

Blue Water Report

Federal Council 2019



Prepared by

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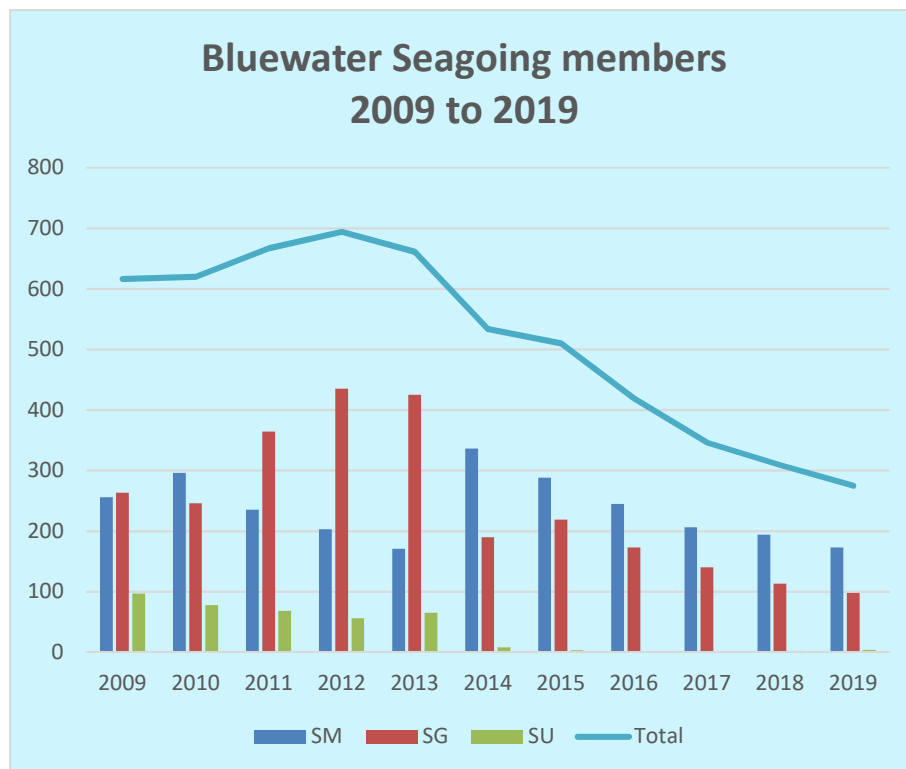
With contributions from

Martin Byrne, Federal Secretary

Brendan Matthey, National Organiser

Membership Summary

Unfortunately the membership in the Blue Water sector has continued to fall and the rate of decline, while less than experienced in 2016/17, has been similar for 2018/19 to that experienced in 2017/18. Much of the decline in 2018/19 can be attributed to the loss of the Teekay BHP ships *Lowlands Brilliance* and *Mariloula* and the resulting redundancies. The major areas of membership continue to be the Bass Strait, the Gas carriers, the Gladstone RTM bauxite carriers and Government contract and research vessels. Potential areas for growth exist in the Department of Home Affairs Border Force vessels and the emerging wellboat industry in Tasmania. There is potentially some scope in Ferries as Sealink continue to expand and introduce new vessels such as the Bruny Island Ferry service in Tasmania. The immediate threat to Bluewater membership is the continuing use of foreign Engineers, temporary license vessels and Federal Government visa policy.



Industry Overview

The Australian shipping industry continues to suffer from bad Government policy. The Temporary Licence system which was established in 2012, has now seen over 15,000 coastal voyages conducted by foreign flag ships operated by foreign crews. The coastal cargoes are still there but they are not being carried by Australian ships with Australian crews. The most

recent reported statistics demonstrate that the Weipa to Gladstone route continues to be the number 1 route for coastal freight by a very large margin. The number 1 route, based on weight, for temporary licences is Gove to Gladstone. The LNP Coalition Government has repeatedly demonstrated that it will not do anything to turn this situation around. It remains to be seen whether the QLD Parliamentary Inquiry into a sustainable Queensland intrastate shipping industry will result in any improvements. Federal Councillor Peter Toohey and National Organiser Brendan Matthey appeared before the inquiry and made excellent submissions taking the Committee through the differences between Australian working conditions on ships compared to foreign ships and the importance of coastal trading to Queensland employment. On the back of the Qld Inquiry and the concerns about the 4 Australian manned vessels on the Weipa to Gladstone route, high level meetings with Rio Tinto and AIMPE President Martin Byrne and AMOU Executive Director Mark Davis, were organised. The great positive of those meetings has been the assurances received that the 4 Australian manned vessels are not under threat and this has provided some relief to the Enterprise Agreement negotiations.

