



Senate Economics Legislation Committee

Tax and Superannuation Laws Amendment (2014 Measures No.5) Bill 2014

Submission by: Farstad Shipping (Indian Pacific) Pty Ltd

Date: 10 October 2014

- 1.1. This submission addresses only one part of the Bill - Schedule 2 – Abolishing the seafarer tax offset.
- 1.2. Farstad does not support abolishing the seafarer tax offset
- 1.3. The intent of the Seafarers Tax Offset to encourage the employment of Australian seafarers in international activities is wholly supported by Farstad and, if available to our organisation, would greatly enhance the training and career opportunities that we can provide to our staff.
- 1.4. Accordingly, we would seek a broader application of the seafarer tax offset to the sector of the maritime industry in Australia in which we operate.
- 1.5. Farstad is a Norwegian company that has invested heavily in the business in Australia; Farstad Shipping (Indian Pacific) Pty Ltd, ABN 40 105 011 989. Its origins in Australia stem from Australian Offshore Services, which commenced operations as a P&O Australia company in the late 1960's. The organisation has operated continuously in Australia since 1968.
- 1.6. Farstad is a leading provider of specialized offshore vessels to the international oil and gas industry
- 1.7. Our company's operation span the globe with major activity centres in the North Sea in Europe, Brazil, Asia and Australia
- 1.8. Farstad operates 62 ships, 24 of them in Australia.
- 1.9. Farstad employs over 700 Australian seafarers, many of whom go on to fill roles ashore such as marine pilots etc.
- 1.10. Since 2010 the organisation invested over \$30 million in a state of the art training simulator in Fremantle. The Farstad Shipping Offshore Simulation Centre (FSOSC) is a world class simulator based training facility for the Australian Oil and Gas Sector.

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1.11. This is the first offshore specific simulation centre in Australia and the largest integrated centre of its kind in the world. Featuring the latest in simulator technology and embracing the contemporary teaching methods, we will strive to be a recognised leader in training and skills development of offshore personnel and crews

1.12. Farstad's commitment to the Australian maritime sector is demonstrably significant. Likewise, our participation in and understanding of international vessel operations is a major part of our business model.

1.13. As an organisation we are well placed to advice on what is required to assist us to provide the most comprehensive training and development opportunities for our crews.

1.14. Farstad is developing an internal international exchange program for its worldwide fleet. The aim of this program is to spread best practices, learn from each other, providing the opportunity for skills upgrade and exposure to experiences not present in the region.

1.15. Equipment and skills utilised in other parts of the world will find it way to Australia in the future. A clear example is the use of torpedo anchors for extreme deep water in Brazil; a method that could be used locally for the exploration in the Great Australian Bight. Similarly for experience gained in the North Sea oil and gas fields.

1.16. Farstad vessels move between the different regions and it is important from a safety and competency perspective to maintain some of the officers on board.

1.17. Consequently, the ability for our crews of all nationalities to move within our fleet across the globe has clear benefits and would be assisted by the extension of the seafarer tax offset to our operations which would make our employment costs for our employing Australian seafarers outside of Australia competitive.

1.18. This expansion of on-water activity by our business will add to the national interest via increased activity ashore and securing the training path for skilled mariners to take up jobs ashore to run our ports etc.

1.19. Farstad is prepared to offer any representation that may be required at the convenience of the Committee.