

Coastal Trading Frequently Asked Questions

What is coastal trading?

Coastal trading is the movement of cargo or passengers on ships ***between ports in different states and territories in Australia*** in connection with a commercial activity. Coastal trading in Australia is regulated by the *Coastal Trading (Revitalising Australian Shipping) Act 2012* (Coastal Trading Act).

The Coastal Trading Act implements a tiered licensing system that facilitates access to the Australian coast. The Coastal Trading Act also allows intrastate voyages (a movement between ports in the same states and territories) to be covered by the legislation.

This FAQ section looks at answering some of the common questions stakeholders have regarding the administration and requirements around coastal trading. If you have any further queries that are not answered here, you can contact the Shipping Business Unit at sbu@infrastructure.gov.au or on (02) 6274 7474 (from overseas: +61 2 6274 7474).

Who needs a licence?

The Coastal Trading Act regulates coastal trade by granting licences to authorise vessels to carry passengers or cargo between interstate ports in Australia. Licences are issued for interstate voyages (a movement between ports in different states and territories). If a vessel is conducting an interstate voyage, then it must be covered by a coastal trading licence.

However, if a voyage is intrastate (a movement between ports in the same states and territories), voyages can also be covered by the legislation if a “Section 12 Declaration” is applied for (see licence for intrastate trading below).

Certain types of vessels are exempt from the application of the Coast Trading Act even if you are undertaking an interstate or intrastate voyage. The following kinds of vessels are exempt from the Coastal Trading Act:

- a vessel belonging to or operated by the Australian Defence Force or the defence forces of a country other than Australia;
- a Commonwealth vessel that is used wholly or primarily for non-commercial activities;
- a fishing vessel or fishing fleet support vessel;
- an inland waterways vessel;
- an offshore industry vessel;
- a recreational vessel;
- a salvage vessel; and
- a tugboat.

Which licence do I need?

The Coastal Trading Act provides for three types of licence: general licences, temporary licences and emergency licences.

- A general licence is for [Australian General Shipping Register](#) vessels (Australian flagged vessels) and provides unrestricted access to engage in coastal trading in Australian waters for five years.
- A temporary licence provides access to engage in coastal trading in Australian waters for foreign-flagged vessels—this licence is valid for 12 months and is limited to the voyages authorised by the licence. Voyages can be amended or added to a temporary licence through new matters, authorised matters or energy security situation variations.
- An emergency licence provides access to engage in coastal trading in Australian waters in identified emergency situations — this licence may be granted for up to 30 days.

A breakdown of the cost for different licence applications can be found below:

Licence Type	Cost (AUD)
General Licence	\$110
Temporary Licence	\$400
Emergency Licence	\$400
New matters variation	\$400
Authorised matters variation	\$200
Energy security situation variation	\$200
Section 12 Declaration	No cost

What is the Coastal Trading Licensing System (CTLS)?

Licences for the Coastal Trading Act are managed online through the Coastal Trading Licensing System (CTLS). Applications for new licences or to vary existing licences are submitted and processed through the CTLS. Licence holders also use the CTLS for lodging voyage notifications and voyage reports and managing contact information. CTLS can be accessed here:

<https://ctls.infrastructure.gov.au/>.

What is the Process to Apply for a Licence?

Who can apply for a licence?

A person can apply for a licence under the Coastal Trading Act to authorise a vessel to engage in coastal trading if they are:

- the owner of that vessel;
- the charterer of that vessel;
- the master of that vessel; or
- the agent of that vessel.

In addition, temporary licences and emergency licences can also be applied for by a shipper. For more information on which licence type you will require, see the FAQ section titled “Which Licence do I need?”.

How do I apply for a coastal trading licence?

You need to apply for a coastal trading licence through the online CTLS portal. In order to apply for a licence through CTLS, you must do the following:

- Register your contact name and relevant organisation through the CTLS system. For more information on how to register in CTLS, please see the following link: https://infrastructure.gov.au/maritime/business/coastal_trading/licencing/index.aspx
- Log onto the CTLS system and follow the prompts to submit a licence application. The application for a general licence must be accompanied by payment of \$110 and an application for a new temporary licence requires payment of \$400.
- The Shipping Business Unit may contact you for additional information or evidence in order to process your application. Please provide this information as soon as practical to allow the timely processing of your application.

Please note that applications for new temporary licences are subject to a mandatory consultation period of 2 business days where general licence holders can notify that they are able to carry the cargo or passengers applied for (also known as a notice in response). This does not automatically result in a temporary licence application being rejected. For more information on the notice in response process, please contact the Shipping Business Unit.

How do I add or vary existing voyages authorised under a temporary Licence? How do I apply for an energy security situation?

- These applications are also submitted through the CTLS system. Please follow the prompts after logging in.
- To add a voyage to your existing temporary licence, submit a new matters application. This application requires payment of \$400.
- To amend an existing voyage authorised under your temporary licence, submit an authorised matters application. The proposed variation must bear a ‘reasonable resemblance’ to the original voyage (see below for more information on reasonable resemblance). This application requires payment of \$200.
- An energy security situation application can only be used in a situation where there is or will be a shortfall in the supply of liquid fuel product. Please contact the Shipping Business Unit as soon as possible when deciding to apply under this category, as supplementary documents will be required. This application requires payment of \$200.

