



## AUSTRALIAN MARITIME OFFICERS UNION

ABN 56 181 230 800

Senate Rural and Regional Affairs and Transport References Committee

# **Inquiry into the policy, regulatory, taxation, administrative and funding priorities for Australian shipping**

Submission of the

## **Australian Maritime Officers Union**

March 2019

1. The Australian Maritime Officers Union (AMOU) welcomes the opportunity to make this submission to the Senate Rural and Regional Affairs and Transport Legislation Committee (Senate Committee) Inquiry into policy, regulatory, taxation, administrative and funding priorities for Australian shipping.
2. The AMOU is registered under the Fair Work Act 2009 represents the professional and workplace interests of Ship's Masters (Captains) and Deck (navigating) Officers in the maritime 'blue water', offshore oil and gas, ferry, dredging and tourism sectors, Marine Pilots, tug Masters, bunker (refuelling) tankers, Stevedoring Supervisors, Port Services officers, vessel traffic services (VTS)/harbour control and professional/ administration/ supervisory/technical staff of port corporations and maritime authorities.

### **Why does Australia need a vibrant, healthy and growing local shipping industry?**

3. The maritime industry is obviously an old industry with particular customs, traditions and language developed over centuries. While operations in modern ports are at the cutting edge of any comparable operations and the modern vessels that operate on the Australian coastline are some of the most technologically sophisticated ships globally, the customs and traditions of the maritime industry remain.
4. Seafaring is a special vocation with a lifestyle that can be quite different to life on land. For example, those employed in interstate and international operations may spend a great deal of time at sea usually followed by equal time of leave onshore.
5. The combination of customs and traditions with employment conditions not commonly found in other occupations has fostered a particular sense of altruism and benevolence between seafarers.

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6. Those that go to sea are enamoured with their industry. They view a vibrant and robust industry as vital to Australia's national interest and want to make sure that into the future young Australians with a similar love of the sea have opportunities to work in the maritime Australian industry.
7. As identified by the Department of Infrastructure and Regional Development, '*... Australia is heavily dependent on shipping, with 99 per cent of international trade volumes transported by ship and Australian ports managing 10 per cent of the world's sea trade.*'
8. It takes more than ten years of training and sea service to become a qualified Master (see Appendix 1). Additionally, seafarers must be able to pass a physical assessment and have good eyesight. Medicals are required every five years.
9. The intimate knowledge of the industry seafarers gain through the years of extensive training they undertake makes them sought after candidates for many on-shore jobs within the wider maritime infrastructure. Indeed, many positions require maritime qualifications as a precondition for employment e.g. Harbour Masters, Coastal and Harbour Pilots, marine surveyors and port and flag state control inspectors.
10. The role of Coastal Pilot is essential to the operation of Australia's shipping industry. The Australian Maritime Safety Authority (AMSA) describes the role of a coastal pilot as:  
*'... to advise on the safe navigation of a vessel, and to be a steward of the marine environment. This means that the coastal marine pilot must:*
  - *identify and manage risks to avoid a grounding or collision to protect the ship and marine environment;*
  - *provide detailed passage planning, local knowledge, leadership to the bridge team, and liaison with shore authorities and VTS;*
  - *provide independent judgement and advice to the ship's master, who remains in command of the vessel;*
  - *monitor their own personal health and safety, including managing fatigue: and*
  - *provide mentoring and training to new coastal pilots.'*

AMSA makes it plain that a pilot must have local knowledge and mentor and train new pilots.

Under AMSA criteria, trainee pilots must have certain Certificates of Competency, a Certificate of Medical Fitness, have undertaken a trainee pilot induction approved training course and have at least 36 months of qualifying sea service as master, navigating officer in charge of a watch or pilot on vessels of at least 500 gross tonnes.

11. We anticipate that each year 16 new pilots are required in Australian ports on account of natural attrition.
12. Further teaching staff at maritime educational facilities are generally seafarers themselves with relevant maritime qualifications.
13. We are constantly contacted by members, and non-members, who recently gained their qualifications who cannot secure any work. They often add that the majority of those they studied with are in similar positions.

