

Australian Institute of Marine and Power Engineers



FEDERAL PRESIDENT'S REPORT TO ANNUAL GENERAL MEETING 2009 & FEDERAL COUNCIL 2009

Dear Members,

I have the pleasure to once again present a report giving my overview of the major activities of your union over the last 12 months.

AIMPE members contributed \$100,000 to the Rudd ALP Opposition's federal election campaign, probably the highest per capita contribution from any union in Australia.

Like much of the union movement we are still waiting for the Rudd Government to repeal WorkChoices and end the extraordinarily oppressive anti-union powers of the Australian Building & Construction Commission.

Likewise the entire maritime industry is waiting to see whether the Rudd Labor government has the political will to implement it's Labor Party policy to:-

"Ensure a strong and viable Australian coastal shipping industry which employs Australian seafarers working under the Australian flag with Australian terms and conditions of employment...."

Transport Minister Anthony Albanese has tasked several senior departmental officers with an exploration of the views of industry regarding the cause[s] of the industry's demise and setting out several policy options for the government to choose from. As you will be aware these departmental officers consult with the nine members of the Shipping Policy Advisory Group and separately consult with each of AIMPE, ASA and AMOU in preparing [confidential] policy discussion papers for the Minister.

We must respect the confidentiality of that process, but owe it to our members to express our views here in brief. It was Transport Minister Ralph Willis's introduction of Single Voyage Permits that 20 years ago began the erosion of cabotage. What was intended as an escape valve for small tonnages of cargo not large enough to justify ownership or chartering of a ship for Australian manning was 'sold' as a trades-development tool with the idea that when tonnages increased then an Australian ship should be provided. But no legislative change was made to incorporate these trades-development ideas, and no trigger was set that would cease the issue of Permits once a particular aggregate tonnage was reached.

This is the error that is bleeding our industry dry and it does not require a fussy complicated policy response from government to deal with this fundamental. Once this is satisfactorily dealt with there

are plenty of other taxation measures that can be considered as supplementary inducements. However, if this fundamental error is not sealed-off the supplementary inducements can not stop the bleeding as NO feasible domestic fiscal-encouragement can be large enough to allow an Australian-registered ship/crew to compete with foreign-registered ship and crew which are completely Tax-free in Australia's domestic transport industry.

1. CSL/Inco Ships use of MUA + s.457 Visa Engineers

It is worthwhile to note that the spotlight we have put on the facts of the use of MUA ratings + s.457 Visa Engineers on CSL Thevenard, Iron Chieftain, ANL Bass Trader, Cementco [recently scrapped] and Goliath has not been denied.

CSL/Inco Ships have posted no private or public comment to deny or defend their de-unionisation model, and letters from the MUA, widely circulated to the ships, do not dispute the facts but effectively assert that it is no problem of the MUA's that AIMPE members are not on those ships; rather it is our problem because we "...can't bargain..." as well as the MUA.

So when AIMPE members act to ensure the ship does not sail without MUA ratings then the MUA expects this as their due?

But when MUA members take NO action over CSL/Inco Ships sailing without AIMPE members the MUA would have us believe this is a demonstration that we can't bargain as well as the MUA?

These events have serious repercussions for the relationship between the unions and for shipping reform.

2. AMSA adopting the flawed NSCV

It is pleasing to note that the National Marine Safety Committee ["NMSC"] appears to be winding up with their so-called "National Standard of Commercial Vessels" ["NSCV"] discredited, so much that we were successful in persuading the State Ministers that it should not be approved by the Australian Transport Council.

Additionally, our jointly sponsored amendment to the ALP policy platform, to end the current multiplicity of Federal/State maritime safety authorities, is in the process of being adopted. This will see AMSA set the regulatory framework for all commercial vessels in Australia. Unfortunately it appears AMSA has now adopted large sections of the discredited NSCV and proposes to import them into Marine Orders Part 3 [Qualifications].

This is a pressing safety issue as it will reduce safety training/certification levels currently set by the USL-Code. More detail must await a further meeting with AMSA.

3. Marine Orders 3 & Reform of Engineer Qualifications

In October last year AIMPE put a set of cutting edge proposals to AMSA for a reform of engineering qualifications. We met them again in February and as recently as 20 April to get feedback on whether they would support ALL of our proposals as a package.

Our proposals depend on AMSA agreeing to two pre-conditions:-

1. Our proposed Principal Examiner of Engineers being given the statutory authority to make all training/certification decisions for engineering, not "the Manager"; and
2. This needs to be delivered in a separate engineering Marine Order [i.e. MO-5] to both deliver that statutory authority and to ensure no further stuff-ups when common provisions are amended because the amendments were considered appropriate for deck.

Our proposals include:

- Assess alternative Trades as equivalent to the 3 currently approved Trades
- Assess post-Trade work in industry to complement a non-approved Trade
- Evaluate a Class 3 holder [without Trade] and determine compensatory sea service on suitable

propulsion power and shaft-sized machinery, including documented diesel engine maintenance experience, and completion of a Training Record Book for entry to Watchkeeper course.

