



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



THE SENATE

PROOF

BILLS

Shipping Legislation Amendment Bill 2015

Second Reading

SPEECH

Wednesday, 25 November 2015

BY AUTHORITY OF THE SENATE

SPEECH

<p>Date Wednesday, 25 November 2015</p> <p>Page 25</p> <p>Questioner</p> <p>Speaker Rice, Sen Janet</p>	<p>Source Senate</p> <p>Proof Yes</p> <p>Responder</p> <p>Question No.</p>
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Senator RICE (Victoria) (12:09): As I rise to oppose the Shipping Legislation Amendment Bill 2015, there are 19 Australians standing strong on the ship on which they make a living, the MV *Portland*, and it is refusing to take its final journey from Portland in Victoria to Singapore. The owners of the ship, Alcoa, are poised to sack the Australian workers, choosing instead to employ a low-paid foreign crew on its route between Western Australia and Victoria. Their plight is indicative of the coastal shipping industry as a whole. It is a sector that is doing its best to stay put but copping rough seas in every direction, particularly from the Turnbull government with this bill.

We all well know that our nation is girt by sea and it is vital because of that that we have a strong local shipping sector. Shipping carries the vast majority of Australia's trade. In a single year, ships move nearly a billion tonnes of goods, worth about \$200 million, in and out of our ports, employing 14,000 people at sea or on shore, people like those on board the MV *Portland* right now. These volumes of domestic freight are on the increase. We should be doing everything we can to support these people maintain their livelihood. Instead of that, the Abbott-Turnbull government is cutting them loose with this bill, which continues the attacks on people in their workplace—attacks we see all too often.

The current challenges are coming from two directions: the industry must compete with subsidised land freight sectors and with international ships, which use much cheaper foreign labour. Where Australian seafarers have to be paid award wages, we have international foreign labour being paid \$2 an hour. Instead of addressing these challenges with the industry and with the workers, the government has made the challenges even more difficult. Instead of facilitating ways to strengthen our local industry, to overcome the fact that we are a high-wage nation, the government is trying to push this bill through—a bill that will decimate what is left of Australian coastal shipping. Instead of standing with the workers, this government has embarked on a race to the bottom on workplace rights in the shipping industry.

Through this bill, the government wants to force Australian flagged ships to compete with low-cost foreign operators that do not have the same responsibilities to their workers in terms of minimum wage and working conditions. Over the weekend, I was contacted by a seafarer by the name of Chris, who said:

After spending years of training and hard work on our careers this situation is heartbreaking for my peers and (me). The possibility is real, if this goes ahead we will no longer have the opportunity to be employed in our own country. Nearly all of us will have to take our skills overseas or seek a new career.

He continued:

It beggars belief that our own government, who is meant to represent us, is seeking to put us out of a job.

The Turnbull government is hanging Chris and his workmates out to dry. Reforms introduced by the previous government to coastal shipping have only been in place since 2012—not nearly enough time for the reforms to take effect, but with this bill the government is tearing them down. The intention is clear: to deregulate Australian shipping until we have next to no local industry left.

The cost-benefit analysis accompanying this bill says it all. It estimates only 88 Australian seafarers, or seven per cent of the current workforce, will still have their jobs if these changes go through; 93 per cent of Australian seafarers currently operating in coastal shipping will lose their jobs. This is what this legislation will mean. So, apart from the *Spirit of Tasmania*, Australian-crewed ships will be entirely eliminated, and the rest of our coastline will end up with only foreign workers who are not subject to our country's standards.

This week I met another seafarer, called Mick. Mick currently is a pilot. He pilots ships into Port Botany, including oil tankers. It is a really important job, and it is really important that it is done well, with every safety

regulation and every workplace control in place. He had 15 years experience at sea before he became a pilot. Where is this experience going to come from if we have a maritime sector that includes only 88 Australian seafarers in our coastal trade? We will not have it. That is the reality. We will be saying: 'Oh, no! We have a labour shortage. We haven't got people who have the skills to be pilots.' We will be importing, on 457 visas, Indian and Filipino pilots who do not know the Australian conditions, do not know Australian waters and have not done Australian training, or we will have training courses to become a pilot, which are all very well in theory—in theory they can tick off that they have done all these training courses—but then those pilots will be lacking experience, and it is experience that counts when situations get really tricky.

