

Coastal Shipping Reforms Discussion Paper

The Bulk Liquids Industry Association Inc [BLIA] is an industry advocacy representing companies that are involved with bulk liquid cargoes other than petroleum.

Membership comprises companies across the whole spectrum of industry. Shipping company owners or agents are at the commencement of the supply chain, followed by shoreside terminal operators and third party logistics providers that provide the initial distribution to the final customers' premises.

Almost all of the imported or exported bulk liquid is carried by sea. The majority arrives in bulk tankers but there is a developing trend to smaller parcels being shipped in tank containers and being handled at container, rather than bulk liquid berths.

Given the diversity of members from which BLIA has sought input, the comments are an amalgam of member responses.

The authors of the discussion paper have investigated that current situation and have made a number of conclusions which have obviously been derived in conjunction with industry; however a number of BLIA members have more to offer.

As a general response from the BLIA we offer the following:

- The proposed changes seem to reflect common sense and address many of the issues put forward by the coastal shipping stakeholders.
- Removing some of the administration burden and at the same time maintaining the framework will, we believe, be generally well accepted.
- There is room for additional changes to the Fair Work Act [FWA] payments and the use of these funds for training of local personnel in the maritime cluster.
- Whether the changes go far enough is another matter but it's a start.
- It would be helpful to know if the Government is prepared to consider further rounds of amendments to the Act at a later, mutually convenient time to include the FWA/Training fund issues?

Additionally, the following are the members' combined answers to the Discussion Questions:-

1. Are the issues identified in the Discussion Paper consistent with the issues you have experienced with the current coastal trading regulatory regime? Please explain how.
 - The issues identified are consistent with the issues we've experienced and add to unnecessary costs of licencing
 - where no suitable GL vessel is working, the process should be simpler
 - the five voyage minimum is burdensome
 - the TL variation process is difficult
 - the tolerance provisions are restrictive

2. Do any of these issues give rise to other matters that require further consideration? Yes, we seek amendments as follows;

- to be able to nominate multiple load and discharge ports per cargo on a single voyage when applying for a Temporary Licence
- to remove the requirement to reapply for an approved variation, after the voyage notification is made, if the vessel is delayed beyond its approved window.
- to consider an alternative beneficiary of Part B wages as outlined in the general response from the BLIA on page 1. In short Part B wages provide a significant burden in the following instances:
 - Irrespective of the amount of space chartered on a vessel or the amount of international work that vessel is concurrently performing for other parties; the requirement is to pay full Part B wages for the whole vessel. This is a significant cost barrier for a small parcel shipper to move from inland options to coastal freight.
 - Once a charterer fixes a coastal voyage with a foreign flagged vessel, Owners can add extra port calls for international work between the coastal load port and discharge port. This adds extra Part B wages although the vessel is performing purely international work.

and a more productive use of these funds could be directed to training of Australian seafarers.

- Another view would be to have a simpler system, whether this be calculated on a daily basis or a lump sum for a vessel (based on size or type or just number of crew), on the third and subsequent voyages in a 12 month rolling period (as it is today).

3. Do you support the proposed amendments to the Coastal Trading Act? If not, please describe why.

- The proposed amendments to the Coastal Trading Act appear to pose no obvious problems.

4. Do you believe the proposed amendments to the Coastal Trading Act will improve the current regulation of coastal trading, and reduce regulatory burden? If not, please describe why this is the case.

- The proposed amendments appear to offer some opportunity for improvement and reduced burden.

5. Are there any other amendments to the Coastal Trading Act the Government should consider implementing?

- The Government should consider the amendments in point 2 above

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