



Australian Government

Department of Infrastructure, Transport,
Cities and Regional Development

Coastal Trading Reform – Where to from here?

Why are we coming to industry again?

Coastal trading policy attracts divergent views and reform has been hard to achieve. The Coastal Trading (Revitalising Australian Shipping) Amendment Bill 2017 was the most recent attempt to reform Australia's approach to Coastal Trading regulation. This Bill lapsed in the Senate after the election earlier this year.

However, stakeholders are still looking for change. The current Coastal Trading regime is not working for many in the system - the decline in Australian general licenced vessels continues, and onshore industry needs access to efficient shipping to support production and jobs. A skills shortage in the maritime industry is forecast, and a reliable and effective pipeline of skilled workers is needed.

Those currently outside the system, such as the cruise and superyacht industries, are looking for certainty for their operations in Australia, and want to see how Coastal Trading regulation might best work for them.

The Deputy Prime Minister, the Hon Michael McCormack MP, recognises the need for reform. He has asked his Department, the Department of Infrastructure, Transport, Cities and Regional Development to work with maritime stakeholders to find a way forward.

What do we want to achieve?

Coastal shipping is an important part of the supply chain and an efficient way to move cargo for onshore industry. We want to make sure the coastal trading regime protects viable Australian shipping (current and future new entrants) but that it does not become an unnecessary burden on the movement of cargo – we understand the dynamic nature of the shipping industry and want a regulatory system that makes sense. The system should support onshore industry to use shipping.

We want the right outcome for cruise vessels, superyachts, the off-shore oil and gas industries and a regulatory approach that provides opportunities for businesses in the maintenance industry.

We also want a maritime industry that supports seafarers and provides them with the right skills – and that we have the highly skilled people necessary for the future – pilots, harbour masters, regulators and others.

We know what the issues are

We have consulted with industry before, through discussion papers, one-on-one meetings and round table events. During these consultations you told us there are a number of problems with the existing system, including:

- Inflexibility to deal with real situations
- Time and administrative burden when we know no Australian ships are intending to challenge
- Costly work arounds to enable compliance
- Passengers dealt with as if they are homogenous
- Temporary measures to deal with the nature of the cruise industry
- Increasing cross-over between Australian and foreign expedition cruise offerings
- Disincentives for commercial superyachts

To avoid asking for information we have received previously, this time we are trying a different approach – we want to find innovative ways to address the problems you have already identified.

What do we want you to do?

We are looking for practical solutions to coastal trading reform – but within the parameters of the current system – we need to retain protections for Australian shipping and we will still need licences for coastal trading.

You know what your issues are with the current system. You are also best placed to tell us how the system could work better for you, within the context above. We know many of you have been thinking about solutions.

Opening the coast, a strategic fleet and high cost subsidies are **not** on the table.

This is your opportunity to help us build a better coastal trading system.

What are the next steps?

The next steps are to collect possible solutions and work up options.

Send us your solutions for a better coastal trading system. We would like these by 30 October 2019 so we can gather them together. We will then work with stakeholders to develop these into options for reform and test them more broadly.

We will expect to identify and reach an agreement on the areas of change that can be sensibly taken forward.

Please let us know if you want to be further engaged in the process.

Who can I contact if I need more information and where do I send my solutions?

Please email us at: coastaltrading@infrastructure.gov.au