The number of Australian flag LNG tankers remains at 4, with attempts to reduce this number being halted for now. Arbitration has produced a good outcome that means Australian crews will need to be employed on 4 tankers providing security out until 2024.

The existing jobs and conditions within the Blue Water sector remain under constant attack. Teekay Shipping Australia continues to pursue a strategy of reduced conditions referred to as “the new normal”. The ASP EA negotiations have seen ASP reacting to this market place change. The ASP Agreement has been split into 3 Agreements with the *Spirit of Tasmania* vessels having their own separate TT Line Agreement and the RV *Investigator* now having a Joint Officers Agreement. The RTM vessels will now have their own Agreement by virtue of the other separate fleet Agreements. The new TT Line Agreement was hard fought and common conditions on board now extend to Engineer Officers. The additional leave that has been obtained will result in more jobs for AIMPE members. Negotiations for the next Searoad EA have commenced. A number of issues have arisen with the new *Mersey II* in relation to work load and hours of work. This has been exacerbated by the extra work involved with Gas Commissioning. In the negotiations Searoad failed to recognise the issues and have adopted the position that they are not EA matters. These matters have now been put to Searoad in a Dispute Notification. As Searoad don’t want to address the matters in EA negotiations they will therefore be addressed via the Dispute Resolution Procedure and may well end up in the Fair Work Commission. In relation to Toll Shipping, the new vessels are settling in and a 12 month Roll Over Agreement is close to being finalised. AIMPE continues to be successful in blocking the move to dry ships even with the introduction of the new vessels. The P&O Aurora Australis Enterprise Agreement is being negotiated with the emphasis being on the expected redundancies in 2020. The *Aurora Australis* is to be replaced by the RSV *Nuyina* [pronounced NOY EN YA] in 2020 and operated by Serco. Serco have initiated negotiations for a Greenfields Agreement based on the mature *Aurora*

Australis conditions with the exception being a desire for 1:1 leave in place of 1:1.25 as they are confident that the vessel can operate 300 days per year and acquire additional research work outside the normal ice season. The manning for the new vessel will comprise an engineering compliment of 8 per swing being Chief Engineer plus 4 Engineers, 2 ETO's and 1 cadet. This will represent a significant increase of permanent employees to the current 7 at P&O. The immediate future of the *Aurora Australis* is uncertain as the Antarctic Division requires some contingency in case of any further delays to the arrival of the *Nuyina*. It remains a possibility that the *Aurora Australis* will have its charter extended.

Current EA's

ASP

- **ASP Ship Management/AIMPE Engineers Enterprise Agreement 2013** (Main Fleet)

Expired 8 May 2017

Applies to: RTM *Wakmatha*; RTM *Piiramu*; RTM *Weipa*, RTM *Twarra*

This EA has been the subject of disputes and the desire of members to split the 'fleets' into separate Agreements. The Spirit of Tasmania vessels now have their own Agreement (see below) and the *Investigator* also has its own agreement (see below). The major issues with this EA have been the claim by ASP for the redundancy cap of 78 weeks. ASP have agreed to grandfathering the current entitlement for any employee currently above 19.5 years of service While the *Spirit of Tasmania* and *Investigator* members were not concerned at the prospects of their vessels departing the coast due to their Government ownership, the thoughts of some members on the RTM vessels has been different. Some members on these vessels have come from the *Lindsay Clark* and the *Portland* so have recent experiences with redundant ships. The demise of the BHP vessels also left them feeling vulnerable. The outcomes of the meetings with Rio Tinto have provided some relief to those concerns. The original concern that gave rise to the disputes was the accelerated service step issue. ASP have agreed to apply the accelerated service steps to Engineers on the RTM vessels.

