

Rural & Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Additional Estimates 2014 - 2015
Infrastructure and Regional Development

Question no.: 97

Program: n/a

Division/Agency: Surface Transport Policy

Topic: Information on Licences relating to the *Caledonian Sky*

Proof Hansard Pages: 127-130 (24 February 2015)

Senator Sterle, Glenn asked:

Senator STERLE: Let's work our way through it. I refer to the comment by member for Leichhardt, Mr Warren Entsch, in the *Cairns Post*, date 28 January 2015. In that article Mr Entsch described the issue of a licence to *Caledonian Sky* as a 'departmental stuff up'. Ms Zielke, could you give us a rundown on what happened to the *Caledonian Sky*?

Ms Zielke: I do not believe I can give that detail to you, Senator. I would need to refresh my memory on the case.

...

Ms Zielke: Can I give you some more information—

Senator STERLE: Please do. Help me out.

Ms Zielke: by noting that the licence would not have been granted—again, I will note that we are taking these questions without having all of the detail in front of us, so we will confirm our answers later—had the voyages been able to be undertaken by the Coral Princess cruise ship

...

Senator STERLE: So the Australian owned vessel with an Australian crew could not do the work that the *Caledonian Sky*—

Ms Zielke: That is the requirement of the legislation. The legislation says that we need to look at the Australian vessel and see if it can undertake the work that is being asked of it. If it could have undertaken that work then the licence would have been given to the Australian vessel.

Senator STERLE: What was the work?

Ms Zielke: I do not have the details with me.

Senator STERLE: Is there somebody who can find that out for me?

Ms Zielke: Not at this stage. We would have to take that on notice for you.

...

Ms Zielke: I can give you examples of the criteria. For example, could they travel on the dates that the cruise was looking to travel? Were they able to carry the number of passengers?

From my recollection—but, again, I would need to check—the vessel could not carry the number of passengers that were actually required for the cruise.

Senator STERLE: Okay. Take it on notice: how many ventures were there, how many voyages were there, how many passengers were they required to carry and from where to where in what time—because I would not see one trip putting an Australian business out of work. That would not be cheap, a boat like that.

Ms Zielke: No, and I also cannot understand how one voyage would actually put another business out of business.

Senator STERLE: Yes. So can you come back to us notice and let us know all that. Plus I want to know how many people were put off, please—how many people lost their employment—and what are the foreign crews working under.

Answer:

Three separate Temporary Licence applications in respect of *Caledonian Sky* have been granted under the *Coastal Trading (Revitalising Australian Shipping) Act 2012*. The following tables show the details of the licences that have been granted in respect of *Caledonian Sky*, including the number of passengers they expected to carry as well as the loading date. Licence Number 0091TL0001 (granted on 11 March 2014), was surrendered on 13 March 2015 without any voyages being undertaken.

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Table 1: Voyages applied for under Licence 0091TL0001 (granted 11 March 2014)

Load Port	Discharge Port	Passengers	Loading Date (dd/mm/yy)
Darwin	Broome	108	06/06/15
Broome	Darwin	108	16/06/15
Darwin	Broome	108	26/06/15
Broome	Darwin	108	06/07/15
Darwin	Broome	108	16/07/15
Broome	Darwin	108	26/07/15
Darwin	Broome	108	02/09/15

Table 2: Voyages applied for under Licence 0091TL001 (granted 26 September 2014)

Load Port	Discharge Port	Passengers	Loading Date (dd/mm/yy)
Darwin	Broome	108	05/08/15
Broome	Darwin	108	15/08/15
Broome	Darwin	108	23/08/15
Darwin	Broome	108	30/06/16
Broome	Darwin	108	10/07/16

Table 3: Voyages applied for under Licence 0091TL002 (granted 26 September 2014)

Load Port	Discharge Port	Passengers	Loading Date (dd/mm/yy)
Darwin	Broome	108	20/07/16
Broome	Darwin	108	30/07/16
Darwin	Broome	108	09/08/16
Broome	Darwin	108	19/08/16
Darwin	Broome	108	29/08/16
Broome	Darwin	108	08/09/16

The Department is unaware of any job losses resulting from Coral Princess Cruises being sold to Kallang Capital Holdings. Foreign flagged ships that conduct three or more voyages under a temporary licence are required to pay wages in accordance with Part B of the *Seagoing Industry Award 2010*.

