



No. 62 – Tuesday October 18, 2016

National Council – Qube EBA Part A – DP World – Picnic Day - MUA Supports ‘Buy Australian Act’ Australia Losing Billions in LNG Tax

National Council

NATIONAL COUNCIL TOOK place over five days from 10 – 14 October. Branch Secretary, Bob Carnegie and Deputy Branch Secretary, Jason Miners represented the Queensland Branch. Lively discussion took place on several issues including union finances, the proposed merger with the CFMEU and the outcome of the Federal Election to name just three topics of discussion.

The offshore breakthrough EBA with Programmed was discussed as was the very strong probability of a considerable upswing in the offshore oil industry employment opportunities in the new year.

Hopefully this will start easing what has been the worst downturn in living memory in this industry which employs many MUA members.

Qube EBA - Part A

THE MUA NATIONAL Negotiating Committee of Garry Keane, Adrian Evans and Bob Carnegie, (Warren Smith was absent due to surgery) met with Qube for three mornings before National Council and the result has been that Part A is the thickness of a bees wing from being able to go out to members for either their acceptance or rejection, this is after 29 meetings from September last year.

The committee is disappointed at how long it has taken however wording and understanding are key issues and we have to do our very best to get it right.

When we look at how far apart the parties were 12 months ago to where we are now, I think all thinking members would agree considerable progress has been made.

DP World

All DP world members are reminded of an offsite yard meeting being held at the Wynnum Workers Club, 35 Bognor Street, Tingalpa at 12.00 noon on Thursday. Be there or be square ☺

Queensland Branch Family Picnic Day

Members and their families are all welcome to the annual Family Picnic Day being held on Tuesday, November 1 2016 at The Plantation, 1204 New Cleveland Road,

Gumdale, starting at 10.00am. Rides, running races with prizes, face painting, delicious BBQ lunch, ice cream, slides and pools are all on offer. We would also appreciate if members would like to volunteer to assist with set up and pack up on the day. Please contact the Branch if you would like to volunteer and help ensure the day is a great success.

The MUA Supports Buy Australian Act and National Shipping Policy

THE MARITIME UNION of Australia (MUA) has thrown its support behind the Australian Council of Trade Unions (ACTU) Buy Australian campaign that would require all major government projects and services to use locally manufactured goods, such as steel, iron, clothing and equipment. In addition, the MUA passed a resolution saying shipping is an important and strategic industry sector that supports manufacturing, resource and agricultural supply chains, both domestically and internationally.

The ACTU is calling for all Australian political parties to support a Buy Australian Act, which has also been backed by the Australian Workers Union (AWU). An ACTU statement said the Buy Australian Act would generate a trifecta of benefits: jobs for Australian workers, a badly needed boost to the Australian economy and would ensure government projects use safe, Australian made goods. This would ensure jobs are created and maintained locally. It is vital that our manufacturing industry thrives and create much needed development and service jobs, rather than being killed off like Ford this past week.

A similar ‘Buy American’ provision was used by the US Government in 2009 to stimulate the American economy after the Global Financial Crisis (GFC) and continues to operate within the United States government purchasing guidelines. At the height of the GFC the US unemployment rate was 9.7% now it is lower than Australia’s, with youth unemployment in the double digits in some Australian regions.

MUA National Council today passed a resolution moved by MUA Deputy National Secretary Will Tracey

and seconded by Sydney Deputy Branch Secretary Paul Keating supporting the ACTU's call for all Australian political parties to support a Buy Australian Act. "MUA National Council believes that such an Act would help ensure jobs are created and maintained locally, particularly in manufacturing, agriculture/food production and the offshore oil and gas industry, and importantly in the service industries that support manufacturing and transport," the resolution says. "MUA National Council regards A Buy Australian Act as an important part of national procurement policy that should be designed to support the interrelationships between industry sectors and help create investment in essential sectors of the economy.

"National Council notes that shipping is an important and strategic industry sector that supports manufacturing, resource and agricultural supply chains, both domestically and internationally. "The MUA calls on all political parties to ensure that the principle of Buy Australian be applied to purchase of seaborne freight services that are a critical component of manufacturing, resource and agricultural supply chains, particularly in relation to Australian coastal shipping.

"National Council notes that the purchase of foreign shipping services is currently having a negative impact on the Australian Balance of Payments of around \$10B annually, and that Australian coastal shipping is now almost totally under direct foreign control.

"National Council considers this to be detrimental to national security, detrimental to Australian employment, maritime skills supply and job security, and is creating dysfunctionality in Australian freight transport supply chains."

In a statement, ACTU Secretary Dave Oliver said: "We are sick and tired of seeing our jobs being exported overseas, we are sick and tired of seeing cheap, unsafe products being imported into the country and we are sick and tired of seeing exploited, cheap labour being used over local workers." "Prime Minister Malcolm Turnbull needs to stand up for working people in Australia by creating local opportunities for both workers and businesses — a Buy Australian Act would do this."

"Prime Minister Turnbull has promised to create jobs but his poorly negotiated Free Trade Agreements don't even sell off jobs, working conditions and sovereignty, they literally give it all away."

"Basing buying decisions just on accounting principles alone does not factor in the extra value created by ensuring that we have local, stable, well paid jobs. When people have those jobs they drive demand and growth which in turn provides the revenue all Australian governments need for our national health, education and infrastructure."

