

## Supermarket Pricing Inquiry

**Submission No:** 44  
**Submitted by:** Maritime Union of Australia (Queensland Branch)  
**Publication:**  
**Attachments:**  
**Submitter Comments:**



Jason Miners Branch Secretary

Aaron Johnston Deputy Branch Secretary

Paul Gallagher Asst Branch Secretary

Dave Lyon Asst Branch Secretary

17 April 2024

Hon Tom Smith MP  
Chair  
Supermarket Pricing Select Committee  
Parliament House  
Cnr George and Alice Streets  
BRISBANE Q 4000

By email: [Bundaberg@parliament.qld.gov.au](mailto:Bundaberg@parliament.qld.gov.au)

Dear Mr Smith

On behalf of the Maritime Union of Australia, Queensland Branch ("MUAQ"), I write to make a submission to your inquiry.

The MUAQ represents Queensland's waterside workers, seafarers, port workers, professional divers, and office workers associated with Australian ports. Our role representing workers in sea freight and port work means we are integrally involved in the logistical task of delivering groceries across Australia, and in particular, remote and island communities.

MUAQ members are deeply concerned about increases to cost of living and the rising cost of groceries. The MUAQ has continued to argue for wage increases to help MUAQ members meet the increased cost of living. We have also supported the work of the ACTU, in the commissioning of Professor Allan Fels who undertook an Inquiry into Price Gouging and Unfair Pricing Practices. We hope that some of these recommendations of Professor Fels report can be considered by your committee in addressing corporate price gouging in the grocery sector.

### ***Terms of Reference 2(b): Variability in Offerings and Pricing***

Sea freight and Australian shipping are the key provider of freight logistics for the grocery sector in many remote communities, particularly on Cape York and on Torres Strait Islands. Unfortunately, there is a history of underinvestment by Commonwealth and Queensland governments in the national shipping network, and the freight task for groceries in remote communities.

The MUAQ represents seafarers and port works engaged by SeaSwift, the only provider of sea freight services to Cape York and the Torres Strait. Historically SeaSwift has maintained downward pressure on pricing by underinvesting in its workforce and its fleet of ships. A change in ownership in 2019 has meant that the unsustainable practices of the past are being addressed. While SeaSwift is now investing in new fleet and addressing workforce shortages, it has seen significant cost increases to freight services to some of the most remote communities in Queensland.

While the MUAQ will continue to advocate for SeaSwift's continued investment in the sea freight task in Cape York and the Torres Strait, there is a need for urgent action from the Commonwealth and Queensland Governments.

First, the Commonwealth and the Queensland Government must address the lack of marine infrastructure in Cape York and the Torres Strait. In 2013, the Newman LNP Government handed

Queensland Government marine infrastructure in these communities to local councils, without any funding or support to maintain the essential infrastructure for freight loading.

This infrastructure has degraded over the last decade, leaving maritime workers with unsafe loading environments and ships that are constantly damaged. The costs of the repair work to these ships adds significantly to the cost of goods to these communities.

While the MUAQ supports the development of infrastructure with the Mayors and Councils in local communities, these Councils need significant support in funding and managing a complex infrastructure task.

Without urgent action on the marine infrastructure in the Torres Strait, there is a risk that some islands will not be able to receive groceries by sea freight.

Second, the Commonwealth and Queensland Government must recognise the essential nature of sea freight for these remote Island communities. At present, SeaSwift's network model of sea freight to these communities has delivered cross-subsidisation of sea freight costs.

Delivering freight to the outer islands of the Torres Strait will never be affordable for the people of those islands who rely on sea freight for groceries. It is time for the Commonwealth and the Queensland Government to recognise the inherent costs of sea freight for these communities and subsidise freight to the outer Torres Strait islands.

It is extraordinary that the Commonwealth can provide a Tasmanian Freight Equalisation Scheme for freight to Tasmania, while remote Island communities in the Torres Strait that support some of the most vulnerable First Nations people receive very limited assistance.

Third, there is a systemic challenge for Australia to reinvest in Australian shipping. Over the last 30 years, the Australian shipping industry has been stripped of its capacity, with sea freight now relying on foreign crewed ships. Foreign crewed shipping in Australian waters will never be able to adequately address the sea freight task of delivering affordable groceries to regional and remote communities.

The Queensland Government's Coastal Shipping Grant Program is an important first step in building Australia's coastal shipping capacity. But this investment needs to be continued, with renewed investment in training the seafaring workforce here in Queensland.

Thank you for the opportunity to make this submission. We wish your Committee well in its deliberations.

Yours sincerely



Jason Miners  
Queensland Secretary  
Maritime Union of Australia