Please note that new matters applications are subject to a mandatory 2-business-day consultation period and authorised matters are subject to a mandatory 24 hour consultation period, similar to the process for new temporary licence applications.

When submitting an authorised matters variation, what constitutes a ‘reasonable resemblance’ to the original voyage?

- As a result of the decision in *CSL Australia Pty Ltd v Minister for Infrastructure and Transport* [2014] FCA 1160, it was decided that all voyages varied through an authorised matters application must bear a reasonable resemblance to the original voyage authorised under temporary licence. For more information, refer to Industry Bulletin 1 from 2015 (available at www.infrastructure.gov.au/maritime/business/coastal_trading/licencing/bulletins/2015/sbu_industry_bulletin_001.aspx).
- The Delegate reserves the right to make an assessment of an application and whether proposed voyages bear a reasonable resemblance to their original. However, in order for a resemblance to be reasonable, a voyage generally must have the same load and discharge ports as its original, be carrying the same type of cargo and be scheduled to load within a reasonable number of days of the original voyage.
- The Delegate may refuse an application if a proposed voyage variation is not considered to bear a reasonable resemblance to the original voyage. If you have any doubts as to whether your variation bears a reasonable relationship to the original voyage, please contact the Shipping Business Unit for advice.

The Delegate’s decision.

Decisions under the Coastal Trading Act with respect to granting licences are made by the relevant Minister (currently the Minister for Infrastructure and Transport). In practice, these decisions are made by a Delegate of the Minister, who is a senior employee within the Department of Infrastructure and Regional Development.

The Delegate has mandated timeframes under the legislation within which to make their decision, these are defined from the day the application is received by the SBU:

Licence Type	Timeframe
General Licence	10 business days
Temporary Licence	15 business days
Emergency Licence	3 business days
New matters variation	7 business days
Authorised matters variation	2 business days
Energy security situation variation	24 hours
Section 12 Declaration	No timeframe

Please note that the above timeframes only commence once a complete application is received, including payment. In order to ensure timely processing of your application, please provide any additional information as soon as possible if prompted to do so by the Shipping Business Unit.

Additionally, for the purpose of the Coastal Trading Act, business days are defined as working days in the Australian Capital Territory (ACT). As public holidays vary between states and territories, you should check the business days for the ACT prior to submitting a licence application. Public holidays in the ACT can be checked at www.publicholidaysact.com.au. The Department also shuts annually between Christmas Day and New Years' Day.

What is the 5 voyage minimum?

When submitting an application for a new temporary licence, the Coastal Trading Act requires the application to detail a minimum of 5 voyages. A voyage is a movement of a vessel from one port to another port in different states and territories in Australia where passengers or cargo are loaded and unloaded in connection with a commercial activity. If you are unsure whether your application contains the minimum 5 voyages required, please contact the SBU before submitting.

There is no minimum voyage requirement for new matters or authorised matters applications.

What are the conditions of holding a coastal trading licence?

All licence holders must comply with the conditions stipulated in their licence. These conditions are explained further in the remainder of this FAQ section. Please note that the licence holder is responsible for complying with all licence conditions, regardless of whether third parties are involved. For example, if a shipper holds a temporary licence, they are responsible for the display of a temporary licence on a vessel, even if they are reliant on other parties, such as the ship's master, to ensure that this requirement is fulfilled.

What are Acceptable Tolerance limits?

The Coastal Trading Act requires applicants to provide accurate information about their voyages as part of the regulatory framework. However, the legislation does provide some flexibility in the acceptable tolerance limits in relation to loading date and cargo volume or number of passengers. The acceptable tolerance limits for cargo, passengers and loading dates are defined in Section 6(1) of the Coastal Trading Act.

In relation to cargo and passengers, the total amount carried on a vessel under a temporary licence is not to vary by more than 20% greater than or less than the amount approved for the voyage under the licence. For example, if your licence authorises you to carry 100 containers on a voyage, then carrying between 80 and 120 containers would be considered within tolerance.

In relation to loading dates, vessels are to load no more than 5 days before or after the expected loading date specified on the temporary licence. For example, a voyage with an authorised loading

date of 24 May 2017 would be within the loading date tolerance limits if it loaded between 19 May and 29 May 2017, inclusive.

Be aware that tolerance limits are not calculated based on the voyage notification (Section 61 – submitted at least two business days before the actual loading date). Tolerance limits and associated breaches are determined based on the cargo/passenger amounts and loading dates authorised under the most recent version of your temporary licence.

If an organisation becomes aware that a proposed voyage will exceed these tolerance limits, they may submit an authorised matters application to vary the cargo/passenger amounts or loading dates for the relevant voyage. These applications must bear a reasonable resemblance to the originally approved voyage.

If a voyage exceeds these acceptable tolerance limits, you may be subject to penalties under section 42 of the Coastal Trading Act.

