

EXPLANATORY STATEMENT

Subject - *Coastal Trading (Revitalising Australian Shipping) Act 2012*
Section 11 Exemption for cruise vessels

The *Coastal Trading (Revitalising Australian Shipping) Act 2012* (the CT (RAS) Act) regulates coastal trading by providing for licences to be granted to authorise vessels to engage in coastal trading as defined in section 7 of the CT (RAS) Act. A vessel is engaged in coastal trading if the vessel, for or in connection with a commercial activity takes on board passengers or cargo and carries the passengers or cargo:

- from a port in a State or Territory to another port in another State or Territory;
- from a port in a State or Territory to another port in the same State or Territory and continues to carry the passengers and cargo at a port in another State or Territory;
- from a port in a State or Territory to another port in the same State or Territory (on intra-state voyage) and the vessel is declared by the Minister under section 12 to be subject to the requirements of the CT (RAS) Act.

Using a vessel to engage in coastal trading without a licence may lead to a pecuniary penalty for the contravention of a civil penalty provision.

Section 11 of the CT (RAS) Act allows the Minister to direct that the CT (RAS) Act does not apply to a vessel or class of vessels; or a person or class of persons. An exemption under section 11 may be confined to one or more specific periods or voyages. The CT (RAS) Act provides that the Minister's direction to exempt is a legislative instrument.

The legislative instrument directs that the CT (RAS) Act does not apply to vessels in excess of 5000 gross tonnes which are:

- (a) capable of a speed of at least 15 knots;
- (b) capable of carrying at least 100 passengers; and
- (c) utilised wholly or primarily for the carriage of passengers between any ports in the Commonwealth or in the Territories, except between Victoria and Tasmania.

This exemption continues a longstanding exemption provided under subsection 286(6) of the *Navigation Act 1912* (the Navigation Act). The exemption remains unchanged from that provided under the subsection 286(6) of the Navigation Act, which permitted unlicensed vessels to engage in the coastal trade without a licence for the carriage of passengers between ports in the Commonwealth or in the Territories (other than between Victoria and Tasmania) on condition that the vessels are in excess of 5000 gross tonnes, used primarily or wholly for the carriage of passengers and capable of carrying at least 100 passengers at speeds in excess of 15 knots. The exemption has been in place for large cruise liners since 1998 to promote tourism activity.

The exemption commences on 1 January 2013 and ceases on 31 December 2017. The exemption is valid for a period of five years to enable the Minister the opportunity to review and consult, before the end of the five-year period, to determine if changes to the exemption are necessary.

The exemption is a legislative instrument for the purposes of the *Legislative Instruments Act 2003*.

Authority: Section 11 of the *Coastal Trading (Revitalising Australian Shipping) Act 2012*

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