14. Our older members fear for their industry. They see the short-term opportunism of multinational companies exploiting our natural resources. Whilst this facilitates the 99% of Australia's trade volumes through shipping it misses the opportunity to provide seagoing careers for young Australians; preferring instead the pursuit of lower costs and greater shareholder returns.
15. Our younger members who have pursued careers in this special vocation fear they will never be afforded the opportunities given to previous generations of seafarers to make a 40 to 50-year career of it.
16. Our union fears that without employer-led facilitation of cadet berths and seagoing career opportunities there will inevitably be a scarcity of Australians able to fill the many onshore maritime infrastructure jobs such as harbour masters, pilots, Vessel Traffic Services Officer, Australian Maritime Safety Authority Inspectors and lecturers at the maritime training facilities.
17. Some initiatives have been undertaken by industry activists and AMOU successfully to convince port authorities to contribute to training for the maritime infrastructure by employing cadets and ensuring they have a variety of experiences in obtaining their sea time. Port Authorities are now aware that the harbour masters and Marine Pilots of the future must come from somewhere and if there is no Australian flagged fleet there will be no Australian officers to take up these positions. Instead of being the end-user beneficiaries of shipping companies training officers they are now contributing to the training.
18. The recent termination by BHP of the contracts for the two iron ore and coal carriers has meant that the fleet of ships employing Australian crews is now limited to the following:

Rio Tinto Mining Weipa-Gladstone bauxite carriers

RTM Wakmatha  
RTM Twarra  
RTM Weipa  
RTM Piiramu

CSIRO Research Vessel

RV Investigator

Karratha to Japan LNG tanker trade:

Northwest Sandpiper  
Northwest Stormpetrel (soon to be sold but we have an agreement for Australians to replace foreign crew on Northwest Seaeagle)  
Northwest Sanderling  
Northwest Snipe

Teekay Government service vessel fleet

MATV Sycamore (Navy Multi-purpose Aviation Training Vessel)  
ETV Coral Knight (AMSA emergency towage vessel)  
ABFC Ocean Shield (Australian Border Force Cutter)  
ADV Ocean Protector (Customs Australian Defence Vessel)

TT Line Bass Strait ferries:

Spirit of Tasmania 1 (being replaced 2020)  
Spirit of Tasmania 2 (being replaced 2021)

Searoad Ferries Bass Strait

Searoad Mersey II  
Searoad Tamar (being replaced this year)

Toll Bass Strait ferries

Tasmanian Achiever II  
Victorian Reliance II

19. These 19 ships represent the nadir of the fleet numbers of a once-proud maritime country. None of the ships is an oil products tanker. This means there is no Australian owned, registered and crewed vessel on the coast to be at the governments disposal to transport vital fuel supplies in times of shortage, conflict, emergency or other strategic need and to ensure that there is sufficient fuel reserves in the country to meet international obligations for fuel security.
20. The only Australia crewed ships upon which cadets and junior officers are able to get foreign-going sea time are the 4 LNG Tankers sailing between Karratha and Japan. The only reason we still have these ships available is due to the maritime unions succeeding in an arbitration, and even then, one ship leaves the coast mid this year and the remaining 3 ships will likely have departed around 2024. It is for these reasons the AMOU submits that it is essential that Australia has a vibrant, healthy and growing local shipping industry and a fleet of vessels trading internationally.

## National Security Concerns

21. For unescorted access to the security zones of security regulated ports, security regulated ships and offshore oil and gas facilities, the Federal Government requires individuals to hold a Maritime Security Identification Card (MSIC).

