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## **COASTAL SHIPPING LAWS SHOULD BE REPEALED**

Today the Institute of Public Affairs released an extensive report '*Coastal Shipping Reform: Industry saviour or regulatory nightmare?*' The report reviews the Australian coastal shipping trade, and in particular examines a suite of changes to coastal shipping laws introduced by the former Labor government in 2012.

"Anti-competitive coastal shipping laws are hurting Australian producers, and the laws worsened under the previous Labor government. They should be repealed," said Aaron Lane, Research Fellow at the Institute of Public Affairs.

"The report shows that repealing coastal shipping laws will improve Australia's economic growth by up to \$466 million, according to the Department of Infrastructure and Transport. The report also argues that generous subsidies should be scrapped, improving the budget bottom line by \$254.5 million over four years."

"In 2012 the Labor government replaced the old license and permit system with another more complicated system. The changes granted Australian vessels unlimited access to the coastal trade, while restricting the operation of foreign vessels through temporary licences with extensive conditions and reporting requirements. Coastal shipping has become less competitive due to the Labor government's 2009 changes that imposed Australian award wages on foreign vessels employing foreign crews."

"The 2012 changes introduced around 250 pages of new legislation. Flexibility is critical for the coastal shipping industry, yet changes to the laws have increased the burden of red tape on coastal shipping vessels."

"Prior to the election, the Abbott government promised to do something about coastal shipping laws. The chairs of both the Australian Competition and Consumer Commission and the Productivity Commission have also expressed concern about the lack of competitiveness and productivity in the coastal shipping industry," said Mr Lane.

"The Abbott government should repeal these laws altogether," said Mr Lane.

The report is available to be downloaded at:

[http://www.ipa.org.au/portal/uploads/Coastal\\_Shipping\\_Report-Institute\\_of\\_Public\\_Affairs-Dec\\_13.pdf](http://www.ipa.org.au/portal/uploads/Coastal_Shipping_Report-Institute_of_Public_Affairs-Dec_13.pdf)

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