

Our island nation must right the ship on sea power

Josh Wilson

It shouldn't be easy to forget that Australia is an island, yet modern communication and transport makes it so.

The jetliner, the internet and 21st century freight logistics create the impression that we are not separated from the rest of the world by vast oceans.

The reality is we live an island existence whose brute realities we ignore at our peril.

As the biggest island in a region of archipelagos, our lifeblood is the sea and our lifeline is shipping.

Our connection to the rest of the world depends not on the internet or flight paths but on ports, sea lanes and ships.

Without a sovereign shipping capacity, our economy and security is at risk, and we cannot properly support our Pacific neighbours, especially in times of crisis.

Maintaining an effective maritime capability requires naval capacity, an Australian merchant marine, a shipbuilding and sustainment industry and, of course, a skilled workforce and training framework.

In all of those areas we are at a low ebb. There is an opportunity to make sure the current defence shipbuilding program delivers naval ships that are fit for purpose while revitalising an industry with clear export potential.

Already there indications we're not doing enough to ensure Australian industry participation or design control.

The Government has decided to put money into an export "sales team" but should be focused on the quality of the product and sovereign control of the manufacturing process.

When it comes to Australian-flagged shipping and seafarers, we are in crisis and this state of affairs makes us both vulnerable and impotent. It leaves us at risk of environmental disaster with ships and pilots unfamiliar with our coast. It costs jobs and destroys our skills base. It prevents us being masters of our own destiny.

Senator Jim Molan is right to point out that our defence capability must include a functioning merchant marine but he joins a Government that has pushed regulatory changes designed to favour foreign flagged ships and cut the jobs of Australian seafarers. The national shipping reforms of the former Labor government have been chiselled away.

Remember that virtually all our exports and imports are delivered by ship. We currently import 91 per cent of our refined petroleum, up from 60 per cent at the turn of the century.

Australia maintains a fuel reserve sufficient to last only 39 days, instead of the 90 days required under our membership of the International Energy Agency.

Bizarrely, there is no Australian-flagged ship capable of transporting petroleum.

Maritime capacity is also the key to our regional responsibilities. The Pacific includes some of the world's poorest nations yet the recent foreign policy White Paper has no clear strategy for improving our Pacific engagement and the Government has cut aid to the region.

The Government's defence shipbuilding program amounts to \$90 billion over 10 years.

Already there are concerns about its delivery of key elements of Australian sovereign capability: design, intellectual property and local industry participation.

It was revealed that only 50 per cent of the \$35 billion Future Frigates program will involve Australian companies.

Last year, the Treaties Committee learnt that the \$50 billion Future Submarines project requires only that Australian companies be able to compete with French companies on an equal basis when, of course, local industry should be preferred.

It is both unfair and strategically weak to see WA getting barely \$3.5 billion, or less than 5 per cent, of the defence shipbuilding work when we host one of two shipbuilding hubs. Our

sovereign seagoing and sea-freight capacity has dangerously slipped. The question is whether we have the commitment to right the ship.

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