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For Immediate Release

Harper Review raises the priority for coastal shipping reform

Shipping Australia has been calling for reform of coastal shipping regulation to enable shipping to contribute effectively in Australia's domestic transport task. It is encouraging that the Harper Competition Review Panel has reached a similar conclusion.

The Panel concluded that reform of coastal shipping *"should be a priority"* and that *"restrictions on cabotage for shipping and aviation should be removed, unless it can be demonstrated that the benefits of the restrictions to the community as a whole outweigh the costs, and the objectives of the policy can only be achieved by restricting competition."*¹

The weight of evidence presented in submissions to last year's coastal shipping review certainly indicates that the current restrictions are harming Australian businesses.

"Shipping Australia Limited would like to see Australian manufacturers and primary producers benefit from competitive and efficient coastal shipping services", CEO Rod Nairn said.

"The current coastal trading regulations penalise Australian industries and cost Australian jobs by making it cheaper to import products than to move Australian produce around our coast."

Effective coastal shipping would be of particular advantage to Tasmania, which is entirely dependent on maritime trade, and South Australia which is a long way from their domestic markets. The other States and the Northern Territory would also benefit greatly.

"Shipping is 20 times more efficient than road and four times more efficient than rail on a tonne per kilometre basis. I would expect the environmental lobby to strongly support coastal shipping reform as it will reduce greenhouse gas emissions by moving cargo by the most efficient means", Nairn said.

Regarding prospects for change, SAL Chairman Ken Fitzpatrick acknowledged, "I know that the Federal Government is willing to make changes that will allow coastal shipping to operate properly. Shipping Australia Limited would like to see a bipartisan approach to this essential reform in order to provide long term regulatory stability but the Federal Opposition has made it clear that they won't support any change.

"Therefore we call on the independent Senators to act in the interests of their State and of Australia as a whole, to work with the Government to make amendments to coastal shipping regulation that will allow Australia to take advantage of the international shipping already transiting Australia's coast to move domestic cargo cost effectively."

Editor's note: For additional information contact Rod Nairn, chief executive officer on 0449 902 457.

Shipping Australia is a peak national shipping association comprising 36 member shipping lines and shipping agents that would be involved with over 70 per cent of Australia's container and car trade, over 60 per cent of our break bulk and bulk trades, and significant cruise ship and tug operations.

¹ Competition Policy Review Final Report, March 2015, page 210