● Development of what constitutes an approved Marine Engineer Cadetship, by enhancing practical maintenance-experience ashore before sea-service is acquired.

AIMPE and AMSA have had meetings on this subject in October, February and as recently as 20 April, but we do not want to go public with these proposals without a clear and unequivocal agreement from AMSA to our pre-conditions; when we get that then we will debate our proposals more fully.

At the same time AMSA has released a new version of its 'Tinny-to-Tanker' proposal in which they have spent 2 years this time developing a model they feel is suitable for deck certificates. Unfortunately, having spent 2 years evaluating the deck requirements it appears no time has been wasted in a similarly thorough approach in respect of the separate needs of engineering; it appears AMSA is using the principle of 'harmonisation' of regulations to again foist the deck-outcomes on to the engineering certificate stream.

These issues are opposed and early signs are that AMSA had intended to come to AIMPE with the proposals as a draft-for-discussion, but someone within AMSA erred and went public precipitously. A further meeting with AMSA is needed to agree on a way forward.

4. AIMPE Action in ITF & IMO

AIMPE continues our role in the International Transport workers Federation ["ITF"] as the ITF has standing to make representations direct to the International Maritime Organisation ["IMO"] which is the governing body for STCW95, the SOLAS and other maritime conventions which Australian regulations must comply with.

We initiated ITF activity in the IMO on the vexed question of maritime regulations application to FPSOs [in an effort to overcome the "Nganhurra" problem] however this was not sufficient to overcome the counter-presentations from the oil-companies and so the IMO position remains unchanged.

The current year has seen Director Professional Standards Jim Mallows attend several IMO sessions as part of the Australian [government] Delegation in relation to the fresh review of STCW95 that is underway and will take the next several years of multiple-committee sessions to reach an outcome.

5. Australian Transport Safety Bureau

AIMPE was successful in the representations we made regarding the Review of the Australian Transport Safety Bureau conducted by the Federal Government after an inquiry into the aviation sector and the interplay between the Bureau and CASA.

Previously individuals that participate in an ATSB investigation [aviation or maritime] were indemnified or protected against any adverse outcome, however, Recommendation #7 of the aviation-initiated Review was not as beneficial in it's extent of excluding any criminal or civil action against the individual as is the current legislation. For example it does not prevent CASA-or in our case AMSA-subsequently taking action to revoke an aviation licence or a maritime certificate of competency.

We are reviewing the changes now made as a result of public representations [including ours] to ensure members have retained their rights.

6. Skills Shortage

Last year I reported to you on our views about the skills shortage, including the lack of contribution by oil companies and towage, amongst others, towards training of new entrants and we dealt with this at length in our two submissions to the Parliamentary Inquiry into Shipping.

Whilst we argued for an industry-wide funding levy the members of the Parliamentary Inquiry pointed out that both Teekay and ASP turn away about 400 applicants per year because they don't have the money to employ them as Trainee/Cadet Engineers, yet the colleges are starved of students and there are plenty of jobs [paying a newly qualified member \$95,000 p.a.] that we are unable to fill.

Whether an industry-wide funding levy will be adopted as part of Minister Albanese's package of shipping reforms is not yet clear.

The slight easing of the skills shortage brought about by the world financial crisis is only temporary; the aging profile of our profession can only be addressed by a substantial increase in training of new entrants.

AIMPE is taking steps to negotiate with those companies who have continued to train at high levels in good times and bad. If these selected companies maintain their high level of training employed Trainee/ Cadet Engineers, we will negotiate with them a new training package that will allow the company to SPONSOR [i.e. NOT employ] an unlimited number of additional/optional Cadet Engineers above their existing number of employed Trainee/Cadet Engineers. A Sponsored Cadet Engineer will be a student, not an employee, and will not be in receipt of wages; they will pay their own way through college but the AIMPE agreement will provide them with a small bursary towards their college costs, air-fares and expenses for joining and leaving the vessel, and when on a vessel coverage by illness/accident insurance and provision of onboard victualling & accommodation.

The development of an AIMPE/industry-agreed Cadet Program [already under discussion] will allow this AIMPE initiative to come to fruition, giving us a strategy to address the current inability to supply members to bluewater, dredge and offshore vessels and the disproportionate number of members now approaching, or already at, retirement age.

One would hope that the Rudd ALP Government delivers on the ALP policy of support for cabotage but in respect of our skills shortage we must take what steps we can as soon as we can.

7. Conclusion

Without the willingness of members to pay for their own national mechanical/electrical Engineer's organisation, you would not be achieving these things because the battles would not even be fought.

Without AIMPE-membership, your conditions, your professional standards and your right to work in an Australian industry on Australian conditions would have long since have been lost.

Whilst shipping reform takes it's time to unfold we must continue to work for an improvement in our circumstances, and take the initiative where we can.

Non Sibi, Sed Omnibus.



Terry Snee
FEDERAL PRESIDENT