The government says these changes are inevitable, but independent assessment submitted to the committee who examined this bill looked at the regulatory impact statement and the cost-benefit analysis underpinning this bill, and this assessment shows that these are not documents that provide a sound basis for decision making or for policy development. Both largely ignore the economic context of the coastal shipping industry, contain omissions and have a number of technical flaws. You would think that people working in Australian waters should be subject to our country's proud tradition of high workplace standards, but no. What the government is proposing is one rule for land-based jobs and another for work being carried out on water in Australia.

Earlier this year, I got an insight into life on board a foreign-flagged ship that was anchored in Yarraville. This ship was working for CSR. It was operating in the coastal trade. It was being run by a foreign crew. It was operating for CSR and plying the east coast with sugar to be refined in Yarraville. The mostly Filipino seafarers on this ship were having major issues with undrinkable water and with their pay and conditions. They were being supported by the Seafarers International Union to get some recourse and some redress for the conditions they were facing, but it was a hard slog that they had to face in order to just get basic quality conditions. With the support of the international union, they managed to get the Russian captain of the ship removed from the ship and replaced by another captain. Is this what we want for our coastal shipping trade? It is not what we want for Australian shipping. We are a wealthy enough country that we can afford to be looking after our workers, looking after our coast and making sure that the conditions operating along our coast are conditions that we should be proud of as Australians.

These changes will hit our tourism sector as well. Australian coastal tourism operators simply will not be able to compete with foreign-flagged vessels that employ foreign labour. It does not make sense. They would not have that problem if their business were on an inland river or a lake. But making sense is not what this bill is about. At the recent Senate hearing into this bill, the evidence showed the government is happy to leave local marine tourism operators out to dry. We have heard plenty in this place, both as part of the inquiry and reported in this place, about the Western Australian cruise operator Bill Milby from North Star Cruises, who submitted to the inquiry evidence that the government's own senior bureaucrats had advised him to reflag his vessel overseas and replace his 50 Australian workers with foreign crew. He did not want to do that. He wanted to be able to support his workers. He did not want to dump his local workers, but he felt he was being advised to do that and he would have to do that in order to compete with foreign-flagged vessels. This is not the situation that we want. We have to be able to have a way forward to keep those jobs here in Australia.

These laws will not just impact on the rights and wages of people at work, however; they will have a massive environmental impact too. The more freight we can get onto ships, the fewer trucks we need on roads and the lower the greenhouse gas emissions. If the traffic in our coastal waters is not properly managed, our marine environment, particularly the Great Barrier Reef, will be put at risk. We will be seeing more disasters like that of the *Shen Neng 1*, which spilt oil on the reef in 2010. Foreign-flagged vessels have a very high rate of 'detentions' and they are not subject to the rigour that we set here in Australia for our own vessels. If we look at the number of 'shipping occurrences' reported to the Australian Transport Safety Bureau in the period 2005 to 2012, we see 611 vessels registered in another country reported, almost triple the reports for Australian vessels. Why are we risking our fisheries, our coastal environment and our Great Barrier Reef?

One of the big issues with these foreign-flagged vessels coming in to do our coastal trade is that they might only be here once or twice. There is no incentive for the operators to comply with the local legislation, even if they know that in theory they have to comply with that legislation. If they do not, so what? They are not going to be back for another year or so. The operators of our Australian domestic ships know that they have to keep the standards up, because they know that the whole business depends upon it.

