



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 23</p> <p>Questioner</p> <p>Speaker Conroy, Sen Stephen</p>	<p>Source Senate</p> <p>Proof Yes</p> <p>Responder</p> <p>Question No.</p>
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Senator CONROY (Victoria—Deputy Leader of the Opposition in the Senate) (11:55): As an island continent, it is in Australia's economic, environmental and national interests that we are a shipping nation. That is why it is so alarming that the Turnbull government has chosen to bring forward such a deeply flawed piece of legislation as the Shipping Legislation Amendment Bill 2015. This bill sells out the national interest, it sells out Australian businesses and it sells out Australian workers. That is why the opposition strongly opposes this bill, confident in the knowledge that our position reflects the values of average Australians. This bill allows overseas flagged and crewed ships to pay workers Third World wages to undercut Australian operators on domestic trade routes. It will destroy Australian jobs, but you do not have to take it from me. Do not think just because Labor is standing here making this argument that it is solely an argument we have made up. Senators, I want to quote from the government's official modelling. You can find it, if you want to look for it, in the regulatory impact statement and the cost-benefit analysis that is part of the bill. You can actually go to the government's own documents to back up everything that is being said here today. This is what it says, in the government's own words, on page 156:

Many of the operators currently operating under the Australian General Register would likely re-flag their vessels in order to compete with the foreign operators who enjoy the benefit of comparatively lower wage rates. Australian seafarer jobs would be adversely affected as Australian operators re-flag from the Australian General Register. Ship operators are likely to replace—

you will not believe that this is what is actually what is written in the government bill—

Australian seafarers—

paid under an enterprise agreement, that is, fair work rates—

with foreign seafarers (paid under ITF rates)—

that is, a long way below fair work rates. So the government's bill says that what will happen with this bill is that Australian companies will change where their ships are registered or flagged, as it is referred to in this sector. They will register in Liberia, a landlocked nation, then they will sack all their Australian workforce and employ overseas workers or, if the Australian workers who have the jobs are lucky, they will have their rates reduced to the international standard. That is what it actually says. To be fair, for once the government are not hiding their agenda. They are not hiding that they have a bill here which specifically states the wages of Australian workers will be cut or they will be sacked. And to underscore this point, the government shows that 88 per cent of the claimed savings to industry from the bill are from the sacking of the workers and the cutting of the wages—that is on page 75. So from the companies and the employers in this sector, which we modelled, will come 88 per cent of the savings—from sacking Australian workers or from cutting their rates. This is what it says:

The modelling undertaken for the cost-benefit analysis did not include the cost of the potential loss of Australian seafarer jobs.

They do not even care. That is just what is going to happen—88 per cent of the savings and then we do not bother to model the cost of all those job losses. The government has also been good enough to tell us specifically where the jobs will be lost from. This is an extraordinary bill, but at least it is the truth from the Liberal Party. At least for once they are telling the truth as opposed to pretending that there is no impact on Australian workers. They say that hundreds of jobs will be lost in the Bass Strait non-bulk passenger crews and iron ore trades.

The Australia Institute used the government's modelling to make the simple calculation that 93 per cent—not 19 but 93 per cent—of Australian seafarer jobs in the coastal trade are expected to be lost. Ninety-three per cent of current Australian jobs will be lost in the seafarer coastal trade. What an extraordinary proposition from those opposite! The bill will see Australian mariners, who are subject to stringent background checks, replaced by

foreign workers whose backgrounds cannot be absolutely clarified in the same way. Jobs, the environment and safety, which are all basic requirements of good governments, have all been thrown overboard by a government blinded to the national interests by their hatred of the Maritime Union of Australia. They are blinded by their need to reward big business with lower shipping costs no matter what the price to ordinary Australian families. It is an extraordinary bill but, again, at least I admire the government's honesty. For the first time that I have seen in nearly 20 years in this place, they are actually admitting that the sole purpose of the bill is to sack Australian workers and to cut their wages. Normally they disguise that, but today? No, they are being up-front about it.

This legislation is unmistakably bad for Australia. The bill is designed to repeal reforms the former Labor government implemented following a parliamentary committee inquiry and months of consultation with all the relevant stakeholders. Labor's changes included the requirement that firms seeking to move freight between Australian ports first seek out an Australian operator. That is right—we were shockers. We said you have to try and find an Australian operator and that, where no Australian ship was available, foreign vessels could be used provided they paid Australian-level wages on domestic sectors. How shocking! We made it mandatory that, if you could not find an Australian vessel, an Australian operator and an Australian workforce, you had to pay the international crew Australian rates while they were in Australian waters. There was a zero tax rate for Australian shipping companies; the creation of an Australian international shipping register to help grow our international fleet—we are an island, for God's sake—and the creation of a maritime workforce development forum to improve the training of seafarers and port workers. Labor is committed to Australian shipping companies getting fair access to the domestic shipping industry. Ships moving freight between Australian ports should be crewed by Australian mariners.

