

**We urge you to take this  
passport's message to your  
Cabinet colleagues.**



**KEEP AUSTRALIA  
AFLOAT**



[www.mua.org.au/afloat](http://www.mua.org.au/afloat)

**Passport to Australian Shipping**



YOUR AUSTRALIAN  
SHIPPING PASSPORT



YOUR AUSTRALIAN  
SHIPPING PASSPORT

This passport has been designed to alert you to the need for urgent action by the Government to revitalise the Australian shipping industry.

It also contains a petition from your constituents calling for implementation of recommendations that have been before Government for more than a year.

Shipping shifts nearly a billion tonnes of iron ore, coal, wheat and other goods in and out of Australian ports each year.

**...But we've all but lost a stake in this vital industry.**



## KEY FACTS AND FIGURES

It's now 2½ years since Labor was elected and an election is due – shipping reform was a first term commitment

Labor's shipping policy was reinforced at the ALP Conference in mid 2009

The Parliamentary Inquiry Report and Recommendations has been available for 18 months

The Shipping Policy Advisory Group completed its work in May 2009

The stakeholders have provided detailed submissions on all aspects of shipping policy

The Henry Tax Review has reported to Government

There is no incentive for investment in Australian ships.

# 75



1996

# 46



2006

# 39



2010

# 32



2012 prediction

## In 10 years Australian registered ships fell from 75 to below 46.

Between 1996 and 2006 - Parliamentary Inquiry "Rebuilding Australia's Coastal Shipping Industry."

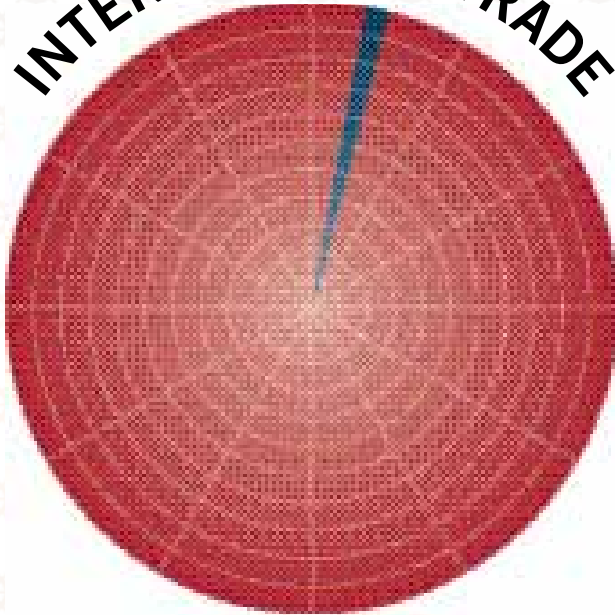
Since then 7 ships in the Bluewater trade have departed the Australian register (the Ormiston, Kowulka, Fitzroy River, Cementco, Samar Spirit, Seakap and the Alcem Calaca) bringing the number of ships below 40.

# Economics

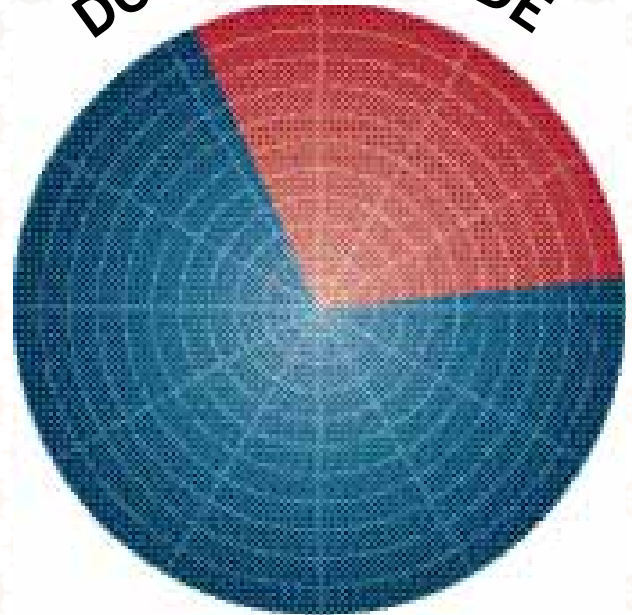
## Revitalisation of Australian Shipping will bring the following economic benefits to the nation:

- Increase Australian tax revenue (based on UK Treasury analysis of UK tonnage tax).
- Expand the corporate tax base.
- Boost the balance of payments position. Currently Australia has an \$8.4 billion debit in international sea freight transport, offset by only \$617 million in freight transport credits, resulting in a net debit of \$7.8 billion (ABS May 2009)
- When the UK introduced a tonnage tax it led to 276 new British flagged ships in 7 years and was worth more than \$20 billion to the GDP (Oxford Economics report May 2007).
- Make an essential contribution to the Australian freight task which is expected to triple by 2050. (According to “Meeting the 2050 Freight Challenge”, Price Waterhouse Coopers, 2009).
- Cut demurrage costs, the bill paid by Australian companies to the owners of foreign ships waiting in queues off our ports (Costs in 2008 were \$1.8b).
- Attract foreign investment to the Australian shipping industry.
- Create maritime clusters on the back of the investment in shipping – centres of shipping insurance, finance, maintenance and other activities.
- Close the opportunity for foreign vessels to use the Australian coastal trade as a tax haven – a G20 commitment.
- Create the maritime skills base so vital for a shipping dependent nation.

# INTERNATIONAL TRADE



# DOMESTIC TRADE



 Australian  
 Foreign

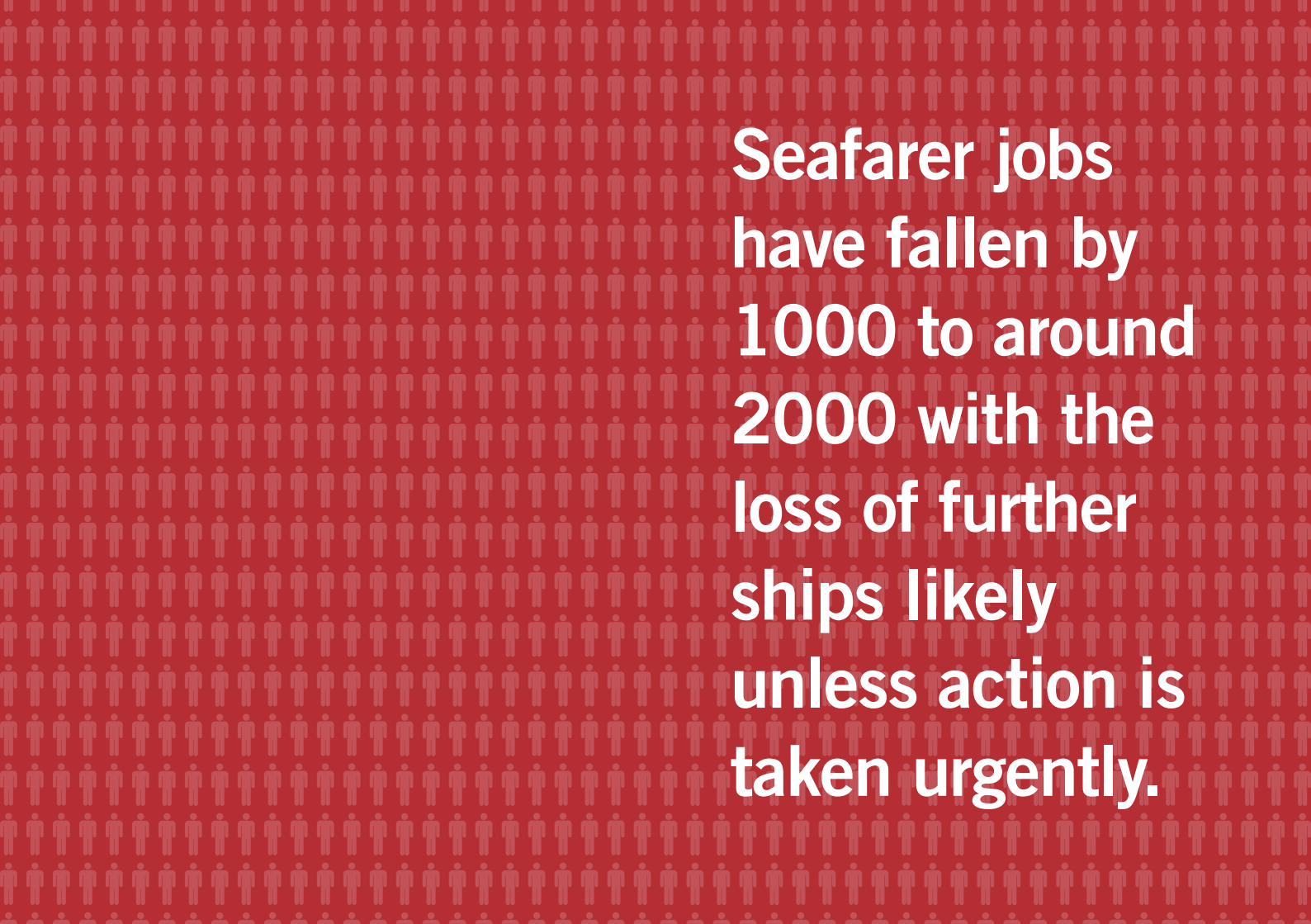
Something about the the number of Australian ships dropping and loss of trade