So the Greens will not be supporting this bill. This government, as we know, wants to rip our nation's workplace standards to shreds. This bill is not going to live up to its promise to strengthen Australia's coastal shipping industry. It will provide little economic benefit, it will see the demise of the remaining Australian coastal trading ships and it will mean local jobs are lost. The shipping industry is not something that we should just let flounder. There is opportunity for growth in Australian shipping, but the government and all sectors of the industry are going to have to work together to realise this potential.

Last night I attended the dinner being put on by the Maritime Industry Australia Limited. We heard from the Norwegian ambassador, who was telling us about the maritime industry in Norway and what the growth of the maritime industry in Norway is based upon. It was very interesting to hear from Norway because they, like Australia, are a high-wage country. But they have a shipping industry which is growing and in fact provides 38 per cent of the export income of the whole country. Thirty-eight per cent of Norway's export income comes from their maritime sector. The success, the strength, of their maritime sector is based upon having government and the industry working together. It is based on innovation. It is based on willingness for the industry to take risks, and it is about the whole sector supporting itself, with government support, and government taking a role to work out what needs to happen in order to grow the industry. They have maritime clusters that bring whole different sectors of the industry together to support each other.

These are the sorts of directions where we should be heading, but it is not going to happen unless we have a government that is actually committed to seeing what the growth in the shipping industry is going to be, rather than this presumption—which this bill has—that, no, the Australian shipping industry is just going to disappear. Fundamentally, that growth, the potential, of the shipping industry needs to be based upon presuming that, yes, we are going to have ongoing high wages, and they are compatible with the growth in the industry. Any seafarer, whether they are on a foreign registered ship operating under licence in the Australian coastal trade or working on an Australian ship, has to be subject to Australian industrial relations laws. We have to maintain our workplace standards and ensure a level playing field for shipping operators.

Last night at the dinner and at the shipping summit that was organised by the ACTU recently, the overwhelming message from the industry was the need for certainty. They will not get that certainty if this legislation is passed. It is inevitable that, if we pass this legislation, a change of government will mean we will be back to the drawing board. We will be lurching from one set of legislation to another, completely undermining that certainty which is needed to underpin growth and development in the industry.

At the dinner last night, I spoke to a whole range of different representatives from companies that are working in this sector, ranging from Rio Tinto to other container operators. The thing that they said to me, the overwhelming message, just like the overwhelming message from the ACTU's shipping summit, was, 'We need certainty.' They need to know that they can invest with certainty and that the conditions are not going to change, the legislation is not going to change, from government to government.

I really want to thank those who made submissions to the inquiry into this bill and to the broader conversation. Those voices, like Maritime Industry Australia, the Maritime Union of Australia, the Australian Institute of Marine and Power Engineers and many others, have had critical input to the inquiry and to the debate more broadly. I know from talking to them that most of those stakeholders do not want to see this legislation passed, because they know that it is not going to be in the interest of growth, bringing them together and working out and having a consistent, ongoing, lasting framework to develop the industry.

What the Greens are calling upon the government to do—and I think, if we reject this legislation today, the opportunity is then there to go back to the drawing board and say, 'Okay, where do we go to from here?'—is to bring all sectors of the industry together to determine, as much as possible, a consensus way forward for the industry that is going to stand the test of time. The Maritime Union of Australia have put forward some suggestions. They know that there are changes that need to be made to the current legislation. They put forward some suggestions of key areas that they would like to see changed to streamline the administration of the licensing provisions; to clarify the object of the act to remove ambiguity and specify that the primary object is to promote Australian participation in coastal shipping; to provide for differential licence application and grant requirements, removing the one-size-fits-all approach—and that recommendation is also consistent with the majority report of the Senate inquiry into the bill—and to streamline the contestability provisions.

The MUA have suggestions. The industry across the board and different stakeholders have different suggestions. We have to have a situation where we can bring people together to work collaboratively to develop the legislative framework and the platform so that we can have that certainty. We have to have a situation where we know that elements of the industry can invest with certainty so that we can be moving forward and have a maritime industry that is based on growth and innovation and is going to take us forward—so that we really can be maximising the potential and the opportunities of the Australian shipping industry.