revise Seafarer Tax
- Revisit AISR detail to attract vessels and remove red tape
- Remove Seacare
- Extend “Coastal” Tax exemption to Offshore Industry



- New “open” access port developments tailored for coastal shipping incl. good road access etc
- Dedicated berths offering priority for coastal vessels
- Preferential port pricing (wharfage, berthage etc) to foster coastal shipping

Australian Shipping – What to do?

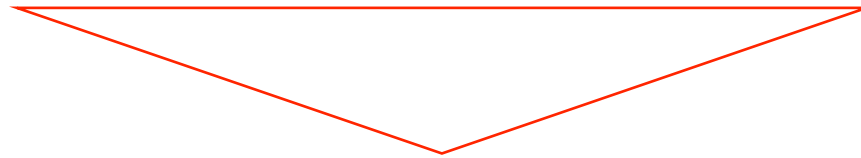
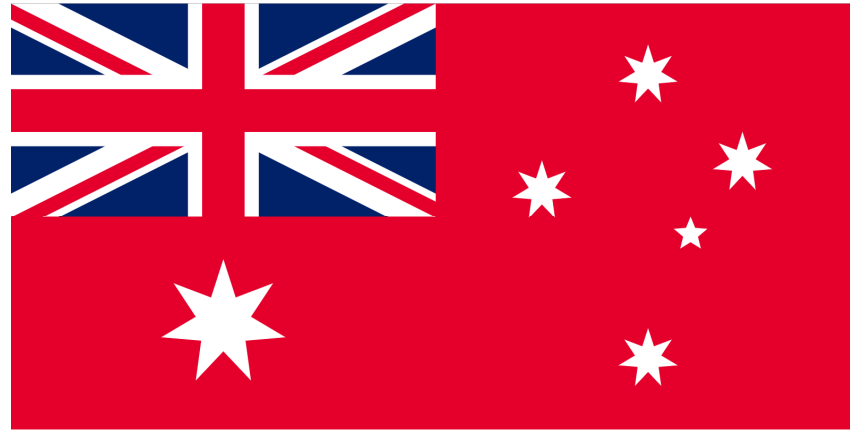


- Re-allocate a share of infrastructure spending to shipping development
- Possible direct subsidy on specific routes
- Consider a “Strategic Fleet” concept



- Coupled with AISR growth
- New incentives to employers

Australian Shipping – We Must Grow



AUSTRALIA NEEDS A MARITIME REVOLUTION NOW...

THE NATION'S FUTURE DEPENDS ON IT!



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