



ABN 44 021 935 869  
PO Box 1117 Sandy Bay  
Tasmania Australia 7006  
P: +61 3 6223 7334  
F: +61 3 6223 7334  
E: [cdu@cruisedownunder.com](mailto:cdu@cruisedownunder.com)  
[www.cruisedownunder.com](http://www.cruisedownunder.com)

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Ms Melissa Edwards  
Tasmanian Shipping Inquiry  
Productivity Commission  
GPO Box 1428  
CANBERRA CITY ACT 2601

Dear Ms Edwards

#### TASMANIAN SHIPPING AND FREIGHT

As Chairman of the peak industry body for cruise shipping in Australia, I wish to make a submission to the Productivity Commission's Inquiry into Tasmanian Shipping and Freight on behalf of our members.

Our submission is in reference to the impact of the Coastal Trading Act on Bass Strait cruise shipping costs.

The economic impact of cruise shipping in Australia has now reached \$2.88 billion and the direct impact to the Tasmanian economy is \$14.4 million.

One of the strong growth sectors within the industry is expedition cruising. This sector attracts an affluent market, is high yielding, and its customers make decisions based on quality and unique destinations and sight-seeing opportunities. They are happy to pay a premium for 'once in a life-time', off the beaten track experiences and are also interested in remote and regional communities and programs.

We wish to support the submissions already made by Austrade, Lindblad Expeditions and APT in reference to reviewing the



current classifications of cruise ships that see ships under 5,000 gross tonnes being effected by time consuming and costly regulations around licensing and operating costs.

The current cabotage laws require that foreign flagged vessels under 5,000 tonnes must include an International port on any itineraries that involve embarking or disembarking passengers in Australia. The regulation is restricting visitation to Tasmania as any itinerary must include New Zealand, significantly increasing the length of the cruise, cost of the cruise (including fuel) and dissolves the uniqueness of the Tasmanian product.

Cruise Down Under supports the recommendation made by Austrade that the Productivity Commission considers the merits of liberalising the Coastal Trading Act and reducing the threshold requiring a temporary licence from 5,000 gross tonnes to 500 gross tonnes.

We consider that the reclassification will deliver an increase in expedition cruising in Tasmania, as well as other regional destinations in Australia. CDU is in no doubt that this type of cruising will deliver greater economic benefits to regional and remote destinations that are currently experiencing flat or declining visitation and other issues associated with the restructuring of the Australian economy.

We welcome your consideration and will be pleased to provide any further support if required.

Yours sincerely

**Ms Chris White**  
**Chairman**