

# AIMPE

Annual General Meeting 2019



## FEDERAL PRESIDENT'S REPORT

*Written by Martin Byrne*

Dear AIMPE members,

The Annual General Meeting of the Australian Institute of Marine and Power Engineers for 2019 occurs at a point in history when the employment of AIMPE members has been shrinking for five years. Weak cabotage laws have allowed foreign flag ships with foreign crews to control an increased share of Australia's coastal cargoes. Temporary work visas issued by the Immigration Department have allowed foreign workers to occupy senior roles on foreign flag vessels in the Offshore, Dredging and other sectors of the Australian maritime industry to the exclusion of Australian officers. Our industry has lacked effective policy support from Governments since the 1990s.

The outcome of the Federal election on 18<sup>th</sup> May makes it likely that there will be no major change in policy relating to coastal trading or the maritime industry more generally. AIMPE will seek to persuade the Coalition of the merits of the 5-point plan for Maritime Australia - which was the basis of our submissions to the Senate Committee earlier this year. It would however, be unwise to expect a sudden shift away from the existing policy settings which favour foreign ships with foreign crews. Foreign workers on Temporary Visas will also remain a threat for AIMPE and our AMOU colleagues. In these circumstances AIMPE will need to adjust our operations so that we are living within our means.

Meanwhile the following report highlights the activities of the Federal Executive over the last 12 months.

## **1. Communications with members**

Improving communications with members has been a priority for the Federal Executive. The 2018 Federal Council decided to establish an **Official AIMPE Facebook** page and this has subsequently been supported by the Federal Executive and implemented by Sean 'Paddy' Francis.

Federal Executive also decided to commence a new **monthly email letter** direct to members. This was proposed by Mark Jones and received unanimous support from the Executive. The monthly letters have been emailed to all financial AIMPE members who have provided the AIMPE with their current email address.

Another step down the path of digital communications was taken when Head Office administration started directly **emailing fees reminders** to members who were overdue with their payments. This replaced the printing and posting out by snail mail of payment reminders which was a time-consuming task.

Long-term On Watch Editor Phil Olsen proposed an extra **online edition** of the AIMPE magazine for Federal Election. This was a short edition which highlighted the maritime policies of the major parties.

## 2. Relations with AMOU

The Federal Executive has continued the strategic alliance with the Australian Maritime Officers' Union during 2018-19. The **Nautilus Federation of Australia** was first approved in principle by the 2017 AIMPE Federal Council and re-affirmed in 2018. Subsequently the Federal Executive approved the signing of a revised MOU between the two officer unions. A copy of the MOU is attached for reference.

The practical matter of implementation of the **co-location** process has gone a long way. In Melbourne the AMOU have had a staff member working out of AIMPE's offices since July 2018. Likewise, in WA AIMPE has had a staff member working out of the AMOU's Fremantle offices also since July 2018. In Sydney a lease was signed with the AMOU covering the ground floor and first floor of AIMPE's building in Surry Hills. AIMPE has also proposed a lease for the second AIMPE unit in Bowen Hills Brisbane.

During 2018-19 there have been a number of meetings of the Nautilus Federation of Australia **Operations Committee** which comprises two senior representatives from each union. At the January AMOU Executive Council meeting I presented the draft Maritime Australia plan which the AMOU then endorsed.

In October 2018, an approach was made on behalf of both unions to the President of the Fair Work Commission to discuss the working arrangements for the two unions into the future.

Joint AIMPE-AMOU meetings have taken place in a number of areas where previously meetings have been held separately. Joint AIMPE – AMOU representation has also taken place after due authorisation. At the most recent meeting of the Operations Committee a decision was taken to commence preparation of a Joint Operations Agreement to address these approaches to closer co-operation. This Agreement will be subject to endorsement by the two unions' respective governing bodies.

## 3. Political lobbying

AIMPE expenditure on political donations has fluctuated over the years – largely because of the fluctuating Federal election cycle while AIMPE's lobbying expenses have been far more consistent over the same period:

	<b>Political donations</b>	<b>Lobbying</b>	<b>Total</b>
2014-15	\$6,577	\$107,684	\$114,261
2015-16	\$123,240	\$95,061	\$218,301
2016-17	\$15,400	\$87,458	\$102,858
2017-18	\$18,909	\$74,341	\$93,250

The budget approved by Federal Council in June 2018 for 2018-19 provided for \$20,000 for political donations and \$57,000 for lobbying. In February 2019 the Federal Executive decided to increase the budget for donations to \$40,000 and the lobbying budget to

\$67,000. This was a combined increase of \$30,000. So, the total of donations and lobbying was increased by Federal Executive from the \$77,000 approved by Federal Council to \$107,000. It must be acknowledged that AIMPE's Director of Government Relations Mr Michael Bakhaazi has done remarkably well with this budget.

