



## Ships perform an important strategic role in supporting Australian industry and communities – they are a critical part of transport infrastructure to support the functioning of the national economy

**S**hips perform a key strategic role supporting our industries, communities and national economy – as an important part of both:

- the **domestic freight** market, transporting goods and people and providing maritime services like towage and dredging around the coast; and
- our **international trade**, delivering manufactured goods and exporting minerals, energy and agricultural production.

### Ships carry 17% of Australian domestic freight.

- They carry millions of passengers across Bass Strait and in ferries on harbours.
- They support offshore production of gas and oil – at the exploration stage, the construction stage and transporting the final product to refineries or markets.
- They provide tourism experiences.
- They are vital for provision of supplies and transporting people to and from remote communities.

Australian industries rely on ships to transport raw materials – iron ore to steel mills, bauxite

and alumina for aluminium production, diesel to support mining and agricultural industries, chemicals to make explosives for the mining industry and sugar to make food products. Ships transport heavy equipment to remote mining areas.

Ships are involved in fishing, aquaculture and pearling (all key domestic and export industries) and are important for oceanographic research, border security, customs and supporting the defence effort.

### Australia is rapidly losing control of this vital strategic industry:

- as it becomes almost completely foreign-owned and managed; and
- the workforce moves toward being completely foreign.

If Governments are concerned about strategic control of key domestic infrastructure – ports, energy, communication assets and prime agricultural land – it should not allow key domestic shipping infrastructure to fall completely under foreign control, including the workforce who crew ships operating along the Australian coast.

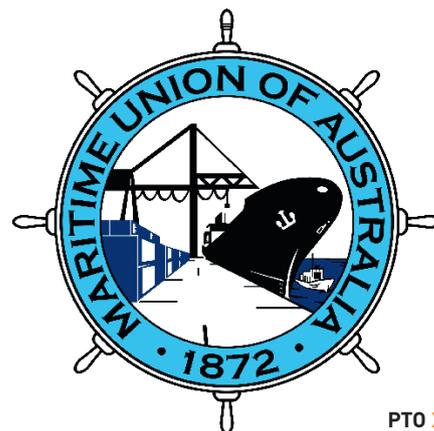
But this is already happening, and the pace of foreign control of shipping is accelerating,

notwithstanding domestic freight is forecast to grow by 26% over the next 10 years<sup>1</sup>.

### Over 10 years from 2004-to 2014, the Australian-registered major trading fleet declined:

- in coastal trade by 40% (from 35 to 21 ships); and
- in international trade by 43% (from 7 to 4 ships).

And major Australian-registered ships with Coastal Trade Licences/General Licences declined by 60% (from 36 to 15).



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**Over the last 10 years, the following Australian trading ships have all been removed from the Australian coast, replaced by foreign ships employing foreign seafarers:**

	2016	The foreign flagged Transitional General Licensed and Australian crewed <b>CSL Brisbane</b> was replaced by foreign flagged ships carrying the same volume of cargo for the same shippers, principally Australian cement companies
	2016	The foreign flagged Transitional General Licenced (TGL) and Australian crewed <b>British Fidelity</b> was withdrawn from the coastal trade by BP
	2016	The Australian flagged and Australian crewed <b>MV Portland</b> carrying Alcoa alumina was replaced by a foreign flagged ship with foreign crew – the same volume of alumina requires transporting
	2016	The foreign flagged Transitional General Licenced but Australian crewed <b>CSL Melbourne</b> carrying Rio Tinto alumina was replaced by a foreign flagged ship with foreign crew – the same volume of alumina required transporting
	2015	The Australian flagged and Australian crewed <b>Lindsay Clarke</b> was withdrawn from Rio Tinto's alumina trade due to the closure of Point Henry smelter by Alcoa
	2015	The Australian flagged and crewed <b>Hugli Spirit</b> was withdrawn from service by Caltex due to closure of Caltex Lytton refinery
	2015	The foreign flagged Transitional General Licenced (TGL) and Australian crewed <b>British Loyalty</b> was withdrawn from service by BP due to closure of BPs Bulwer refinery
	2015	The foreign flagged Transitional General Licenced (TGL) and Australian crewed <b>Alexander Spirit</b> was withdrawn from service by Caltex due to closure of the Kurnell refinery
	2014	The Australian flagged and crewed <b>Tandara Spirit</b> was withdrawn from service by Viva due to increased local demand reducing shipping from Viva's Geelong refinery
	2014	The Australian flagged and Australian crewed <b>Pioneer</b> was withdrawn from the sugar trade by Sugar Australia, due to lower volumes of sugar being required by the Yarraville refinery
	2014	The Australian flagged and Australian crewed <b>CSL Pacific</b> withdrawn and scrapped due to the age and condition of the ship
	2012	The Australian flagged and crewed <b>Pacific Triangle</b> withdrawn by BHP due to a closure of a blast furnace at the Port Kembla steelworks
	2011	The Australian flagged and Australian crewed <b>Araluen Spirit</b> was withdrawn by Shell due to reduced volumes at the Geelong refinery
	2010	The Australian General Licenced vessel the <b>Vignes</b> was withdrawn from the zinc and lead concentrates and acid trade by Nystar and Incitec Pivot and all such cargoes have since been carried in foreign TL ships
	2008	The Australian flagged and Australian crewed <b>Seakap</b> was withdrawn by Koppers due to lower volumes of pitch and coal tar required for aluminium smelters
	2006	The Australian flagged and Australian crewed <b>Stolt Australia</b> was withdrawn by Stolt citing lower cargo volumes
		<b>TOTAL: 16 Australian ships removed from the coastal trade. Over 570 Australian seafarer jobs lost.</b>



In calendar year 2015, 5,644 different foreign-flagged ships docked at Australian ports, for a total of 27,344 ship arrivals. Just 4 (or 0.07%) of those 5,644 ships are Australian flagged and Australian crewed.



Since 2012, not one ship has been registered on the Australian International Ship Register. Why? The policy design of the AISR is flawed and the register is not competitive with Singapore, Hong Kong, Denmark or UK, all examples of high quality International Ship Registers offering highly attractive incentives for shipowners.

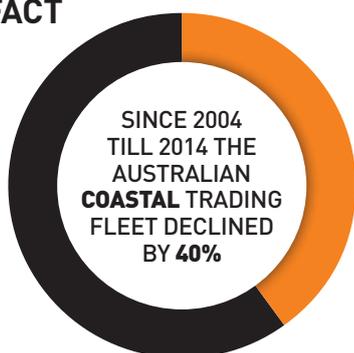


The Australian Navy has no Australian merchant or commercial ships it can rely on in times of crisis or to support heightened security circumstances or for undertaking humanitarian missions. Our major Defence allies all require merchant ship capacity to support their Navy.



Border Force has now ceased using any chartered vessels with Australian merchant seafarer crews, thus putting its entire capability in the hands of the public service, with no collaboration with the commercial shipping industry.

**FACT**



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