



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



THE SENATE

PROOF

BILLS

Shipping Legislation Amendment Bill 2015

Second Reading

SPEECH

Wednesday, 25 November 2015

BY AUTHORITY OF THE SENATE

SPEECH

<p>Date Wednesday, 25 November 2015</p> <p>Page 100</p> <p>Questioner</p> <p>Speaker Abetz, Sen Eric</p>	<p>Source Senate</p> <p>Proof Yes</p> <p>Responder</p> <p>Question No.</p>
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Senator ABETZ (Tasmania) (18:39): I was speaking on the Shipping Legislation Amendment Bill and pointing out some of the fatal flaws in Labor's legislation and the consequences of them and the need for the reform currently before the chamber. One of the examples I will use to highlight the reason for the change suggested in this legislation is that since Labor introduced these changes, which we are seeking to wind back, there has been—listen to this figure—a 63 per cent reduction in the dead weight tonnage or capacity of major Australian flag vessels with coastal licences. That 63 per cent decrease occurred between 200-12 and 2013-14. Further, around 1,000 extra administration hours per year are required for the industry to meet the red tape of the scheme.

Under the Labor legislation, the fleet of major Australians registered ships over 2,000 dead weight tonnes with coast licences plummeted from 30 vessels in 2006-07 to just 15 in 2013-14. Do we need any more proof that this legislation, which Labor foisted upon this place curtesy of the Green-Labor majority in the Senate, has failed and failed dismally. There is further evidence. The number of ships on Australian transitional general licences has dropped from 16 to just eight. Then before the Senate committee, the Maritime Union of Australia had the audacity to put in their submission that there could be a \$4.25 billion benefit to the economy if there were 100 ships on the Australian International Shipping Register. Chances are they are right, but do you know what? There ain't 100 ships on the Australian International Shipping Register, nor are there 50, nor are there 20, nor are there 10 or five, four, three, two or one. It is zero, absolute zero, and that is yet again proof positive as to the failure of Labor's legislation.

Further, between 2000 and 2012, shipping's share of Australian freight fell from 27 per cent to just 17 per cent, while the volume of freight across Australia actually grew by 57 per cent. Australia's overall freight task is expected to grow by 80 per cent come 2030, but coastal shipping will only increase by 15 per cent. So who and what are carrying this freight task for our nation? The trucks up and down the Pacific Highway and across the Nullarbor, putting extra wear and tear on our roads, with issues of road safety and extra fuel consumption. You name it, it is a loss loss in every respect, other than that coastal shipping is now so expensive that it is cheaper to use trucks rather than ships.

Under any analysis, Labor's reforms have failed coastal shipping and, unless we act now, workers whose jobs rely on coastal shipping will be sunk. Without changes to economic and regulatory settings, shipping will not be able to deliver the competitive efficient services that Australian businesses need to provide the jobs we need. In short, Labor's policy has failed and failed dismally.

A few examples of the hindrance of the current red tape: the current system requires foreign vessels to apply for a minimum of five voyages before a temporary licence can be granted, hindering the ability of one-off movements of cargo by coastal shipping. For example, a piece of heavy machinery was unable to be shipped as a single voyage and therefore a temporary licence could not be granted. The machinery was therefore moved by road, which required a police escort, due to the oversized load, and removal of overhead power lines. This was more complicated and costly than a voyage by ship but the red tape stopped it. Also, there are certain products, like LPG, which are moved exclusively by foreign ships operating under temporary licences. Get this: even though there are no Australian ships capable of carrying the products, they still have to obtain a licence. What on earth is this licencing protecting when there are no Australian ships capable of undertaking the task? These are just a number of the examples that I can point to showing where the Maritime Union of Australia foisted a policy position on the Labor-Greens government that we are still labouring under today and that is costing jobs.