- **ASP SHIP MANAGEMENT/AIMPE ENGINEERS (TT-LINE FLEET) Enterprise Agreement 2017**

Expired 31 July 2019

Applies to: *Spirit of Tasmania I & II*

A separate TT Line Enterprise Agreement was approved by FWC on 4 February 2019. The major outcome has been the achievement of additional leave. 1:1.166 and 2% wage increases backdated to 1 August 2017. The EA also includes a capped redundancy at 19.5 years (78 weeks) and grandfathering for any employee currently above 19.5 years of service; Airline lounge membership or \$500 – individual choice; Reimbursement of Gym Membership; Flexibility in Superannuation to meet Cap requirements – min 9.5% at all times; Inclusion of Family and Domestic Violence Clause; Additional 2 Days Compassionate leave – not accrued; Leave for Monthly Day Meetings; Job Share arrangements; Transition to Retirement Job Share arrangements that includes a 6 weeks golden handshake.

- **ASP Ship Management/RV Investigator Officers Enterprise Agreement 2017**

Expires 31 July 2021

Applies to: *RV Investigator*

Following the settlement of the TT Line separate Agreement the members on the *Investigator* requested their own separate Agreement. This Joint Officers Agreement was finalised as a Nautilus Federation of Australia project. Joint meetings of Officers have occurred on board and these proved to be very productive. The Agreement includes: 2% pa wage increase from 1 August 2017; Accelerated Service Steps to 4 in 2019 and 8 in 2020; 0.5% bonus to move Service Step increment from Feb to August; Back pay of Wages to 1 August 2017; Dispute Settlement Clause contains ability for FWC Arbitration; Redundancy cap of 78 weeks. Existing entitlements above this cap will be grandfathered; Fitness for Work and annual Medical allowance for personal health check up; Airline lounge membership or \$500 – individual choice; Flexibility in Superannuation to meet Cap requirements – min 9.5% at all times; Inclusion of Family and Domestic Violence Clause; Additional 2 Days Compassionate leave – not accrued; Leave for Monthly Day Meetings; Job Share arrangements; Transition to Retirement Job Share arrangements including the 6 weeks golden handshake.

- **ASP Ship Management Gladstone Bunkering Facility Agreement 2015**

Expires 30 June 2018

Applies to: *MV Larcom*

Bunker Barge MV Larcom was previously run by IBS (International Bunkering Services) but has now been handed to BP although it is still manned and owned by ASP.

There have been 4 meetings so far to renew current EBA. Negotiations are at the final stage with a draft on the table just awaiting final perusal by the parties.

Searoad

- **AIMPE / Searoad Shipping Engineers Officers Enterprise Agreement 2017**

Expires 1 August 2018

Applies to: *Searoad Tamar* and *Searoad Mersey II*.

The negotiations for the EA have been progressing slowly. Unfortunately the major issues for Engineers have been the hours of work and workload issues. Some of these issues relate to the changeover to gas and the recent gas commissioning process has exacerbated the hours issues. These issues were originally raised as priority issues in the EA negotiations but Searoad dismissed them as “not EA matters”.

The gas commissioning project was stopped by the Engineers onboard the *Mersey II* due to safety concerns and is currently not safe to operate. The issues with the safety relief valves are still several weeks from being resolved.

In relation to the manual handling issue, whereby 83kg Nitrogen cylinders need to be lifted 100mm, Searoad have supplied a trolley but this does not address the lifting issue. These issues have been the subject of several ship visits and onboard industrial meetings.

Too add salt into the wounds Searoad have recently issued a memo from the Chief Financial Officer announcing that onboard cash payments will cease as of July 1 2019. The allowances in question are the joining and leaving allowances plus taxi money. These allowances were a subject matter in the EA negotiations.

In relation to all matters members are seeking a resolution via the Dispute Settlement Procedure.

Toll Shipping

- **Toll Shipping AIMPE Enterprise Agreement 2015**

Expired: 31 March 2019

Applies to: MV *Tasmanian Achiever II* and MV *Victorian Reliance II*.

With the new Toll vessels arriving in February 2019 Toll proposed to roll over the existing Enterprise Agreement for 12 months with a 2.5% wage increase. AIMPE members agreed that a 12 month roll over was a good idea to enable any issues with the new ships to emerge. However AIMPE members are seeking a 3.5% wage increase for the roll over. Discussions continue to settle this point. The next full EA negotiations will need to address the issue of the exhaust scrubbers. It is estimated that an additional engineer will be required to maintain and operate the system. Viva has indicated that they will be able to supply a low sulphur product that may negate the need to operate the scrubber system. One surprising issue with the new vessels is that the *Tasmanian Achiever II* is experiencing severe vibrations. This issue did not arise during its sea trials and is not occurring on the *Victorian Reliance II*.

