Submission 001
Received 30/3/2012

From:
To:
Subject: Legislation changes
Date: Friday, 30 March 2012 2:27:23 PM

Good afternoon,

We remain confused as to the objective of the changes proposed **as it relates to coastal container shipping.** We offer no opinions in relation to bulk shipping as that is not our area of operations or expertise.

These are the facts;

There are no Australian flagged vessels carrying container cargoes from east coast to west coast ports. The reason for this is that it is not possible to operate in that trade profitably as there is insufficient cargo returning from west to east to make this a balanced trade. A number of operators have tried over the years and they have all failed. This will not change any time soon and the current and proposed legislation is not going to change the fundamental impossibilty of operating profitably in a one way trade.

The results of the current legislation have been to increase freight costs in the east west trade by at least 30% and to completely destroy any capacity from west to east. At the same time not one single job has been created for Australians and a number of foreign nationals have received a windfall wage increase out of which they pay no tax in Australia. All of this increase in cost has ultimately been paid for by working Australian families in the form of increased cost of goods in the market place.

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The proposed legislation, **as it relates to coastal container shipping,** can only exacerbate this situation and will not result in any Australian flagged/registered ships valiantly taking up the challenge of carrying containers on the principal coast route, namely, east coast to west coast.

Surely it is time for a re-think and to target the proposed legislation to where it may achieve some of the aims of revitalising the Australian Shipping Flag.

A continuation down the path of a one size fits all will result eventually in all of the current east west freight task being diverted to the inadequate infrastructure of road and rail with hugely increased costs and a totally detrimental effect on the carbon footprint of the country.

May we suggest that coastal container cargo should be exempt from this legislation and, in an ideal world, a reversion to the previous system of svp and cvp would go a long way to bringing things back to where they should be.

Regards

Tom Pinder
Australian Coastal Shipping

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