

MARITIME WORKFORCE POSITION PAPER

EXECUTIVE SUMMARY

Australia is a maritime trading nation, and almost every aspect of our society is dependent on the ability to import and export through our ports. The COVID-19 pandemic and the deteriorating security environment in our region and across the globe has precipitated deeper contemplation of the concept of 'national resilience'. Analysis of what Australia requires to withstand future crises has revealed significant deficiencies that must be addressed.¹ Particular attention has been given to energy security, sovereign industrial capability, and national defence. Underpinning these three important facets of national resilience is a robust maritime workforce and yet little attention has been given to the recent erosion of this essential capability. Domestic shipping, offshore infrastructure effectiveness, port services and the maritime services sector all depend on this vital labour force.

The maritime industry has grown strongly over the last two decades². In 2020-21, the maritime industry's contribution to GDP was \$105.3 billion in value added and it supported 462,000 full time jobs. Australia is the 5th largest user of shipping services in the world; 10% of world sea trade passes through Australian ports. The offshore natural gas production sub-sector recorded significant increases in value of production despite the impact of COVID-19, rising from \$31.9 billion in 2017-18 to \$43.7 billion in 2020-21 (in real terms).

The Australian economy grew at an average rate of 2.8% annually between 2001 and 2021. The value of offshore oil and gas exploration and extraction activity made a significant contribution to this, growing at 7.5% per year on average over the same period³. The maritime support workforce has played a vital role in the growth of the oil and gas sector and the rest of the economy. Australia is the global leader in LNG exports which is entirely dependent on effective offshore infrastructure management. In 2020-21, Australia recorded a \$15.9 billion surplus in the trade of oil and gas—down from the record surplus of \$27.9 billion in 2019-20. To sustain current production, support new construction programs, and contribute to sector-based projects, maritime crewing demand is expected to need a 140% increase over the next 5 years.⁴

Despite the increasing demand for maritime workers across numerous sectors (oil and gas, mining, tourism, defence industry, aquaculture, renewable energy, etc) there has been a 12% reduction in deck hands⁵ in the past five years. Looking more broadly at all marine transport professionals, while there has been some growth over the last five years, this group shrank by 23% in the last year. Other parts of the maritime workforce have stagnated resulting in an ever-

widening gap between demand and supply of these essential workers. Globally, the latest Seafarer Workforce Report from the Baltic and International Maritime Council (BIMCO) and the International Chamber of Shipping (ICS) predicts a dangerous shortage in maritime officers by 2026.⁶ Globally, the industry might require up to an additional 89,510 officers by 2026, a challenge magnified by the pandemic.

Multiple industry forums, Maritime Skills Reports, reports commissioned by Australian unions, industry associations focus groups, Australian Parliament inquiries, and the Australian Government Strategic Fleet Taskforce terms of reference all indicate the maritime sector has skill shortages, and the problem is becoming more severe. This issue has a direct impact on the capacity of the maritime workforce to rapidly scale to meet the expansion and maintenance of Australia's offshore oil and gas sector. As Australia's energy strategy shifts to renewables, there will also be a severe shortage of maritime professionals to support offshore windfarms and to carry out important decommissioning work.

This problem is of national significance and market forces alone are incapable of solving it. The urgent need to coordinate across the industry, deploy government resources and create robust structures to remedy deficiencies in the development of the maritime workforce was first addressed more than ten years ago in the 2013 Australian Maritime Workforce Development Strategy⁷. Given the responsible Minister at the time is now the current Prime Minister⁸, it is hoped that sufficient attention can finally be given to the recommendations.

There is an opportunity for federal and state governments to work with industry, leveraging existing initiatives to grow the workforce of the future and remedy the current deficiencies. The research contained in this paper has identified four immediate actions to resolve current issues with the maritime workforce and two recommendations for implementation over the next 3-5 years to ensure issues in the maritime workforce do not undermine national resilience. They are as follows:

**AUSTRALIA HAS
THE POTENTIAL TO
BECOME A HUB FOR
MARITIME SKILLS
EDUCATION AND
TRAINING IN THE
ASIA-PACIFIC REGION
AND BEYOND.**

¹ https://globalaccesspartners.org/GAP_IJERA_NationalResilienceFramework_Report_July21.pdf

² Australia's blue economy grew through COVID, new report shows | AIMS

³ This largely reflects greater production as significant price rises did not occur until 2021-22.

⁴ According to major project resourcing estimates in December 2022 it is expected that there are nearly 15 committed projects totalling \$46 billion in oil and gas construction to be commenced from 2023 onwards.

⁵ 'Deck Hand' refers to General Purpose Hand, Integrated Rating, Chief Integrated Rating and Marine Cook.

⁶ 'What Awaits The Shipping Industry in 2022 and 2023?'

⁷ Australian Maritime Workforce Strategy: Maritime Workforce Development Forum; May 2013

⁸ In 2013 the Hon Anthony Albanese MP was the Minister for Infrastructure and Transport. He established the Maritime Workforce Development Forum and commissioned the Strategy.

THE MARITIME
WORKFORCE HAS
PLAYED A VITAL ROLE IN
THE GROWTH
OF THE OIL AND GAS
SECTOR AND THE REST
OF THE ECONOMY.

1

IMMEDIATE ACTION: Secure funding for retention, training, and education in maritime workforce roles. Reduce or subsidise RTO fees, provide workforce support program.

2

IMMEDIATE ACTION: Targeted recruitment campaign to inspire and attract people with transferable skills into areas of maritime workforce demand.

3

IMMEDIATE ACTION: Expand the talent pool by making existing STEM and technical vocation incentive programs available to people studying maritime qualifications.

4

IMMEDIATE ACTION: Make seagoing berths available on all vessels controlled under Government and Government-related contracts.

5

3-5 YEAR ACTION: Standardising education, training, and career pathways through establishing a national maritime training coalition with appropriate geographic distribution that facilitates effective maritime workforce development outcomes.

6

3-5 YEAR ACTION: Invest in technology and instructors to support optimisation of skills acquisition, development, and deployment for the maritime sector.