When foreign flagged vessels are required to assist with the growing Australian shipping industry, their crews should be paid Australian-level wages. We think that is only fair, as it gives a fair go to all industry participants. It is reasonable to expect the same on our shipping highways. By way of example, the United States does not allow any freight to be moved by sea between American ports unless the vessel involved was built in the United States, is owned by Americans and is crewed by Americans. There is a hardline position. Senators, it is not just the United States that takes regulatory steps to ensure its coastal trade is done by its own citizens. You might think that it is just Australia being quirky, but let me give you the list. Every other nation in the G20 does it as well—Japan, Canada, Indonesia, China, Russia and the EU. They all have provisions to maximise local involvement in coastal trading, yet here in Australia the Turnbull government is obsessed with attacking unions, cutting wages and sacking workers. These are not the Abbott government's ideological fetishes anymore—this is the Prime Minister Malcolm Turnbull pursuing cutting Australian jobs and cutting Australian wages.

This shipping legislation bill focuses on the former government's Coastal Trading Act. It changes the act's name—we called it 'revitalising Australian shipping'. It no longer refers to revitalising Australian shipping; it narrows the act to fostering a competitive shipping services industry and maximising available shipping capacity around the Australian coast. There is no reference to Australian shipping or Australian jobs or Australian industry anymore. There is no mention of maintaining the Australian shipping industry, only of delivering arrangements that reduce shipping costs. This is a bill that sets out its name and objective to reduce the costs and then says that 88 per cent of the costs are actually about cutting wages and sacking workers. The definition of Australian nationality when referring to a ship has also been removed. That is right—they have taken the definition of Australian nationality out of a bill. This parliament will remove the definition of Australian nationality, because of this government's complete indifference. Mr Turnbull, for all his slick suits and fancy waffle, has a complete indifference to whether a ship carrying cargo around the Australian coast is Australian or not. He does not care. He is happy enough to send all his assets to a tax haven in the Cayman Islands and run them through there; that is all fine. But, when it comes to Australian jobs, Mr Turnbull always follows the money. His money is in the Cayman Islands, but, when it comes to Australian jobs, he wants to put Cayman Island workers into Australia. That is what we have got here.

As Labor said in the committee report on this bill, 'With this framework approach, the detail of the bill heads down entirely the wrong path. This is why Labor believes this bill cannot be gainfully amended.' All of existing part 4 of the act which creates the existing system of preference for Australian ships in the coastal trade is replaced with a permit system with no preference. No-one listening to this debate around Australia or sitting in the gallery or sitting opposite in these chambers should be under any illusions, coastal trading permits will be available to foreign ships on the same basis as Australian ships.

When we had the Senate inquiry into this, we had one Australian operator appear before the committee and tell us that when he asked two departmental officials about the consequences of this bill, they specifically told him

that his option was to reflag, sack his workers and hire foreign workers. He actually turned up in the parliament, notwithstanding that the Prime Minister had called his liar, notwithstanding that the Deputy Prime Minister had called him a liar, and told us what had been said. We then called the officials to the table and they admitted that is what they had said.

This poor operator who runs coastal ships up and down the west coast of Western Australian was called a liar in public by the Prime Minister and the Deputy Prime Minister. These people will go to any lengths to defame ordinary working Australians, when the officials turned up and admitted that that was exactly what they said. But when this gentleman went public and said, 'I can't believe I am being told by public servants employed by the government of Australia that I should sack my Australian workforce and reflag my vessel—that is what they told me,' he was called a liar. That is the test for a government.

The Prime Minister of Australia is making a big play about how Mr Abbott has gone and he is not Mr Abbott. Do not judge Mr Turnbull on his silver tongue; judge him on the bills he passes through parliament, the policies he pursues, the GST—the 15 per cent on food—he wants to give every Australian as a present for Christmas. Enjoy Christmas this year. This will be the last time you will be able buy a Christmas turkey without a 15 per cent tax on it. Enjoy your Christmas turkey this year, because next year, if Mr Turnbull is elected Prime Minister of Australia by the Australian people, you will be paying a 15 per cent GST on your turkey. This bill is a turkey and it should be defeated.