

NAVY LEAGUE of AUSTRALIA

Submission to Senate Rural and Regional Affairs and Transport Legislation Committee

Inquiry into Shipping Legislation Amendment Bill 2015

- 1.** The Navy League of Australia is an Australia-wide, non-profit, volunteer organization whose principal objectives include:
Keeping before the Australian people the fact that we are a maritime nation and that a strong navy and a sound maritime industry are indispensable elements of our national well being and vital to the freedom of Australia; and promoting defence self-reliance by actively supporting manufacturing, shipping and transport industries.
- 2.** The purpose of this submission is not to address the specific amendments, but rather to deal with the broader context of Australian Coastal Shipping.
- 3.** Today there are few Australian ships involved in coastal trade. Foreign vessels take a significant proportion of the available trade.
- 4.** Australia is one of the few countries to be blessed with almost direct connections by sea between all our major centres of industry, yet this form of interstate transport is now little used.
- 5.** Meanwhile, our roads and railways are strained. The costs to upgrade both these forms of transport, while essential, are huge. An increase in interstate shipping would ease the pressure on our roads and railways.
- 6.** Sea routes require no maintenance and negligible update costs for navigation. There are infrastructure costs, as there are for all transport modes, but maritime infrastructure has in any case to be provided for international shipping.
- 7.** A healthy merchant marine is required to produce skilled mariners to staff our many pilot and port services in Australia's approximately 70 ports.
- 8.** Australia has an excellent Maritime College, innovative naval architects who lead the world in some forms of ship design and some fine shipyards.

The Navy League Proposes:

- 9.** An up to date coastal shipping policy to leverage the leading edge capabilities of Australian high speed vessel construction. Austal Limited, for example, is a global defence prime contractor and a leader in design, construction and maintenance of revolutionary ships for governments, navies and ferry operators around the world.

10. Fast roll-on roll-off (Ro-Ro) Australian built vessels can connect the coastline with relatively minimal spend on port infrastructure and provide a relatively cost effective and environmentally sound alternative to road transport. Ro-Ro trailer units are parked and secured on such vessels and unloaded at destination by prime mover.

11. Such vessels would also be an effective and relatively low cost way to meet disaster response and strategic contingencies.

12. The intervention in 1999 by an Australian led International Stabilisation Force in Timor revealed Australia to be without the seaborne capacity to convey and support its land forces. Despite the acquisition of the two large LHDs and *HMAS Choules* there are likely to be occasions when merchant marine vessels will be needed or may be more appropriate.

13. Rail and or road disruption in the event of flood or cyclone could leave the populations of the far North or remote West reliant on the sea for support and recovery.

14. Such weaknesses must be addressed. This can be done while delivering a range of desirable economic and environmental benefits.

15. The League invites the Committee to consider the powerful analysis of Dr. Stuart Ballantyne in his paper "Australian Coastal Shipping" This paper was delivered in Adelaide in May 2015 to the International Cargo Handling Coordination Association. +

16. Important points made by Dr. Ballantyne are:

* Ro-Ro ramps and miniports can be built for approximately one sixth of the capex cost of traditional port infrastructure and neatly solve environmental impact concerns. Such ramps and miniports will have quantifiable regional development benefits.

* The Ro-Ro ship is mobile infrastructure, conceptually an extension of the national highways. In Europe this concept is called "Motorways of the Sea".

* Unlike the national road highways new generation ships eliminate noise and congestion and have low or ultra low fuel costs and emissions.

*As opposed to the national highways land resumption costs are eliminated. Dredging is also eliminated.

* New generation shipping will use LNG or possibly methanol. Nuclear power may in time be an option.

* Ro-Ro ships offer total carrying flexibility for trailers, containers autos and over-dimension or heavy lift cargo. The latter is vital to projects that underpin Australia's mining, resources and offshore energy sectors. High speed Ro-Ro and

other innovative Australian ship designs will unlock the potential in smaller scale mineral resources in the Northern Territory currently strangled by lack of sea freight competition and the unachievable infrastructure budget and time horizons that traditional port infrastructure dictates.

* Economies of scale will follow as take up and schedule frequency increase. Dr. Ballantyne has calculated that a Melbourne/Sydney daily service with 4 ships would have an annual capacity of 182,500 trailers. This service would require 180-200 seafarers. A round trip service, Brisbane/Sydney/Melbourne/Adelaide/Melbourne/Sydney/Brisbane would have an annual capacity of 547,500 trailers and require 500-600 seafarers. ++

17. The League coastal shipping proposal will provide increased opportunities for workers in the maritime sector, fresh avenues for technology and innovation and expanded training opportunities at all levels of the seafaring workforce. The proposal will significantly expand the national stock of training programmes and trained seafarers. Port and related shore jobs will also be generated, such as in port, agency, crewing, insurance and husbandry businesses.

18. It is possible to revive a shipping industry.

19. In 2000 the United Kingdom took steps to revive it's shipping industry. Although the solutions adopted were designed for UK circumstances the outcome demonstrates what can be achieved. The combination of initiatives stemmed the spiral of decline. Since 2000 recruitment of professional seagoing officers has doubled, and UK owned and registered fleets have grown three and six fold respectively.

20. The Navy League proposal for an Australian "Motorways of the Sea" sometimes called the "Blue Highway" can be achieved. It will need Federal, State and commercial cooperation but such cooperation will be rewarded by the benefits and opportunities that result. It should receive support from all political parties.

21. The League commends its proposal to deliver a fast Ro-Ro coastal fleet of Australian built vessels and associated low cost ramp and mini port facilities that would deliver the economic, skills, employment, environmental and defence benefits referred to in this submission.

+ ICHCA is an independent, not for profit organization dedicated to improving safety, security, sustainability, productivity and the efficiency of goods movement by all modes. Membership spans 6 continents and 37 nations.

++ Dr. Ballantynes slides in support of his presentation can be found at http://www.ichca-australia.com/images/pdf/luncheons/ialsa_lunch_20_may_stuart_ballantyne_presentation.pdf