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Question no.: 98

Program: 2.2 Surface Transport

Division/Agency: Surface Transport Policy/ Department of Infrastructure and Regional Development

Topic: Productivity Commission Inquiry Report on Tasmanian Shipping and Freight Proof Hansard Pages: 131-132 (24 February 2015)

Senator Urquhart, Anne asked:

Senator URQUHART: The government has had the Productivity Commission inquiry report on Tasmanian shipping and freight since 7 March 2014. On 18 February 2015, the department refused to answer a number of detailed questions and said that the government was currently considering the report and will be responding in due course—that was the comment. Can you provide a timeframe around when you plan to respond to the productivity report, because 'in due course' is no longer acceptable to the Tasmanian exporters who were promised action on the cost of shipping.

Ms Zielke: Senator, I am afraid I am not able to give much more detail than the response that was given to those questions on notice, other than to note that I understand that government will be considering those issues shortly.

...

Senator URQUHART: So is that the expectation before the end of this quarter or before the half year?

Ms Zielke: I am unable to give a definite answer on that, Senator, but at the moment, it is expected that would be considered within the next few months.

Senator URQUHART: Are you able to follow that up and advise? Or is that the answer?

Ms Zielke: I can ask the question, Senator, but I expect that the answer will be the same. I am happy to take that on notice and come back and confirm.

...

Senator URQUHART: Thank you. Has the Bureau of Infrastructure, Transport and Regional Economics or the department provided the minister with any advice or options regarding your response to the productivity report?

Ms Zielke: We are, of course, providing government with briefing as a result of the consultation process that has been undertaken.

Senator URQUHART: So you have provided advice and options? **Ms Zielke:** We have provided advice to government on that issue.

Senator URQUHART: Are you able to provide that to us?

Ms Zielke: Not at this time, Senator.

Senator URQUHART: When would that be?

Ms Zielke: When the response is provided.

Senator URQUHART: In the coming months?

Ms Zielke: Yes.

Senator URQUHART: I would appreciate some detail around what the definition of 'coming months' is.

Ms Zielke: Thank you, Senator.

Answer:

The Government released its response to the Productivity Commission Inquiry Report on Tasmanian Shipping and Freight on 13 March 2015.

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Question no.: 99

Program: n/a

Division/Agency: Surface Transport Policy

Topic: Release of cabotage documents

Proof Hansard Page: Written

Senator Leyonhjelm, David asked:

Will your department release all documents it has worked on in the past year on shipping cabotage restrictions and options to reduce restrictions?

Answer:

On 8 April 2014 the Deputy Prime Minister and Minister for Infrastructure and Regional Development, the Hon Warren Truss MP, announced the release of an options paper on approaches to regulating coastal shipping in Australia. The options paper is available on the Department's website. The Department received 87 written submissions in response to the options paper. The submissions are also available on the Department's website, except for those provided in confidence. The Government is currently considering its policy position in relation to cabotage restrictions. The Department has no plans to release further documents at this stage.

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Question no.: 100

Program: n/a

Division/Agency: Surface Transport Policy

Topic: Temporary Licences issued to *Caledonian Sky*

Proof Hansard Page: Written

Senator Sterle, Glenn asked:

1. Has the Department received representations about the decisions to provide a licence to the Caledonian Sky?
2. Who from?
3. Has the Department reviewed the process it undertook to award a licence to the Caledonian Sky?
4. Was Coral Princess Cruises consulted on the proposed licence issue prior to the licence issuing?
5. Has the Department made any change to its procedures arising from this issue? If yes, what changes?
6. Did the Minister's office have any communication with the Department about the issue of the licence prior to it being issued? If so, on what date?
7. Is the Department aware of how many jobs have been lost in Coral Princess Cruises resulting from this decision?
8. Will the Caledonian Sky be operating in Australian waters under the Department's licence?
9. What Australian laws, regulations or standards applied - at the time of the issuing of the licence - to Coral Princess Cruises' Australian-flagged vessels (eg Oceanic Discoverer) that would not apply to the Bermuda-flagged Caledonian Sky, when in Australian waters?
10. How does Australian OH&S regulation apply to (i) the Oceanic Discoverer and (ii) Caledonian Sky?
11. How does Australian industrial relations regulation apply to (i) the Oceanic Discoverer and (ii) Caledonian Sky?
12. How does Australian tax law apply to (i) the Oceanic Discoverer and (ii) Caledonian Sky?

