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Tasmanian Shipping Inquiry Productivity Commission GPO Box 1428 Canberra City ACT 2601

To Whom it may concern,

APT is the part owner and operator of multiple Expedition Ships that operate on a global basis. Each vessel operates with 114 passengers or less offering an insight into destinations that may be considered more remote or underserved by large cruise ships (200+ passengers). APT has a long and proud tradition of bringing tourists to Tasmania as part of our fully escorted land touring product and a logical extension and development in this program would be to relocate our ships to the mainland of Tasmania and its numerous Islands. In fact in 2013 we did bring the Caledonia Sky to Tasmania with numerous Ports of Call and extended stays including Flinders Island, Wine Glass Bay, Hobart and Maria Island. On that cruise we also introduced travel agents and journalists to these areas of Tasmania and made significant injections into the local economy by including all shore excursions and meals while on tour and hired local rangers via Parks Tasmania.

Unfortunately at this stage we have no plans to return to Tasmania in the foreseeable future which is driven by two main issues.

- 1. Australian Cabotage laws (Coastal Trading)
- 2. The cost of Ports in Tasmania

Cabotage laws require that foreign flagged vessels under 5000 tonnes include an International Port on any itineraries that involve embarking or disembarking passengers in Australia. That means New Zealand must be part of any Tasmanian itinerary and we will find it extremely difficult to sell a 48+ hour Tasman Sea crossing on a small ship to our loyal clientele. And, the fuel costs of such a voyage are significant.

On our visit in March 2013 the port charges in Tasmania were excessive in relation to the size of the vessel. The smaller ship, the less ability we have to divide (or absorb) the cost of port charges across the number of passengers. At this stage a visit to Tasmania, Victoria or New South Wales is a loss making exercise for us as an operator.

Cairns is one of the few ports in Australia to have designed a fair system for port charges. Cairns has a per passenger levy of \$4.64 per person (embarking or disembarking (\$3.12pp transit). Berths are charged at 86 cents per metre/per hour, with a security charge of \$1158.60 for vessels under 150 passengers.

Ideally we want to offer a range of Australian coastal cruising in the future, however, until the southern states can address these issues it is unlikely we will be in a position to support any tourism initiatives in the region.

Yours Sincerely

Chris Hall CEO