P&O Maritime

- **P&O Maritime Services Engineer Officers Enterprise Agreement 2014**

Expired: 30 June 2018

Applies to: *Aurora Australis*

Negotiations are progressing towards a new Enterprise Agreement for the *Aurora Australis* which will be the last Agreement for this vessel. The *Aurora Australis* is to be replaced by the RSV *Nuyina* in 2020 and operated by Serco. The agreed items include a 4 year Agreement, 2.5% salary increases per annum; Long Service Leave pro rata after 5 years and paid training opportunities to enhance their future job prospects. The major issue on the *Aurora Australis* is the uncertainty around the potential redundancies in 2020. There is a possibility that the AAD will extend its charter from between 12 months and 5 years. The reason for this is that there is no plan B if the *Nuyina* arrival is delayed into the start of the 2020 Ice season. P&O have made an offer to settle the grounding allowance. There had been issues as to whether individuals needed to make claims outlining their additional work efforts or whether a group claim based on working in a compromised Engine room was sufficient. P&O have accepted the group claim.

- **Carpentaria Shipping Services Pty Ltd AMOU and AIMPE Enterprise Agreement 2014**

Expired 22 December 2018

Applies to MV *Aburri*

AIMPE membership has risen to 12 members with the workshop staff joining AIMPE. Fitters are required to have a MED qualification. AIMPE now has the largest membership on this vessel/site. There have been approx. 5 EBA negotiation meetings so far (One on site). CSS refuse to give anything in the first 4 meetings but have now started to loosen the purse strings a little. Members are prepared for Protected Industrial action and have FEX authorisation to do so.

- **P&O Maritime :MV Wunma**

AIMPE has convinced P & O to include it in negotiations for a replacement agreement to replace the existing non-union agreement. AIMPE now has 3 members on board.

INCO Shipping

Negotiations continue for an Enterprise Agreement with Inco Shipping. Inco have proposed a Joint Officers Agreement and meetings between Inco, AIMPE and the AMOU occurred. The contentious issue is the desire of Inco to have the Melbourne bunker vessel become a live on-board vessel. For this to occur the vessel will require substantial upgrades to cabins and facilities. Inco have indicated that it is now unlikely for this to happen with the current vessels. The quantum of the pay rises and the parity between Chief Officer and 1st Engineer are the major outstanding issues.

Teekay Shipping Agreements

There have been several Agreements with Teekay under negotiation during the last 12 months. The first Agreement for the new naval training vessel the MATV Sycamore was finalised and approved by the Fair Work Commission after the company's first version was rejected by AIMPE members voting No. This was a battle because Teekay have been determined to impose their so-called "new normal" on employees. This has included reduced superannuation [SGC minimum of 9.5%], reduced redundancy [NES minimum only] and removal of Loss of Certificate of Competency and delayed pay increases. The No vote by the Sycamore members forced Teekay back to the table and we were able to secure 13% superannuation, acceptable pay increase schedule and Loss of Certificate of Competency re-inserted. AIMPE also secured important training undertakings outside the formal agreement

covering Kongsberg and Caterpillar training courses. The revised agreement was voted up by the members in September and approved by the FWC just prior to Christmas 2018.

Dry Cargo negotiations had been stalled with the parties only apart to the extent of 1% in the pay rises (9% vs 10% - over three years). However, the three year pay freeze and the state of negotiations in the Steelworks [shore unions also seeking 10% over 3 years] meant that the Agreement had not been concluded. Several visits to Lowlands Brilliance and Mariloula in Port Kembla had kept the members up to date and involved in the process.

Then in January Teekay advised that BHP was going to terminate the contracts which underpinned the operations. This led to many weeks of intense activity. There were meetings with Bluescope involving the three maritime unions and the ACTU as well as the AWU. The announcement also attracted a response from Opposition Leader Bill Shorten which saw him commit to support for more Australian ships and more Australian seafarers' jobs. Visits were quickly arranged to talk with members on both ships in Hong Kong and northern China. In the end there were redundancies for all the crews involved. Redundancy entitlements were paid out in full and then some. The Dry Cargo Agreement was settled on the 9% terms just prior to the termination of the crews and the implementation of the redundancy packages. The Teekay AIMPE Dry Cargo Agreement will continue to deliver the employment conditions for members working for Teekay on the Ocean Shield.