Display of temporary licence

Section 40(b) of the Coastal Trading Act dictates that any vessel undertaking a voyage under a temporary licence must display a copy of their licence on the vessel in a conspicuous place accessible to all persons on board. This requirement has previously been publicised by the Shipping Business Unit in separate Industry Bulletins.

- Industry Bulletin 2 from 2015 is available at:
www.infrastructure.gov.au/maritime/business/coastal_trading/licencing/bulletins/2015/sbu_industry_bulletin_002.aspx; and
- Industry Bulletin 1 from 2016 is available at:
www.infrastructure.gov.au/maritime/business/coastal_trading/licencing/bulletins/2016/sbu_industry_bulletin_001_2016.aspx.

Failure to display a copy of the temporary licence as stipulated may result in penalties being imposed on the licence holder under section 42 of the Coastal Trading Act.

Notifying on a voyage.

Section 61 of the Coastal Trading Act stipulates that the holder of a temporary licence must notify the Minister of the details of a voyage to be undertaken at least 2 business days before the actual loading date.

The holder of a temporary licence must provide the following details of a voyage through CTLS:

- the vessel to be used for the voyage;
- evidence of the registration of the vessel, either on the Australian International Shipping Register or under the law of a foreign country;

- the date of the voyage;
- the number of passengers to be carried during the voyage (if any);
- the kinds and volume of cargo to be carried during the voyage; and
- the ports where the passengers and cargo will be loaded and discharged.

The penalties for failing to submit a voyage notification at least two business days before the actual loading date of a voyage are detailed in section 61 of the Coastal Trading Act.

Reporting on a voyage.

As outlined in Section 62 of the Coastal Trading Act, temporary licence holders must submit a report to the Department containing the actual details of a voyage within 10 days of completion of that voyage. These should be submitted through CTLS. The information required in a voyage report includes:

- the vessel used for the voyage;
- the actual loading date of the voyage;
- the number of passengers carried on the voyage (if any);
- the kinds and volume of cargo carried on the voyage (if any); and
- the ports where the passengers and cargo were loaded and discharged.

The penalties for failing to submit a voyage report within 10 days of the completion of a voyage are detailed in section 62 of the Coastal Trading Act.

Under Section 62(4) of the Coastal Trading Act, the Department must then publish all temporary licence voyage reports on the Department's website. This is performed twice per month. Temporary licence voyage reports can be found on the Department's website (available at www.infrastructure.gov.au/maritime/business/coastal_trading/licencing/voyage_reports.aspx).

What if we decide not to, or are unable to, perform a voyage authorised under our licence?

As soon as you are aware that a voyage authorised by your licence is not going to occur, email the Shipping Business Unit letting us know the voyage number and the reason it will not take place. The Shipping Business Unit will mark your voyage as 'non-performed' in the system. **Do not submit a voyage report on the voyage as carrying 0 cargo**, as this will be seen as a breach of volume tolerance.

Can I get a licence for intrastate trading?

The definition of coastal trading excludes intrastate trading (movements from a port in a state or territory to another port in the same state or territory). If you wish for the Coastal Trading Act to apply to a particular vessel that will undertake intrastate trading, you can apply through CTLS for a

declaration under section 12 of the Coastal Trading Act. Note that this application can only be submitted by an owner. An owner is defined under section 6 of the Coastal Trading Act as;

- (a) a person who has a legal or beneficial interest in the vessel, other than as a mortgagee;
- (b) a person with overall general control and management of the vessel; or
- (c) a person who has assumed responsibility for the vessel from a person referred to in paragraph (a) or (b).

You can use vessels which have a declaration under section 12 of the Coastal Trading Act to conduct intrastate coastal trading voyages that are authorised on your licence. All of the usual legislative requirements will apply to these voyages. For more information, refer to Industry Bulletin 1 from 2017 (available at

www.infrastructure.gov.au/maritime/business/coastal_trading/licencing/bulletins/2017/sbu_industry_bulletin_001_2017.aspx).

It is important to note that, while a temporary licence is held by an organisation, Section 12 Declarations are attached to a particular vessel. Once a Section 12 Declaration is granted for a particular vessel, it always applies. A vessel with an active Section 12 Declaration must always comply with the obligations of the Coastal Trading Act when undertaking intrastate voyages.

Applications for a Section 12 Declaration have no cost. There is no legislated timeframe for consideration by the Delegate, though the Shipping Business Unit aims for a decision to be made within a week.

Compliance with the Coastal Trading Act.

If an organisation's compliance history is deemed inadequate, the Shipping Business Unit may take enforcement action including, but not limited to, rejection of future licence applications, revocation of current licences or issuing of infringement notices. However, the Shipping Business Unit generally takes an education approach to compliance and aims to improve the level of voluntary compliance by stakeholders. Any compliance action taken will be proportionate to the identified risks posed by non-compliance with legislative requirements.

More information on the Department's Compliance and Enforcement Strategy is available on the Coastal Trading page of the Department's website (available at www.infrastructure.gov.au/maritime/business/coastal_trading/).