"The cheapest price today doesn't always mean value for money in the long run. If it is made by exploited workers overseas or robs Australian people of jobs and

business opportunity how much does that discount really cost?" "This is not about limiting trade, this about making sure Australian governments are investing tax payer dollars locally on every major project."

"The Victorian Government recently showed how this policy could work when it awarded the contract to build 20 new trams to the Dandenong manufacturer Bombardier as part of a specific strategy to boost the local manufacturing economy." "In contrast, we have seen the contract to manufacture the Australian Defence Force's noncombat uniforms go to a discounting international competitor, we don't make the paper used in Australian passports anymore, forcing the closure of a paper mill in regional Victoria, and without union pressure the submarines being built in South Australia would have been made entirely overseas."

"Australian lives have also been put at risk by the importation of dangerous building products containing asbestos and a range of other unsafe, substandard goods. Some of these unsafe materials have found their way into hospitals and other places where vulnerable people would be put at serious risk." "This Government needs to put the people of Australia first, rather than the interests of multinationals."

"The Buy Australian Act will ensure Australian families have work, Australian businesses have opportunities to grow and will ensure our infrastructure and services meet the high standards that the Australian people expect and deserve."

AWU National Secretary Scott McDine today said manufacturing workers were right behind the ACTU's proposal for a Buy Australian Act, and the pressure was now on Federal politicians to act. "Malcolm Turnbull has made jobs and growth his political mantra, but under his leadership the Australian economy has flat-lined. "While factories like Ford are closing down, and the major industrials like the Whyalla steelworks are struggling to survive, the Turnbull Government has failed to present a credible plan for how it will create jobs. "The innovation fairy is not going to come along and magically fix everything. We need genuine leadership from government to support local manufacturing and local jobs."

Mr McDine said the steel industry would be one sector to potentially benefit from a Buy Australian Act. "It's galling to see major transport projects being built with low-quality imported steel, when the Australian steel industry desperately needs support. "The Federal Government is a major investor in large-scale infrastructure projects, and so it should be flexing its financial muscles to ensure local steel is used wherever possible.

"A Buy Australian Act would force governments to make sure that the benefits of buying locally are recognised, and that local manufacturers are given every opportunity to fulfill government contracts."

Fears Australia Losing Billions in Liquefied Natural Gas Tax Sparks Calls for Inquiry

<https://www.theguardian.com/australia-news/2016/oct/11/fears-australia-losing-billions-in-liquefied-natural-gas-tax-sparks-calls-for-inquiry>

By Gareth Hutchins
Tuesday October 11, 2016

Australia is set to blow another resources boom, forgoing billions of dollars in potential tax revenue, because its tax regime is failing to collect adequate revenue from the explosion in liquefied natural gas exports, according to a new analysis.

The Turnbull government and Labor are now being lobbied to set up a parliamentary inquiry to investigate why the [petroleum resource rent tax \(PRRT\)](#) is collecting so little revenue.



Origin Energy's Australia Pacific liquefied natural gas facility at Curtis Island in north Queensland. The Tax Justice Network says Australia is set to become the world's largest exporter of LNG by 2021

[The Greens senator Larissa Waters](#) has told Guardian Australia the Greens would support such an inquiry. Researcher Jason Ward, from the Tax Justice Network, has warned that Australia's PRRT is failing to ensure the federal government gets a fair share of revenue from the exploitation of the country's natural resources. He says Australia is set to become the world's largest exporter of LNG by 2021, overtaking Qatar in the Persian Gulf.

But that year, when both countries are each forecast to export roughly 100bn cubic metres of LNG, Australia's government is expected to receive just \$800m in PRRT revenues, while Qatar's government is expected to receive \$26.6bn in royalties.

The problem becomes starker when looking at the trend in PRRT revenue, Ward says.

Greens push to outlaw all mining in Great Australian Bight

Legislation would result in compensation being paid to companies who lose licences as a result of the law. According to the Treasury, in 2005 the government collected \$1.9bn in PRRT and last year that figure fell to \$1.4bn. But it is estimated to fall again – to just \$800m – when Australia becomes the world's dominant LNG exporter by 2021.

Ward says this shows the PRRT – which is a profits-based tax – is ill-suited for modern tax purposes. “I genuinely hope that we can get this parliamentary inquiry up because it's an issue of huge national significance,” he said.

Ward compared the revenues of Australia's PRRT with Qatar's LNG royalties for the International Transport Workers' Federation. He used forecasts by the International Monetary Fund and Qatar government data. He says Qatar either takes a stake in an LNG project or it charges a flat royalty rate on production.

A letter cosigned by 21 union and left-leaning organisations, including the Australian Council of Social Service, the ACTU, Greenpeace, the Australia Institute, ActionAid, GetUp and the Uniting church has been sent to Malcolm Turnbull and Scott Morrison calling for a parliamentary inquiry into the PRRT.

“The undersigned organisations have major concerns about forecasts of declining or stagnant government revenue from the PRRT coinciding with Australia becoming the world's largest exporter of LNG,” the letter says.

“LNG will soon compete with iron ore to become Australia's largest export. However, various analyses show that the primary resource tax on this export, the PRRT, will not collect any new revenue for decades to come.

“The PRRT system, based on voluntary compliance and self-reporting [by gas companies], operates with limited transparency and inadequate oversight. Australians need greater public confidence that they will benefit fairly from the exploitation of our natural resources.”

In 2010 the Henry tax review warned the PRRT “fails to collect an appropriate and constant share of resource rents from successful projects due to uplift rates that overcompensate successful investors for the deferral of PRRT deductions”.

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