## Environment

- Ships are the least energy intensive of all the transport modes – shipping currently contributes just 4% of the greenhouse emissions from the Australian freight transport system
- More freight on ships will lower carbon emissions from freight transport which accounts for around 6 per cent of Australian greenhouse emissions.
- Foreign ships have been responsible for all the recent marine environmental accidents e.g. the Hong Kong flagged Pacific Adventurer spread oil onto pristine Queensland beaches in 2009, the Panama flagged Pasha Bulka was stranded on Nobby's beach, Newcastle in 2008.
- Of the 10 major oil spills involving bluewater vessels since the Panamanian registered Kirki spilt 17,280 tonnes of oil off West Australia in 1990, only two have been Australian registered ships.

## Jobs and Human Rights

- Many foreign ships working our coast are registered in tax havens exploiting guest workers.
- A recent blitz on ships carrying our wheat exports found the half-starved Chinese crew on board the Hong Kong flagged Tien Hau forced to fish for their dinner.
- Crew on the Tongan flagged Hakula were being paid \$38 A DAY. (Yorke Peninsula County Times 10/2010, Channel Seven News Adelaide)
- Ships of shame are taking Australian jobs (around 1000 jobs in 10 years)



**Seafarer jobs  
have fallen by  
1000 to around  
2000 with the  
loss of further  
ships likely  
unless action is  
taken urgently.**



## Fish for your dinner

A recent blitz on ships carrying our wheat exports found the half-starved Chinese crew on board the Hong Kong flagged Tien Hau forced to fish for their dinner.



## Lucky to get \$38 A DAY

Crew on the Tongan flagged Hakula were being paid \$38 a day. (Yorke Peninsula County Times 10/2010, Channel Seven News Adelaide)

# Defence and Security

- Ships are the eyes and ears of an island nation and play a vital role in border protection. For example, it was the Australian crew on board the Oceanic Viking and Front Puffin who were at the front line during recent refugee crises.
- The merchant marine plays a vital support and contingency role to support the Australian maritime Defence effort.
- We don't easily forget that one in eight merchant mariners died in WWII and the merchant marine made a major contribution to the Timor peacekeeping role.

## WHAT'S BEEN DONE SO FAR

The Minister for Infrastructure and Transport, Anthony Albanese, is committed to the revitalisation of Australian shipping, initiating the House of Representatives inquiry into coastal shipping policy and regulation and releasing its recommendations in October 2008.