Clear outcomes include:

- Blocking the L-NP legislation to loosen the existing weak cabotage laws and extend Temporary Licences into the Offshore sector;
- Preventing the L-NP legislation which would have abolished the Seacare Authority and rolled the Seacare scheme into Comcare;
- Stopping the L-NP regulations which could have required seafarers to prove up to 5 years exposure to carcinogens before getting compensation cover;
- Securing the appointment of Mr Chris Blackmore to the NOPSEMA Board;
- Ensuring the re-appointment of Mr Peter Toohey to the AMSA Board; and
- Winning the appointment of Senior National Organiser Mr Nathan Niven to the Seacare Authority (with Mr Jarrod Moran of AMOU as his Deputy).

Mr Bakhaazi also facilitated the visit of Opposition Leader Mr Bill Shorten to meet with the AIMPE Federal Executive in October 2018 for a discussion about cabotage. He also arranged many meetings for me in Canberra with various politicians including Deputy PM Mr Michael McCormack, Shadow Treasurer Chris Bowen (ALP) Tasmanian Independent Mr Andrew Wilkie, Senator John Williams (Nationals) and many others.

#### **4. Shipping and maritime industry**

The Bluewater shipping industry is a cornerstone of the Australian maritime industry despite the years of decline especially since the 1990s when all of the policy supports underpinning the industry were removed. Shipping historically performed a crucial role in providing the training ground for generations of Australian Marine Engineers. This is one key reason why AIMPE has put energy into reviving the Australian flag shipping sector.

The **Maritime Australia plan** adopted by the AIMPE Federal Executive (and endorsed by the AMOU) is not just a plan for Australian Shipping. The key change to the Shipping Registration Act would apply to all sectors including shipping, offshore and towage but also other sectors such as aquaculture. AIMPE's Maritime Australia plan was the basis of AIMPE's submission to the Senate Committee Inquiry into Shipping Policy which has subsequently been published in On Watch for all members to read.

Turning to specific Federal Executive actions, one of the early decisions was to authorise re-engaging with the **North West Shelf Project**. In December 2018 there were arbitration proceedings before the COA Arbitrator. AIMPE prepared written submissions which were endorsed by the AMOU and the result was a successful arbitration decision. On current expectations there will be 4 Australian flag, Australian crew LNG tankers until 2024.

The Federal Executive also took a decision in August 2018 to reverse the previous position of giving notice of withdrawal from the **Inpex** Dispute Settlement Procedure. One major

reason for taking this decision was because it was disadvantageous to members in the offshore sector. The Inpex arrangement includes a significant annual training budget.

There was a shock in January when **BHP** terminated the contracts underpinning the operation of the dry bulk ships Mariloula and Lowlands Brilliance. AIMPE was able to secure redundancy benefits for Teekay members, but the loss of further Bluewater shipping jobs was a big blow to the industry. BHP's action did provide a catalyst for the Opposition Leader Bill Shorten to make a number of positive public statements about Australia's need for more Australian flag ships and more jobs for Australian seafarers but after the election result, he is not in a position to do anything about it.

February brought better news in the Bass Strait trade with the introduction of **Toll Shipping's** two new ships Tasmanian Achiever II and Victorian Reliance II. Perhaps the only concern about the two new ships is how the scrubber systems will perform come January 2020 when the stringent new IMO emissions regulations come into force.

AIMPE and AMOU had joint meetings with representatives from **Rio Tinto** in March and May about the coastal shipping task for the company. Rio's shipping task has grown since it took over Alcan's Gove operations. Rio Tinto is now responsible for a greater volume of coastal cargo per annum than any other company.

## **5. Union Governance and Administration**

The new Federal Executive held 11 regular meetings from July 2018 to May 2019. There were 4 face to face meetings and 7 teleconferences. Notice of the meeting dates was provided to all Branches through the Branch Secretaries. The purpose of the regular meetings has been to enable Executive members to more effectively carry out their responsibility to govern the affairs of the Institute between meetings of Federal Council.

A two-day **planning meeting** was held in January to map out the schedule for the year ahead.

The internet based-MYOB software has been introduced as one of the first changes under the new Federal Treasurer Mr Ian McAllister.

The Federal Executive has also approved and implemented AIMPE joining the **Member Advantage** discount program. This is not directly part of the recruitment program but access to the Member Advantage program can be an incentive to remain a member. The Member Advantage scheme has been posted on the AIMPE website.

In November 2018 the **Registered Organisations Commission (ROC)** wrote to AIMPE advising that:

It has been alleged that resources of the AIMPE are being used for the purposes of campaigning in the election.

