



There are Numerous 'Real And Current' Opportunities to Increase the Level of Australian Content in Coastal Seaborne Cargo Movement

Research undertaken for the MUA by Strategic Marine Group¹ in mid-2016, combined with MUA in-house research has identified a number of trades where cargo volumes indicate that an Australian ship could be profitably operated. The key is selection of a suitable ship type, with optimisation of cross trading/triangulation opportunities to reduce ballast legs (steaming empty). With complementary regulation, the use of additional Australian flagged and crewed ships could be a commercially viable option.

The Main Opportunities (see table details on reverse side) include:

- Bauxite & Alumina (Rio Tinto/Pacific Aluminium)
- Alumina (Alcoa)
- Fertiliser

- Ammonium Nitrate
- Petroleum
- LPG
- Containers

An additional 9 Australian ships (suggested by the research) would:

- Create employment for 315 seafarers; and
- Provide training berths for up to 27 cadets and trainees.

A study by the National Transport Commission found:

- The domestic freight task will increase by 26% over the next 10 years to 2026;
- Shipping currently accounts for 17% of the domestic freight task.

1 Strategic Marine Group, Coastal Shipping Research and Analysis of the East Coast Seaborne Bulk Commodity Trades, September 2016 – commissioned by the Maritime Union of Australia (MUA) - unpublished

Ships can increase their market share of the domestic freight task, and Australian ships can increase their role in the shipping task under the right regulatory settings



The main opportunities for additional Australian crewed ships identified by research are:

	TRADE	NO. OF AUSTRALIAN SHIPS CURRENTLY IN THE TRADE	NO REQUIRED IF 50-100% OF THE TRADE WAS CARRIED IN AUSTRALIAN SHIPS	COMMENT
	Bauxite and alumina (Rio Tinto/Pacific Aluminium)	4	6 @ 50% 12 @ 100% (2 additional included in total)	Until 2016 Rio Tinto (Pacific Aluminium) alumina cargo from Gladstone to Newcastle was carried in a TGL ship with Australian crew (<i>CSL Melbourne</i>). The aim is to lift the Australian content to 6 ships
	Alumina (Alcoa)	0	1 @ 100%	The aim is to seek the reintroduction of an Australian ship following the removal of the <i>MV Portland</i> from the trade in early 2016
	Coal	1	0	
	Fertiliser	0	Possibly 1 (not included in total)	Small parcels and seasonal. An Australian ship only possible if a cross trading opportunity for a handy size bulk carrier was identified
	Bulk cement, Gypsum	3	0	Approximately 70% already transported under a contract with CSL Australia, using a combination of Australian GL/TGL and foreign TL ships
	Ammonium nitrate	0	Possibly 1 (not included in total)	Small parcels. Opportunity exists to combine other cargoes with ammonium nitrate in a Multi-Purpose Project (MPP) ship
	Petroleum	0	2-3	Despite the closure of significant refinery capacity in Australia over the last decade, there are still large volumes of petroleum requiring distribution to storage centres around the coast
	LPG	0	1-2	There could be sufficient domestic LPG trade to support the introduction of one or more Australian licensed 5,000 deadweight pressurised LPG carriers to replace the existing foreign flag vessels operating interstate
	Containers	0	1	TL data indicates there are about 62,000 TEUs moving around the coast annually on TLs, indicating that 1 ship of around 2,800 TEUs would be viable
	Total	8	7-9 (additional ships)	

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