Around 90,000 Australians are employed in the manufacturing sector that uses coastal shipping, including oil refining, cement, steel and aluminium. The Labor-Greens government tried to kill all these sectors with the carbon tax and it seems that, just in case the carbon tax would not kill them, they implemented this coastal shipping policy to secure the demise of these industries. The coalition will not stand for it. The coalition will do everything it can to ensure that these industries are viable and can employ our fellow Australians. Australian businesses are

paying rates that can be up to double the rate offered by foreign ships, adding tens of millions of dollars to their cost base, making their operations less viable as a result and therefore making Australian jobs less secure.

There has been the suggestion that somehow we would see lesser conditions for seafarers. I simply say that the new legislation currently before us has built-in protections for Australian workers and also for wages and conditions for all seafarers on foreign ships operating primarily in the Australian coastal trade. This legislation is a test, especially for my fellow senators from Tasmania. In Tasmania we have a proposal from DP World to create a \$20 million to \$30 million international shipping terminal at Burnie. What does it require? It requires this legislation to be carried by the Senate. If that happens, an international shipping service will be restored to Tasmania. That allows our product to hit international markets without having to go across Bass Strait and be transshipped to Port Phillip—something which more than doubles the cost of getting the product to international markets. This would be a great infrastructure win for the seat of Braddon and for the city of Burnie, which I note is Senator Lambie's home city. It would be a great boost to the construction sector, it would provide 40 permanent jobs as an international shipping terminal and it would also ensure that Tasmanian on-land production could get its produce to the rest of the world a lot more cheaply.

This would see substantial private sector investment. It would see our product getting to market so much more cheaply. In a competitive world, every single extra dollar of shipping will prejudice our produce on world markets. DP World believe that they could reduce the containerised freight costs to key destinations by over 40 per cent. That is a substantial reduction in the freight cost. It makes our products cheaper on world markets, it makes Tasmanian production more viable and, as a result, it increases the opportunities for Tasmanian employment. Every single Tasmanian senator is surely duty-bound to ensure that they create whatever possibility there is for the creation of Tasmanian jobs. The Burnie port would be a viable port because it has the capacity to export more containers than the ports of Adelaide or, in New Zealand, the ports of Lyttelton, Napier and Otago. All of those ports have dedicated international container terminals, and for Tasmania to be able to get something of this nature would be a great fillip to our economy, a great boost to employment opportunities. All it hinges on is Senator Lambie and the Labor and Greens senators from Tasmania voting with the government to allow this wonderful international terminal to be created, providing an immediate boost and also the ongoing boost to our production all around the state of Tasmania.

We can hear from the Launceston Chamber of Commerce, who tells us: 'Launceston and Northern Tasmania has suffered considerably from increased costs and timeliness for exports and imports of freight as a result of Labor's coastal shipping legislation.' We have heard Bell Bay Aluminium telling us the need for the changes that are currently before us. Incitec Pivot Ltd has said:

Deregulation of coastal shipping is needed to lift the competitiveness of the sector, reduce costs on business, increase flexibility and support opportunities for new investment and employment in Australian manufacturing.

The AI Group, the Minerals Council of Australia—you name it. They have pointed out the need for this change. Indeed, it is cheaper to import sugar from Thailand to Melbourne than to pay the freight task from Bundaberg to Melbourne, and you wonder why sugar farmers in the state of Queensland are doing it tough. When people come into this place and talk about jobs on the water, think about the jobs on the land that are being prejudiced and the extra costs being incurred. Cristal Mining in Western Australia, said:

We need to stop insisting on a highly regulated, costly and inefficient protectionist environment to attempt to preserve a declining coastal shipping industry because all the other Australian industries dependent on coastal freight are being disadvantaged.

This is the cost here in this equation. The Labor Party and the Greens are maniacally defending the rorts of the MUA and the extra costs associated with that which are prejudicing the jobs of thousands of Australians right around this great country.

I fully support the legislation. This is so good for our nation, in particular it is vitally important for my home state of Tasmania and a very, very exciting prospect for the city of Burnie, which is the home city of Senator Lambie. It is about time that she actually took the time to have a look at the consequences of some of her statements and her votes in this place rather than her ongoing articulation of propositions that have no basis in fact. We need jobs in Tasmania and a vote on this legislation will deliver exactly that.