

COASTAL SHIPPING

Coastal shipping has been more fully protected for longer than any other major Australian industry, yet it has never been the subject of an enquiry by the IAC or its predecessor the Tariff Board.

Ross McLean, former MHR for Perth and one of the "dries" on Fraser's back bench, writing for the Australian Institute for Public Policy (AIPP), tells how this protection has blighted the prospects of other industries but hasn't stopped the coastal shipping industry from dwindling.

Not many years ago, sea was the major link between the States; now, even heavy cargoes like steel travel even the longest hauls by road and rail.

Maritime employment fell from 40,000 in 1971 to 32,000 in 1980; it can capture only 3% of our world trade. Something has gone very wrong with our shipping. Far more seriously something has gone very wrong for those industries which must use shipping to live. This has been particularly hard on the Western Australian, Northern Territory and Tasmanian economies but jobs have been lost throughout the Nation.

The consequences for other industries are made evident by three examples:

Bauxite can be shipped from Weipa to Japan for about the same or less than the cost of shipping to Gladstone;

Aluminium shipped from Bell Bay to Perth costs about \$125 per tonne, but only \$100 per tonne to Japan; and

A South Australian trader was quoted \$2,600 to shift a twenty foot container from Melbourne to Devenport but only \$1,600 from Taiwan to Adelaide.

It saves freight to process overseas and foreign suppliers have a freight advantage :

As long ago as 1978-79 it was costing BHP \$20 - \$25 million per year, - or \$17,000 per BHP seaman, - to use Australian flag vessels on the coast. That must have cost a lot of ironworkers' jobs.

Christmas Island rock phosphate is treated as part of the coastal trade.

It has been estimated that farmers, by paying excessive prices for superphosphate, subsidise each seaman on that run to the tune of \$73,000 per year. How many farmers, shearers and slaughtermen are out of work as a result ?

Do you remember the "Twin Steel Plant Study", a proposal to establish two steel plants, one in W.A. and another in Queensland. Of this the WA Department of Industrial Development said - "The advantages of retaining Australian operated shipping on the coast must be weighed carefully against the opportunities forgone in terms of industrial development."

Remember Sir Charles Court's jumbo steel plant ? Of this CRA/Hamersley said about the alternative of using foreign flag vessels: ".... savings of such magnitude (\$6 -\$7 per tonne) could conceivably have produced a decision by the consortium to go ahead."

WA interests lost salt sales to New Zealand and gypsum sales to Queensland because in both instances Mexico could deliver with lower freight costs.

My wife and I once travelled from Perth to Sydney and back on the Adelaide Steamship Company vessel - the Mancoora. It is hard to believe that those friendly officers, stewards and crew wrecked that service as surely as if they had driven it on to rocks. But they did !