22. Department of Home Affairs information on MSIC details that:

*An ASIC (Aviation Security Identification Card) or an MSIC confirms the holder has a valid background check and is not a threat to aviation or maritime security.*

*The ASIC and MSIC background check comprises of:*

- *a security assessment by the Australian Security Intelligence Organisation (ASIO)*
- *a criminal history check by the Australian Criminal Intelligence Commission (ACIC)*
- *an immigration check (if required) by the Department, to confirm an applicant's right to work in Australia*

*An ASIC or MSIC is not an access card. It does not give the holder the right to access secure areas and zones without the permission from the relevant authority or facility owner or operator.<sup>1</sup>*

23. A large MSIC issuing body details on their website that on average it takes 10 days to have an application for an MSIC approved with 95% of applications completed within 18 days.<sup>2</sup>

24. Foreign crew members on vessels that enter Australian waters are required by the Federal Government to hold Subclass 998 Maritime Crew visas. The Department of Home Affairs details on its website that 755 applications for Maritime Crew Visas are processed within 1 day and 90% within 13 days.

25. Maritime Crew visa holders are not required to obtain an MSIC.

26. We note the response of the Department of Immigration and Border Protection to Questions on Notice from the Senate Standing Committee on Rural and Regional Affairs and Transport Inquiry into the increasing use of Flag of Convenience Shipping in Australia on 4 December 2015 where the Department detailed:

*There have been 7732 vessels originating from overseas locations entering Australia from 1 July 2015 to 30 November 2015. These vessels are assessed in accordance to our intelligence led risk-based practices in order to determine which will be subject to intervention. There have been 2587 vessel interventions during this same period. Depending on the nature of the vessel assessments interventions may include face to face checks, crew musters (to account for crew) or various search activities including ABF teams or dog units. The numbers of vessel interventions are not broken down further so that the number of face to face crew checks can be determined.*

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<sup>1</sup> <https://www.homeaffairs.gov.au/about-us/our-portfolios/transport-security/identity/asic-and-msic-identification-cards> accessed 4 March 2019

<sup>2</sup> <https://www.msic.net.au/>

*Subject to any conditions placed on the vessel by the Australian Border Force the master of a vessel has discretion regarding shore leave for crew. The Australian Border Force does not collect data on crew shore leave.*

*The total number of maritime crew deserters for 1 July 2015 to 30 November 2015 is 11. When a crew member has been deemed a deserter their maritime crew visa will cease, they become an unlawful non-citizen and when located may be placed in detention.*

27. During Senate Estimates in October 2017, Officials from the Department of Immigration and Border Protection were asked similar questions about maritime crew deserters, which were taken on notice. The Department’s answer is attached at Appendix 2
28. The Department details in Appendix 3:

<b>Financial Year</b>	<b>Maritime Crew Deserters</b>
2015-16	53
2016-17	43
1 July 2017 – 1 November 2017	17
<b>Total</b>	<b>113</b>

The majority of deserters were from the Peoples Republic of China and Pakistan with smaller numbers from Vietnam, Bangladesh, Turkey, Indonesia, Nepal, Philippines, Myanmar and Ethiopia.

29. The offshore oil and gas, dredging and aquaculture industries are heavily populated by non-Australian ship’s Masters and ship’s Officers holding visas issued outside the originally intended parameters and purposes. When these categories of workers were removed from the list of eligibility to be brought into the country under Sub-class 457 visas, the Sub-class 400 visa, originally intended for short term ‘specialist’ occupations was then used for exactly the same purposes. The nett effect of this was that the vast majority of the 500+ highly-qualified and experienced unemployed Australian Officers remained ‘on the beach’ awaiting employment in their chosen fields of endeavour whilst Norwegian, Mexican, Polish and British Officers (among other nations), often with less skill and experience were presented with these jobs.
30. Whilst *Ship’s Officer* remained on the Sub-class 457 visa list, employers circumvented this potential roadblock to non-Australian Officers taking up shipboard positions by construing them as ‘specialist managers’ and ‘radiocommunications technicians’ with the complicity of the immigration bureaucracy to allow foreign officers onto the Australian coast.
31. The parlous state of the local maritime industry job market brought about by forces beyond the control of Australian Ship’s Masters and Officers compels them to consider plying their trade elsewhere in the world. With a level taxation playing field with other OECD countries’ seafarers, this would be a realistic possibility. However, the Australian requirement for seafarers to pay income tax make them highly uncompetitive compared to e.g. UK seafarers,

whom pay no income tax if they are outside the UK working on ships for 180 days of the year. This means the door is effectively closed to Australian Officers.

