

NATIONAL BULK COMMODITIES GROUP INC

ABN: 55 495 614 399

Executive Chairman: Dale Cole

31 Loftus Street, Bundeena NSW 2230

Telephone: 02 9544 4139 Facsimile: 02 9544 4977 Mobile: 0418 115797 E-mail: dale@dcapl.com.au

23 August 2005

Secretary
Senate Rural & Regional Affairs and Legislation Committee
SG.62 Parliament House
Canberra ACT 2600

Dear Ms Weeks

Re: Senate Committee Inquiry: Maritime Transport and Offshore Facilities Security Amendment (Maritime Security Guards and Other Measures (Bill) 2005)

Receipt is acknowledged of your correspondence dated 16 August 2005 regarding the above.

The National Bulk Commodities Group Inc (NBCG) is the peak national body representing Australia's bulk commodity shippers. The aim of NBCG is to represent the collective interests of its members on issues connected with the production, transportation, storage, loading/unloading and shipment of Australia's dry bulk commodities.

Importantly, the principal focus of NBCG is the promotion of efficient and quality maritime services that are available to Australian shippers at internationally competitive prices.

Whilst NBCG is cognisant of the role ports play in the context of national security we, as a bulk shipping community, have concerns about:

1. The non-alignment of Australia's seaborne security laws/regulations with those nations, which compete with Australia for dry bulk commodity market share.
2. The need to make the security clearance and management process as cost efficient as possible, given Australia's dry bulk exports are expected to reach 700 million tonnes in 2005. At least ninety-nine per cent (99%) of these exports will be shipped on foreign flagged and foreign-crewed dry bulk carriers.
3. The need for security contractors to be given appropriate security clearances and individual employees of these firms to have appropriate background audits.
4. The cost of engaging security firms/guards must be transparent. There is also the issue of exclusivity. Will operators of dry bulk carriers have a choice of contracting firms? In providing these services NBCG notes that there are minor set-up capital costs for land based security firms, but the set-up costs for seaborne security firms is relatively large. NBCG's position is that there should be contestable choice at all ports. If contestability is not possible because of isolation or capital costs restraints, then NBCG members advocate that a single licence, either exclusive or non exclusive, be issued and this licence is limited to a two (2) year contract period.
5. The transparency of the cost structure at each port and the means of identifying extra costs (if any) when security alerts are either upgraded or downgraded.

Should the Senate Rural and Regional Affairs and Transport Legislation Committee recommend that passage of the Bill proceed, then NBCG members support the following:

- That maritime security guards need and should receive higher training qualifications as a result of the increased powers advocated in the bill.
- That the regulations should clearly specify why a person with a MSIC could be denied access to a maritime security zone.
- For the purpose of this legislation NBCG supports the notion that guards are licensed under State legislation.
- That vehicles and vessels be removed in a manner deemed to be the most cost effective.
- Those crewmembers with appropriate documentation and approved shore personnel should be required to provide reasons when challenged within a maritime security zone.

Yours faithfully
For National Bulk Commodities Group Inc

A handwritten signature in black ink, appearing to read 'Dale Cole', written in a cursive style.

Dale Cole
Executive Chairman