



The Hon Michael McCormack MP

**Deputy Prime Minister
Minister for Infrastructure, Transport and Regional Development
Leader of The Nationals
Federal Member for Riverina**

Ref: MC21-001725

21 APR 2021

Mr Martin Byrne
Federal President
Australian Institute of Marine and Power Engineers
52 Buckingham Street
SURRY HILLS NSW 2010

Dear Mr Byrne

Thank you for your letter of 24 March 2021 proposing the establishment of an Australian coastal tanker fleet.

The Australian Government recognises that fuel security is essential to our national security and underpins our national economy. Australia has enjoyed a reliable supply of fuel, free from significant supply chain disruptions for the last 40 years, but the COVID-19 pandemic has highlighted the impact unexpected changes in supply and demand can have on the fuel storage and refining sectors.

The Government's long-term fuel security goal is to increase our domestic storage and to hold a sovereign refining capability that meets our needs during an emergency, as well as into the future. The Government has recently announced a comprehensive fuel security package to assist domestic industry through the COVID-19 pandemic and beyond, and to support our long-term fuel security. The fuel security package includes an investment of \$200 million in building new diesel storage in Australia, introduces a minimum stockholding obligation for key transport fuels, and intends to modernise Australia's liquid fuel legislation to support a more effective government response in the event of market disruptions.

In October 2019, the Department of Infrastructure, Transport, Regional Development and Communications commenced an ongoing consultation process with coastal trading stakeholders to identify reform options that achieve administrative efficiencies for all users of coastal shipping.

I would like to thank the Australian Institute of Marine and Power Engineers for their participation in this process. As I have made clear, existing protections for Australian vessels will be maintained and foreign vessels will continue to need licences to carry domestic cargo. I have also made clear that reform options such as opening the coast, high cost subsidies or a strategic fleet are not under consideration.

Thank you for bringing your concerns to my attention and I trust this information is of assistance.

Yours sincerely

A handwritten signature in blue ink, appearing to read "M. McCormack". The signature is fluid and cursive, with a large initial "M" and a long, sweeping tail.

Michael McCormack