The Minister has publicly continued to pledge his support to the revitalisation.

Deputy Prime Minister Gillard extended Fair Work Act coverage to foreign seafarers working on licensed and permit ships on our coast (but this change does not apply to ships with one or two permits a year.).

The Deputy PM also announced funding for training of Australian seafarers to help overcome the skills shortage (\$2.1M to the Australian Maritime College for funding its seafarer training programs for 2010. This builds on funding of \$1.5M provided in 2009.)

The Deputy PM has ensured that the Commonwealth and all State Ministers for Workplace Relations remain committed to ratification of the International Labor Organisation's Maritime Labour Convention.

The Minister for Infrastructure and Transport has also announced a rewrite of the Navigation Act 1912 and made the permit process more transparent .

He has also ensured that COAG has signed off on the establishment of the Australian Maritime Safety Authority as the single national maritime safety regulator, from 2011.

These are all important actions but shipping policy reform to revitalise Australian shipping and - particularly investment in new ships - remains critical.



## **Productivity gains and labour reform**

“We firmly believe that life-long approaches to wealth generation by wage and salary earners are better served by stability and sustainability, in both employment and income, over the entire employment life cycle.”

- MUA, submission to the Shipping Inquiry 2008.

The Maritime Union of Australia (MUA) is committed to supporting productivity improvement and labour reform to complement Government actions in line with gains achieved during the last wave of Labor-initiated shipping reform.

### **Flexible labour arrangements will allow for:**

- improved crew utilisation combined with skill deepening
- use of specialised maintenance crews to reduce dry docking schedules
- adaptation of improved technologies
- use of triangulation to improve ship utilization
- better ship/port/stevedoring interfaces

The MUA publicly commits to a responsible approach to enterprise bargaining in keeping with the state of the shipping market, freight rates and community standards, consistent with long term practice in the Bluewater trading ship industry.



Change maritime laws and regulation governing coastal shipping so that Australian ships and crews are used in the domestic trades, with only limited use of permits allowing foreign ships to operate in the domestic trades in exceptional circumstances.

Introduce the globally accepted shipping tonnage tax to replace the current corporate tax aimed at encouraging investment in Australian ship.

Introduce tax concessions for Australian seafarers working predominantly in international trades to improve the competitiveness of Australian seafarers in the global seafarer labour market and to support Australian international shipping.

Adopt an industry driven national shipping workforce planning framework to boost seafarer numbers and skills to prepare for the rapidly expanding freight task.

Create an Australian international ships register so Australia has a two tier ship registration system - one for coastal ships and one for international ships, aimed at attracting foreign investment in Australian ships.

**The Union will build on provisions in current Enterprise Agreements which already provide for:**

- Operating the vessel/fleet to a high standard of efficiency, in a viable and competitive manner, ensuring a high level of customer service.
- Addressing cost issues to improve the viability of the operation.
- Reviewing the Agreement, and all workplace practices, in order to develop and adopt a culture of continuous improvement.
- Consulting on the setting of productivity targets to be achieved throughout the life of the Agreement, based on competitive benchmarks, to ensure the viability of the business.
- Maintaining a supply of skilled labour by ongoing recruitment of Trainee Integrated Ratings.
- Adoption of individual crew member performance appraisal systems.

- Adoption of a team-based approach to work, with each employee working to the level of their classification, training, competence and certification – backed by applicable legislation in a co-operative effort, to ensure the safe and efficient operation of the vessel.
- Better programming of work through the use of shipboard operations committees.
- Participation in regular productivity reviews so appropriate measures aimed at improving and recording the efficiency of the fleet collectively, and individual vessels in a fleet can be developed and implemented.

**These measures include, but are not limited to:**

- introduction of vessel performance targets
- projects to enhance teamwork; and
- the achievement of compensation and medical targets.



## Keep Australia Afloat

It is time for the Government to adopt a comprehensive shipping policy package and commit to the necessary fiscal and regulatory changes needed to keep Australian shipping afloat.