

3 August 2022

Hon. Brendan O'Connor MP
Minister for Skills & Training
House of Representatives
Parliament House
CANBERRA ACT 2600

By Email: brendan.o'connor.mp@aph.gov.au

Dear Minister,

Re: National Maritime Industry Training Program

A national maritime industry training program needs to be established as a matter of urgent priority. Labour supply issues have been identified by the industry survey published by MIAL in 2019 [Seafaring Skill Census]. The demographic profile of the maritime workforce in 2019 signalled a looming crisis as a wave of retirements appears like a tsunami. The situation has only worsened since 2019 – exacerbated by the COVID-19 pandemic and the Russian invasion of Ukraine.

Demand for maritime personnel in Australia has increased in 2022 and is expected to continue to increase over coming years. The demand factors included:

1. The upturn in the Offshore Oil & Gas sector – driven by Ichthys stage 2, Scarborough, Barossa and other developments. There is expected to be ongoing exploration, construction, development and operation for some years to come.
2. The policy announced for the Strategic Fleet will require additional personnel estimated to be up to 500 seafarers in total (to operate 12 ships) for the coastal shipping sector.
3. Defence has advised that they see a continuing expansion of the red ensign defence marine support services fleet. If the Pacific step up is to be continued as a long-term national policy priority, then this will require additional civilian maritime personnel
4. The Federal Government legislated in 2021 for the decommissioning of Offshore Oil & Gas infrastructure. This is a task that will require the utilisation of Offshore construction vessels and support vessels all of which need qualified seafarers.
5. Also, in 2021 the Federal Government legislated for Offshore renewables. There are at least a dozen major Offshore Wind projects on the drawing boards of energy players in Australia. Each of these wind farms will require several vessels during the construction phase – which may stretch for two years or more for an individual project.

The net effect of these demand factors means that an additional 1,000 – 2,000 seafarers will be required in Australia in the near future.

To produce this additional pool of maritime personnel will require a concerted effort.

There is an important role for Government. We believe a national maritime industry training program should be funded from Labor's \$1.2 billion Future Made in Australia Skills Plan, its Fee Free TAFE plan and its additional university places program to address this critical area of skills shortage to underpin the policy commitment to a strategic fleet and "to act immediately to close loopholes in the existing regulatory framework to help rebuild Australian shipping" announced as part of the strategic fleet policy commitment on 3 January 2022.

All of the various sectors of the maritime industry will need to contribute to the funding of the training program, and this is where the Government needs to act. To ensure equity, the Government should implement a levy which applies to all employers of maritime labour to contribute in proportion to their level of use of labour. There is also a strong argument that sectors which draw upon skilled maritime labour should also be levied to fund this training program including towage operators, pilotage providers, port authorities and maritime regulatory/investigative bodies. *This was the position Labor supported in its 2013 Maritime Workforce Development Strategy, developed after wide consultation through Labor's 2011-2013 Maritime Workforce Development Forum that was chaired by former senior public servant Lynelle Briggs along with 10 senior industry representatives.*

Labor accepted all 14 Recommendations in the 2013 Maritime Workforce Development Strategy and committed \$5 million in the 2013-14 Budget to assist the Australian shipping industry to meet its future workforce training needs. Funding was provided for:

- *National maritime training co-contribution subsidies for integrated rating trainees and deck and engineer officer trainees; and*
- *Seed funding for three years to cover the development costs of the national demand aggregation model, undertake biennial workforce censuses, support a national industry training body, and to support the Maritime Workforce Development Forum's ongoing operation.*

Regrettably, that funding was withdrawn by the Abbott Government before it was spent. Additionally, the incoming Abbott Government abolished the Maritime Workforce Development Forum as part of a review of regulation. The 2013-14 budget measures and in fact all the Recommendations from the Forum remain essentially relevant today and should be considered for funding with adjustments for cost increases, commencing in the October budget.

Since 2013 the industry has been subject to further decline in training including in the offshore oil and gas sector and of course Labor has now laid out the strategic or auxiliary fleet policy. As a result, the fiscal package for training needs to be substantially updated from those earlier base assumptions.

Addressing the current skills deficit will inevitably create a bottleneck in training capacity with the current seafarer training delivery infrastructure existing in Australia, which needs to be built into a fiscal package. This infrastructure gap is already being experienced by seafarers attempting to undertake recertification courses in major metropolitan hubs and being forced to wait months for an open spot in a course.

Support to employers for training costs will provide an important incentive to employers, and reduce barriers to individual seafarers undertaking training, but it will not address an outright lack of infrastructure. Investment in maritime-focused Registered Training Organisations (RTOs) with the specifics goals of expanding their delivery scope and/or capacity will have immediate benefits and provide long-term capacity to ensure supply matches demand under new policy settings for the Australian shipping industry and the emerging new maritime opportunities to arise from new industries like offshore wind energy.

The representative employer associations and the maritime unions should all be involved in the oversight of the implementation of this program.


Yours sincerely



Ken Blackband
President
AMOU



Paddy Crumlin
National Secretary
MUA



Martin Byrne
Federal Secretary
AIMPE

Cc: Hon. Richard Marles MP, Deputy Prime Minister

Hon. Dr Jim Chalmers MP, Treasurer

Hon. Catherine King MP, Minister for Infrastructure, transport, Regional Development & Local Government

Hon. Chris Bowen MP, Minister for Climate Change & Energy

Hon Madeleine King MP, Minister for Resources