Answer:

1. It is a requirement under the *Coastal Trading (Revitalising Australian Shipping) Act 2012* that General Licence holders, and bodies or organisations whose members would be directly affected if a Temporary Licence application were granted, are notified of applications for a Temporary Licence. In response to this notification process, the Department received representations from Australian expedition cruise vessel operators and associations during the notification process for the Temporary Licence applications in respect of *Caledonian Sky*.
2. Coral Princess Cruises, North Star Cruises and the Australian Expedition Cruise Shipping Association.
3. No.
4. Yes. Refer to answer to question 1.
5. No.
6. No.
7. No.
8. Yes.
9. None in regard to maritime safety regulation and environmental protection. With regard to other Australian laws, regulations and standards, see the responses to questions 10, 11 and 12.
10. This question has been accepted by the Department of Employment and will be responded to by that Department.
11. This question has been accepted by the Department of Employment and will be responded to by that Department.
12. This question has been accepted by The Treasury and will be responded to by that Department.

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Question no.: 101

Program: n/a

Division/Agency: Surface Transport Policy

Topic: Competition between freight modes

Proof Hansard Page: Written

Senator Sterle, Glenn asked:

1. Do you accept that road, rail and coastal trading can compete for freight in certain domestic markets?
2. Do you accept that a sudden change in cost of one mode can impact volumes on the other modes?
3. Do you accept that modes especially with high fixed costs may respond by increasing unit price on customers lacking alternative options?
4. Given your Predictive Analytics cost-benefit analysis did not model this effect (see written answer 184(v) and (x) from October Estimates), will any use of relevant outputs from this report will be qualified to acknowledge this?
5. How many jobs were estimated to be lost in the following competing freight sectors arising from implementation of each of the three modelled options under coastal shipping reform undertaken by Predictive Analytics:
 - a. Road freight;
 - b. Rail freight?

Answer:

1. Yes.
2. Yes.
3. Yes.
4. Yes.
5. The draft modelling undertaken for the Department by Predictive Analysis Group does not contain estimates of job losses for the road or rail freight sectors. The modelled options are expected to have minimal negative impact on jobs in the broader economy.

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Question no.: 102

Program: n/a

Division/Agency: Surface Transport Policy

Topic: National Rail Safety Regulator

Proof Hansard Page: Written

Senator Sterle, Glenn asked:

I refer to answer 190 (2) re. the Queensland Government withdrawing from the NRSR; which Queensland Government is being referred to – current or former?

Answer:

The former Government.

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Question no.: 103

Program: 2.2 Surface Transport
Division/Agency: Surface Transport Policy
Topic: Ports initiatives and the ACCC
Proof Hansard Page: Written

Senator Sterle, Glenn asked:

1. What new work has the Department undertaken since the last Estimates on implementing the Ports Strategy?
2. Has the Department had any discussions with the ACCC re competition and pricing issues at any Australian ports? If so, please provide details...when, which port, what were the issues?

Answer:

1. The Australian Government is collaborating with the states and territories and industry on a range of land freight and port initiatives to deliver a streamlined, integrated and multimodal transport and logistics system to address the challenges presented by Australia's growing freight task. These initiatives include an emphasis on the long-term planning and development of port infrastructure and port-related supply chains, and the mapping of key freight routes that connect the nationally significant places for freight.
2. No the Department has not met with the ACCC about competition and pricing issues at any individual Australian ports.

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Question no.: 104

Program: 2.2 Surface Transport

Division/Agency: Surface Transport Policy

Topic: Land Freight Strategy

Proof Hansard Page: Written

Senator Sterle, Glenn asked:

What new work has the Department undertaken since the last Estimates on implementing the Land Freight Strategy?

Answer:

The Department has undertaken work on a range of land freight initiatives in continuing collaboration with the states, territories and industry. This work recognises the need to apply a national focus and effort to deliver a streamlined, integrated and multimodal transport and logistics system.

A key achievement since the last Estimates was the agreement and publication by the Transport and Infrastructure Council (the Council) in November 2014 of the first-ever maps of key freight routes. The Department coordinated the development of the maps over 2014 and facilitated the publication of these maps. These maps provide a detailed picture of the road and rail routes connecting Australia's nationally significant places for freight.

The Council also agreed the objective of 'as of right' access for B-double trucks on all key freight routes and agreed increasing the level of 'as of right' access above the baseline over time.

In addition the Bureau of Infrastructure, Transport and Regional Economics published a number of reports since the last Estimates that will contribute to the understanding of the volume and value of freight supply chains to better inform planning and investment. These reports are available on the Department's website and include:

- *Trainline 2* – Statistical Report;
- *A study of the potential for dedicated freight infrastructure in Australia* – Commissioned Report;
- *National profile of Transport, postal and warehousing workers* – Information Sheet 54;
- *Containerised and non-containerised trade through Australian ports to 2032–33* – Research Report 138; and
- *Waterline 55* – Statistical Report.