This was a bad end to a long trade in iron ore from Hedland WA to the NSW steelworks. Of course, Temporary Licences continue to service the trade with foreign crewed ships.

The FSO Dampier Spirit Engineers Agreement has also been re-negotiated during the course of the 2018-19 period. There was an extended arm-wrestle over the stated desire of the customer Jadestone to see pay cuts and to see the removal of the FSO allowance. After beating off this claim it was agreed by the members that 2% p.a. was a good outcome. The final Agreement was voted up by the members in March and filed with the FWC in April. As at time of writing it is still awaiting approval from the FWC.

One Teekay crewed vessel without an up to date Enterprise Agreement is the Ocean Protector. There have been several meetings but it has not been possible to resolve the Agreement. AIMPE has a range of outstanding issues but a major item is the workload stress issue of the lack of a dedicated ETO on one swing. The previous operator of the vessel [DOF] had an ETO on both swings. Teekay has added ratings above the DOF crewing level but removed an ETO. This is causing great workplace stress due to increased workload. This is a major problem.

NWSSCo LNG Tankers

The future of the 4 Australian flag LNG tankers and their Australian crews has been secured out until 2024 following an extended process involving AIMPE & AMOU with the employer Trident LNG, the Joint Venture representative company NWSS Co and the CFMMEU.

AIMPE's Federal Executive decided in July 2018 to re-engage with the COA process after a period of stand-off. The COA Arbitrator convened a meeting in October which saw the companies continue their push to reduce the number of Australian tankers and Australian crews as soon as 2019. The unions resisted this push and instead visited the ships and reported to members on our intention to fight the issue. This received solid support from members.

The officer unions were targeted by Trident with an argument about officer shortage concerns however we countered this forcing the company to provide updated gradings lists and alerting unemployed members to the possibility of casual work opportunities. The officer unions also rejected the company attempt to create a stampede for the exit with a heavily biased survey questionnaire. AIMPE advised members not to respond and instead produced an alternate survey and put the matter into dispute before the Arbitrator. After conciliation proceedings the company was directed to use the Institute survey.

By December the dispute was before the Arbitrator in a formal arbitration hearing. AIMPE and AMOU made joint submissions. The Arbitrator issued a decision which effectively meant that the 4 Australian crews would have to be employed until there were only 4 tankers left.

Even after the Arbitrator's decision the companies were still trying to argue that they were so worried about a shortage of officers that they had to make contingency plans. There were further meetings in January and February 2019 brought on by the companies. Subsequently, the results of the balanced survey showed that the overwhelming majority of the crews want to stay in employment as long as possible.

Then at the end of March the announcement was finally made that the companies were not going ahead with the sale of the Northwest Stormpetrel and the 4 Australian flag ships would stay.

Now that the employment situation is resolved, there will need to be negotiations to renew the Enterprise Agreements that are all expired.

