

Inquiry into a sustainable Queensland intrastate shipping industry

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Executive Statement

The only viable answer to the long-term solution for this industry is a system of Cabotage introduced by the Federal Government where all vessels operating in this area are subjected to Australian Registration. Unfortunately, if this is introduced by the State Government and not the Federal Government, *s109 Commonwealth of Australia Constitution Act* will be enacted.

When a law of a State is inconsistent with a law of the Commonwealth, the latter shall prevail, and the former shall, to the extent of the inconsistency, be invalid.¹

Vessels under Australian Registration will be subjected to Australian Laws. Therefore, Australian Safety and Workplace laws. I refer to the airline industry where this system of registration is clearly working well. Moreover, I refer to the fact, that out of the 20 OECD countries in the world, only Australia does not adopt cabotage as mainstream in the maritime industry sector. I suggest this matter and the results of this inquiry are raised at the next Council of Australian Governments meeting.

Environmental

Australia is without a doubt one of the most pristine environmental areas on the entire planet. In Queensland we have the pristine environment of the Great Barrie Reef. It is not a matter of if but when one of these Flag of Convenience ships cause major pollution. The Government of Australia will be in part responsible for this disaster when it happens due the allowance of Foreign flagged shipping. These ships are run on extremely tight budgets and safety is never given a high priority. Quite often these ships are under skilled, under equipped and under maintained. I refer you to <https://www.amsa.gov.au/vessels-operators/port-state-control#collapseArea363> where you will be able to view the list of ships detained by the Australian Maritime Safety Authority at Australian ports, the number of these ships being detained is a disgrace. It's worth noting that these ships are purposely being by registered owners / operators under flag of convenience schemes to allow them to get away from proper and adequate skilling, equipping and maintenance of these ships.

Security of Ports and associated infrastructure.

In the modern world of terrorism and constant security threats to Australia it is beyond belief how the Flag of Convenience ships and crews are allowed to constantly pose a threat at the vital port infrastructure of Australia. (I refer to the recent Coronial Inquiry by Deputy NSW Coroner Sharon Freund into the deaths onboard the vessel Sage Sagittarius). Once again in vast contrast are Australian Crews which as a condition of employment must obtain a Maritime Security Identification Card. The process to obtain this involves a comprehensive background check. If an event were to occur at these facilities Australia and Australian trade would come to a stop.

Economic Benefits

These benefits must not be understated, they range from taxation, repair and maintenance of ships, victualling of vessels, providing an income for and personal spending of vessel crews. The economic benefits are certainly not limited to the ship and crew.

The crew onboard vessels of Flag of Convenience ships contribute very little to the economy of Australia they are not taxed and nor do their wages get redistributed through personal spending

¹ Commonwealth of Australia Constitution Act. s109

back into the Australian Economy. In vast contrast Australian Crewed and registered ships would contribute Millions of dollars into the Australian Economy through taxation and personal spending.

A key component of the argument against Australian Flagged and Crewed Shipping by vessel owners / operators, has always been the costs involved. This argument is faulty logic. Look at the vessels transiting Bass Strait. These vessels have been profitable for a great number of years and the 3 companies that service this route are investing in new vessels.

The current bass strait shipping proves that Australian Coastal Shipping can and IS profitable with Australian Flagged Ships.

Training

There is currently a total lack of training on vessels over 3000GRT or 3000Kw. This will lead to a follow-on situation where we will simply not have the Australians trained and suitably experienced to fill the necessary roles such as Shipping Inspectors, Marine Pilots and Surveyors.

This is particularly noticeable on government funded dredging contracts. For any international company performing government funded work in Australia, there must be a component of engineer and deck officer training. This could be in the form of new entrant engineers or upskilling of current Certificate of Competency.

Without these roles being filled you can be guaranteed that a disaster is certain to happen in Australian Waters.

Ever increasing pressure on road transport

A simple plan such as the sea transport plan (which I was introduced to by the Honourable Member for Forde Bert van Manen during a meeting at his local office) could help with solving this issue, currently highways are road all over the country are in dire straight and with the population constantly growing this will without a doubt become a worse situation in a very quick timeframe. We have an extensive coast line where the vast majority of the population live and sufficient port facilities that a plan with ships and Ro-Ro vessels could surely be sustainable as long as it is achieved with Australian Registered vessels.

Any practices that are being used to erode working conditions, such as entitlements and legislative protections that currently apply to employees in the industry;

I refer specifically to a recent trend in the Towage sector, of employers making sham partnerships with employees to erode any rights under *Fairwork Act 2009* (cth). The employers are using this tactic to erode the right of representation and this is simply an exercise of Union Breaking. I am certain, that the sham partnership contracts will be written in a way to expressly favour the employer in all situations. What all this means is that the employer is able to stand over employees who have been left with no workplace protections.

The partnership arraignments are currently only in private ports. A condition of licencing for these ports should include that *Fairwork Act 2009* (cth) is followed. This would result in the removal of these sham partnerships.

Another current practice that companies are using is to get enterprise agreements cancelled. This results in the employees therefor going back to the award rate. This concerning practice, by these companies could easily be stopped, by ensuring they have relevant agreements with the unions which will be representing their employees before tendering on any public (or partly public funded) works.

All of these tactics are with an express intent of circumventing the *Fairwork Act 2009* (cth). This results in the eroding of award wages and conditions.