32. This is not a sustainable position for a government to maintain. Genuine support for the wider maritime industry cannot be achieved without a parallel and meaningful tightening of immigration regulation and policy. This should be designed to eliminate the visa abuses of the recent past and to support the preference for Australian Masters and Officers to take up the positions for which they are qualified in these industries.
33. Not only should the coastal and foreign-going fleet be bolstered for strategic reasons but a taxation regime should be implemented that allows Australian Officers to seek global experience and foreign-going sea time on the same set of ground rules and all other maritime nations.

## The Way Forward

34. As the world's largest island nation Australia will always be dependent the maritime industry for the transport of goods.
35. Lloyd's Register has anticipated by 2030 off Australia's coast that there may be:
  - more than 40,000 offshore wind turbines (up from 45 in 2010); and,
  - more than 22,000 wave energy devices worldwide with a cluster numbering many thousands in Australia's waters (up from 22 in 2010).<sup>3</sup>
36. These devices will require construction and on-going maintenance inevitably requiring highly skilled and accessible mariners.
37. Thousands of high-quality, highly skilled, well-paying jobs are potentially available to Australians in our local maritime industry. We submit that we need to have the national conversation on the matters such as:
  - A vision for Australia's maritime industry and a role for Australians;
  - An Australian strategic fleet and national security;
  - Places for Australian seafarers to gain sea-time; and,
  - Support for the Australian Governments vision for the 50-year naval build.
38. We submit that the *Coastal Trading Green Paper – A Maritime Transition* should be the starting point for this national conversation (attached). The AMOU was fully involved in the development of this paper and endorses the changes to our coastal trading regime suggested therein.
39. We also welcome and fully support the recent announcements by the Australian Labour Party to revitalise Australia's merchant shipping fleet and crews.<sup>4</sup>

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<sup>3</sup> <http://www.lr.org/en/projects/global-marine-trends-2030.aspx>

<sup>4</sup> <http://anthonyalbanese.com.au/media-release-labor-will-revive-australias-shipping-industry-and-create-a-strategic-fleet-sunday-24-february-2019>

40. We note that the ALP has committed to: *'... in the first 100 days of government convene a meeting of all maritime unions and current industry stakeholders to progress the plan for the Australian Merchant Fleet and coastal shipping. Further, this meeting will discuss international trade opportunities for Australian seafarers in the shipping of Australian resources: gas, coal, iron ore, oil, fuel and commodities.'*
41. It has been the position of the AMOU since 2013 that the relevant Minister establish a panel of industry experts, maritime business interests and maritime unions to consider the vision for Australia's maritime industry and make recommendations to the Minister on the further actions required to revitalise Australia's shipping industry. It is our position that an independent Chair be appointed by the Minister to convene the panel and that appropriate resources are made available to the Chair to allow this task to be undertaken in a timely manner.
42. The AMOU was a willing and active participant in the Maritime Workforce Development Forum and the *Recommendations of the Forum in its Australian Maritime Workforce Development Strategy, May 2013* were fully supported by the AMOU. The re-establishment of the Maritime Workforce Development Forum with as close as possible to its original membership is in our view a long overdue matter.
43. We welcome the position of the ALP to re-establish this forum.
44. Finally, we welcome the announcement by the ALP to establish a Strategic Fleet Taskforce to help the ALP in Government to create a strategic Australian merchant fleet of ships.
45. In our view this is the most positive policy announcement made with regard to the maintenance and growth of Australia's shipping industry in decades.