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Optimism greets Warren Truss' appointment

Shipping Australia is optimistic that the appointment of the Honourable Warren Truss MP as Minister for Infrastructure and Regional Development will lead to balanced decisions supporting Australia's international competitiveness and economic growth.

"Decisions which are good for Australia's economy will be good for the shipping industry," Rod Nairn, chief executive of Shipping Australia Limited said, "and conversely, efficient shipping is essential to support Australia's prosperity."

In our discussion with Mr Truss prior to the election, it was clear that he shared shipping industry concern that there is too much red tape in coastal shipping.

"We would like to see a more streamlined process for applications for temporary licenses and the removal of the requirement to apply for temporary licenses in blocks of 5, predicting requirements twelve months ahead," Rod Nairn said.

"In the break-bulk sector much of the demand is driven by construction project timelines and heavy equipment break-down and replacement, you just can't predict these 12 months ahead."

Another major concern is the increasing costs of moving cargo through Australian ports. A combination of high levels of bureaucracy, a high A\$ and high wages has made Australia one of the most expensive places in the world to move cargo. State Governments are also adding to the costs by adding port access and infrastructure levies to cargo movements. This is an area where Government infrastructure investment needs to be focussed.

"Australia could also be a major transhipment hub for New Zealand and the South West Pacific, but we are being bypassed because, despite the extra time and distance, it is only half the cost to tranship containers through Singapore or Malaysia. We need to reduce costs and improve productivity in our ports and cargo handling to become price competitive, otherwise we will continue to lose work for Australians."

Mr Truss will certainly have a challenging task ahead of him as many of the cost drivers, such as industrial relations, customs and biosecurity are in different portfolios, and it will take a true whole of Government approach to make real efficiency improvements. His senior position as Deputy Prime Minister will be a real benefit in this regard.

"Shipping Australia congratulates Mr Truss on his appointment as Minister for Infrastructure and Regional Development and looks forward to working in close partnership with his department, and others of the Coalition Government, to promote more efficient shipping for the benefit of Australia."

Editor's note:

For additional information please contact Rod Nairn, chief executive officer on 0449 902 457.

Shipping Australia is a peak national shipping association comprising 35 member shipping lines and shipping agents that would be involved with over 70% of Australia's container and car trade, over 60% of our break bulk and bulk trades and significant cruise ship and tug operations.