



AIMPE

Australian Institute of
Marine and Power Engineers
HEAD OFFICE

30th January, 2009.

Committee Secretary
Senate Education, Employment and Workplace Relations Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600

eewr.sen@aph.gov.au

Dear Committee Secretary,

Re: Inquiry into the Fair Work Bill 2008

The Australian Institute of Marine and Power Engineers is a registered trade union which represents marine engineers and electricians employed on ships and other vessels in Australia.

AIMPE seeks leave to make a brief, late submission to the Inquiry – noting that other parties have made late submissions.

The particular focus of this submission is the scope of the jurisdiction of the proposed legislation. This question is dealt with in Part 1-3 of the Fair Work Bill under the title Application of this Act and more specifically in Division 3 Geographical application of this Act. AIMPE notes that the forces of globalization have changed dramatically the structure of ownership of corporations operating in open economies around the world. Many iconic Australian companies are now foreign owned and controlled. [We are perhaps less conscious of the overseas operations of Australian companies.]

The Australian operations of these foreign owned companies are subject to Australian law and their employees are properly entitled to the protections of Australia's labour laws.

Australian shipping is very largely foreign owned and controlled. Around 99% of Australia's international shipping task is carried out by foreign shipping with foreign crews under international terms and conditions. That is, virtually all of our imports and exports are controlled by foreign shipping operators and there is a cost to the national economy of \$8 billion per annum [2006-07 debits on freight services – ABS 5368.0]

This submission is focused however on the other sector of Australian shipping – the Coasting Trade as it is referred to under the Navigation Act. This refers to the inter-State and intra-State trades carried by ships. This includes the carriage of iron ore from Port Hedland to Port Kembla [BHPB – Blue Steel], bauxite from Weipa to Gladstone [Rio Tinto], oil and petroleum

products too and from the various refineries, roll-on roll-off cargoes across the Bass Strait, supplies to remote locations and islands of Australia, cement, gypsum, sugar and containers between various ports around the Australian coast and numerous other important trades.

In terms of the seafarers who work on the ships carrying these domestic cargoes, AIMPE strongly supports the ALP National Platform which relevantly states:

1. Maritime Transport

36. Labor will:
- Ensure a strong and viable Australian coastal shipping industry which employs Australian seafarers working under the Australian flag with Australian terms and conditions of employment;

As currently worded, the Fair Work Bill will **not** achieve the objective of ensuring that seafarers who are engaged in the Australian coastal shipping industry [i.e. the “Coasting Trade”] are entitled to Australian terms and conditions of employment. As currently worded the Fair Work Bill would permit foreign shipping operators to engage in the Australian coastal shipping industry without being required to comply with Australian terms and conditions.

AIMPE urges the amendment of Division 3 Geographical application of this Act to ensure that the intention of extending the application to the Australian coastal shipping industry cannot be circumvented by the exploitation of loopholes. Whether the ships are foreign owned or not, if they are operating in coastal trades then the employees/seafarers should have the same employment rights and protections as other workers in Australia. This should include seafarers who are not Australian citizens or residents but may, for instance, be working in Australia on s.457 visas.

Submission 73 from the MUA includes proposed amendments which AIMPE believes would ensure the extension of the Fair Work Bill to employees/seafarers engaged in the Australian coastal shipping industry. AIMPE endorses the proposed amendments.

Yours faithfully,

Martin Byrne
Assistant Federal Secretary
AIMPE