

Stronger shipping for a stronger economy

Anthony Albanese posted Friday, 13 August 2010

A re-elected Gillard Labor Government will introduce measures to strengthen Australia's shipping industry for our economy and our environment.

We will implement international best practice measures to reduce costs for Australian ships and place our shipping industry on a sustainable footing with its international competitors as well as other modes of transport domestically.

As a trading island nation, we are reliant on shipping for 99 per cent of our trade by volume while Australia makes up 10 per cent of the world's entire seaborne trade.

In 2008, more than 834 million tonnes of international cargo moved across Australian wharves on 4,000 ships in more than 11,000 voyages.

Yet, there are only 30 Australian registered major trading ships today – down from 55 ships in 1995.

Without action, Australia faces the continued decline of its shipping fleet and the loss of the maritime skills base.

Australian companies using Australian registered ships will be able to pay a new tonnage tax (a low flat tax based on the weight of the vessel) or remain with the current tax regime which will be bolstered through accelerated depreciation arrangements.

Tonnage taxes are used in the United States, the United Kingdom, France, Germany and other nations.

The Government will also make changes to income tax arrangements for Australian-resident international seafarers to remove disincentives for companies employing Australians.

In order to facilitate Australian participation in international shipping, Federal Labor will establish an Australian International Shipping Register.

Federal Labor will also establish a Maritime Workforce Development Forum of industry, unions and education providers to improve and increase access to maritime training. This forum will be supported from within the existing departmental resources.

We will also effectively apply existing coastal shipping principles consistent with the Navigation Act so that it trade is undertaken by Australian operated companies and crewed by Australian residents, with the capacity to utilise foreign flagged and crewed vessels to supplement the Australian fleet.

We will also introduce mandatory training requirements in order for shipping companies to be eligible for the new tonnage tax.

The implementation of these measures will be conditional on a compact between industry and unions to deliver labour productivity and efficiency reforms.

The Government will provide appropriate lead times and consult with industry ahead of implementation.

These measures have been assessed as having a cost to revenue of \$41.5 million over the forward estimates and a departmental cost for implementation of \$8 million over the forward estimates.

This funding will be fully offset over the forward estimates, consistent with the Gillard Labor Government's commitment to return the budget to surplus in three years.