Blue Water Ship Visits 18/19

Date	Vessel	Port	AIMPE Official
13 June 18	RTM Wakmatha	[Gladstone]	N. Niven
28 June 18	RTM Twarra	[Gladstone]	G. Yates
29 June 18	Aurora Australis	[Hobart]	N. Niven
5 July 18	Spirit of Tasmania II	[Melbourne]	N. Niven
25 July 18	Aburri	[Bing Bong]	B. Matthey
27 July 18	Searoad Mersey II	[Melbourne]	N. Niven
30 July 18	Spirit of Tasmania I	[Melbourne]	N. Niven
1 August 18	Spirit of Tasmania II	[Sydney]	N. Niven
2 August 18	Searoad Tamar	[Melbourne]	N. Niven
3 August 18	Toll Vic Reliance	[Melbourne]	N. Niven
7 August 18	RTM Twarra	[Gladstone]	N. Niven
8 August 18	MV Larcom	[Gladstone]	N. Niven
9 August 18	RTM Wakmatha	[Gladstone]	N. Niven
17 August 18	RTM Piiramu	[Gladstone]	N. Niven
24 August 18	Lowlands Brilliance	[Port Kembla]	S. Littlewood & M. Byrne
28 August 18	RV Investigator	[Hobart]	N. Niven
30 August 18	RTM Weipa	[Gladstone]	N. Niven
4 October 18	Ronja Huon	[Port Huon]	N. Niven
5 October 18	Aurora Australis	[Hobart]	N. Niven
18 October 18	Northwest Stormpetrel		M. Byrne
24 October 18	Toll Vic Reliance	[Melbourne]	N. Niven
25 October 18	Toll Tas Achiever	[Melbourne]	N. Niven
31 October 18	RTM Wakmatha	[Gladstone]	G. Yates
19 November 18	RV Investigator	[Hobart]	N. Niven
20 November 18	RV Investigator	[Hobart]	N. Niven
21 November 18	LNG Tanker	[Karratha]	M. Carroll
22 November 18	Searoad Tamar	[Melbourne]	N. Niven
23 November 18	Searoad Mersey II	[Melbourne]	N. Niven
13 December 18	Searoad Tamar	[Melbourne]	N. Niven
14 December 18	Searoad Mersey II	[Melbourne]	N. Niven
18 December 18	Toll Tas Achiever	[Melbourne]	N. Niven
19 December 18	Toll Vic Reliance	[Melbourne]	N. Niven
20 December 18	Lowlands Brilliance	[Port Kembla]	S. Littlewood
27 December 18	Northwest Snipe	[Karratha]	M. Byrne & M. Carroll
27 December 18	Northwest Sandpiper	[Karratha]	M. Byrne & M. Carroll
2 January 18	Northwest Stormpetrel	[Karratha]	M. Carroll
3 January 19	Toll Tas Achiever	[Melbourne]	N. Niven
4 January 19	Toll Vic Reliance	[Melbourne]	N. Niven
9 January 19	Ronja Huon	[Huon River]	N. Niven
10 January 19	Aurora Australis	[Self's Point]	N. Niven
11 January 19	RV Investigator	[Hobart]	N. Niven
11 January 19	Aurora Australis	[Hobart]	N. Niven
11 January 19	Northwest Snipe	[Karratha]	M. Carroll
15 January 19	ICS Reliance	[Melbourne]	N. Niven
15 January 19	Mariloula	[Hong Kong]	S. Littlewood

16 January 19	MV John Duigan	[Geelong]	N. Niven
23 January 19	Spirit of Tasmania II	[Melbourne]	N. Niven
25 January 19	Searoad Mersey II	[Melbourne]	N. Niven
25 January 19	Lowlands Brilliance	[Dandong, China]	S. Littlewood
29 January 19	ICS Allegiance	[Gore Cove, Syd]	N. Niven
31 January 19	Searoad Tamar	[Melbourne]	N. Niven
8 February 19	Toll Tas Achiever	[Melbourne]	N. Niven
12 February 19	Toll Vic Reliance	[Melbourne]	N. Niven
12 February 19	Toll Tas Achiever II	[Melbourne]	N. Niven
17 February 19	Toll Tas Achiever II	[Burnie]	M. Byrne
22 February 19	Toll Vic Reliance II	[Melbourne]	N. Niven
24 February 19	Toll Tas Achiever II	[Melbourne]	NN, MB, Ian McA, MB
28 February 19	RTM Piiramu	[Gladstone]	G. Yates
6 March 19	Northwest Stormpetrel	[Karratha]	M. Carroll
8 March 19	RV Investigator	[Hobart]	N. Niven
19 March 19	ICS Reliance	[Melbourne]	N. Niven
27 March 19	Searoad Mersey II	[Melbourne]	N. Niven
28 March 19	Searoad Tamar	[Melbourne]	N. Niven
8 April 19	Searoad Mersey II	[Melbourne]	N. Niven
10 April 19	Aurora Australis	[Melbourne]	N. Niven
18 April 19	Northwest Stormpetrel	[Karratha]	M. Carroll
24 April 19	Northwest Snipe	[Karratha]	M. Carroll
9 May 19	Ronja Huon	[Huon River]	N. Niven
10 May 19	Aurora Australis	[Hobart]	N. Niven
17 May 19	Searoad Mersey II	[Melbourne]	N. Niven
29 May 19	RTM Piiramu	[Gladstone]	G. Yates