After the investigation, the ROC found that there was no basis for it to take any action against AIMPE as there was no evidence that AIMPE had used its resources to favour a candidate in an election.

Subsequently, at the next Federal Executive meeting the new AIMPE **Privacy Policy** was adopted. The policy can be found on the AIMPE website. Thanks to Sean Paddy Francis for his assistance in preparing the new Privacy policy.

At the Federal Executive meeting in July 2018 a review of the portfolio responsibilities of all industrial staff was initiated with a view to ensuring a more comprehensive summary of duties and functions. There was one senior staff member who disputed the method of consultation adopted in this process of review of portfolio responsibilities. Senior Vice President Derek MacLucas chaired a dispute conference and successfully resolved the matter.

The 2018 Federal Council referred proposed **rule changes** to the Federal Executive. After considering the proposals Federal Executive decided to progress seven specific changes by the postal ballot method set down in the AIMPE rules. Six of these seven rule changes were approved by the Federal Councillors by postal ballot. The remainder of the proposals will be discussed at the 2019 Federal Council in Sydney together with additional proposals that have been received.

## **6. Recruitment campaign**

Following four years of declining AIMPE membership the Federal Executive decided to initiate a recruitment campaign. Part of the problem is definitely due to the slump in the Offshore sector. But there is also a real problem of a reduction in the proportion of Australian Marine Engineers who are full financial members of AIMPE.

AIMPE membership in Shipping, Offshore and Dredging has dropped to 585 in 2018-19. Seacare statistics show there were over 1,000 Engineers employed in these sectors in 2017-18, there are apparently over 400 seagoing Engineers not in AIMPE or not paying Seagoing fees. At \$1,856 p.a. Seagoing fees 200 members would contribute \$371,200 p.a. to AIMPE revenue. 300 members would contribute \$556,800 to the bottom line.

The first decision about recruitment taken by the Federal Executive was to approve a new vessel visiting form. The second decision was to instruct all industrial staff to liaise with HO Administration Officer to obtain a member list in their portfolio areas, prior to vessel visits. The third decision was to approve a proposal for an improvement to the AIMPE App which has enabled authorised officials to access part of the database to verify current membership status of an individual. Thanks to Councillor Monty Woolley for carrying through with Sitesuite to implement this modest change (cost \$1,600).

The recruitment campaign has had some success. Most of the AIMPE Organisers have submitted the report forms following their workplace visits and this has been having a positive impact on membership. Over 60 separate visits have been undertaken by organisers – although almost half have been carried out by just one person - and some

have submitted no reports. The Organisers have identified Engineers on vessels who are not members and picked up members who are at sea but not in the Seagoing category. A targeted recruitment effort among AMSA surveyors has also met with success significantly increasing AIMPE membership from a small base.

However, the overall statistics still show that membership numbers have not increased. More work needs to be done to restore AIMPE membership levels

The organisers have been supported in this task by HO Administration Officer Carol Godfrey who has produced a simple instructional presentation and also performed member checks. Some of the Organisers are now using the AIMPE App to do their own status check on Engineers who they meet during visits.

## **7. International Matters**

The International Transport Workers Federation (ITF) 2018 Congress was held in Singapore from 14<sup>th</sup> to 20<sup>th</sup> October. AIMPE was represented by Martin Byrne and Ian McAllister. The Congress is the meeting of the affiliated transport unions from around the world which up until now has taken place once every four years. In future it will be held once every five years.

Discussion about cabotage at the Seafarers Section Conference was disappointing. Representatives from Greece and Brazil tried to have a motion supporting the strengthening of cabotage adopted but it was referred to a Committee instead. Any improvements in cabotage will be largely up to affiliated unions in each country to pursue.

The Joint Seafarers and Dockers Conference meeting approved the new membership of the ITF Fair Practices Committee (FPC). I was confirmed as the Australian seafarers' representative on the FPC.

Another relevant meeting at the ITF Congress was the Inland Navigation Section Conference. This Section covers tugs as well as riverboats. This is a smaller section but has some importance for us in relation to our tug membership. During the meeting health and safety was identified as a priority issue along with tugboats. AIMPE asked the ITF's John Whitlow whether IMO / STCW fatigue provisions could be extended to cover tugs. His answer was an emphatic no.

## **8. Conclusion**

The AIMPE Federal Executive has worked diligently and constructively during 2018-19 and has effectively discharged its duty to govern and exercise general supervision over the affairs of the Institute. I thank them for their support and assistance during the year.

I also thank the Institute staff who have embraced the changes that the Federal Executive has implemented.

During 2019-20 members can expect that the Federal Executive and Institute staff will continue to work tirelessly to commence the revival of the Australian maritime industry – for the benefit of AIMPE and its members.

**Martin Byrne**  
**Federal President.**

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