



AIMPE

Australian Institute of
Marine and Power Engineers



AUSTRALIAN MARITIME OFFICERS UNION

ABN 56 181 230 800

AIMPE and AMOU submission

to the

Senate Select Committee on COVID-19

Introduction

The Australian Institute of Marine and Power Engineers (AIMPE) and the Australian Maritime Officers Union (AMOU) represent Masters, Deck Officers and Engineer Officers in Australia. Both AMOU and AIMPE are registered organisations and represent the industrial interests of members. Both organisations also look after the professional interests of maritime professional in Australia.

This submission identifies for the Committee our main observations of the impacts of the COVID-19 pandemic on the Australian maritime industry and provides some suggestions for future actions.

Structural observations

AIMPE notes that the establishment of the National Cabinet involving the Federal Government, the six State and two Territories was a useful and constructive approach to dealing with the COVID-19 pandemic crisis. The National Cabinet allowed for rapid collective decision-making by the leaders of the 9 jurisdictions across a range of questions that required urgent attention during the pandemic.

AIMPE acknowledges that the National Cabinet correctly identified that the maritime industry represents a key industry and that the personnel who work in the maritime industry are essential workers.

AIMPE also endorses the action taken to establish the Maritime Response group which met on over 20 occasions from its establishment in February until end May. This group included a wide range of maritime industry stakeholders including maritime unions and employer/shipping groups as well as port authorities together with Federal State and Territory representatives from responsible Departments, agencies and authorities. (In total

over 90 individuals were included in the circulation/invitation list for the teleconferences). This was a very useful tripartite structure. Departmental officers on many occasions acknowledged the benefit to them of the ready access to up to date advice on industry developments which was provided by the weekly or twice weekly teleconferences of the group.

AIMPE also recognises that the Australian Border Force and the Australian Department of Health were key participants in the Maritime Response group and their actions and communications were improved during the course of the crisis as a result of the tripartite dialogue.

Further AIMPE acknowledges that the National Cabinet decision of 9th April to provide for a class exemption for maritime personnel [non-cruise ships] from 14-day quarantine requirements on domestic interstate travel was intended to enable the maritime industry to continue to operate as efficiently as possible in the circumstances. However, there was a lengthy delay in the implementation of the class exemption especially by the Western Australia Government. This revealed that the National Cabinet process was inherently limited by Australia's Federation structure which provides a wide range of powers that can only be exercised by the States. These included Police and Health powers critical to the pandemic response.

The delay in implementation of the class exemption for maritime personnel [non-cruise ships] was the major failing of the Maritime Response group structure although this was of course the result of a strong political position taken by the WA Government to protect the residents of WA from the pandemic.

Marine and Coastal Pilotage

In the early stages of the coronavirus threat, these specialist maritime workers were thrust into the frontline to bring ships through the Great Barrier Reef and into Australia's ports and being those first to be physically exposed to the infection threat from seafarers from countries with COVID-19 cases. States that were less than a 14-day voyage from China had markedly different precautionary and safety-related standards, e.g. Queensland implemented a mandatory 14-day period before a Pilot could be assigned to the ship, whereas NT had no such restriction and Pilots were berthing ships 11 days out of a Chinese port. Notification periods and reporting requirements for inbound ships were variable port to port and state to state as was ship, bridge team and Pilot personal protective equipment requirements. These differing standards were the direct result of variable commercial pressures from pilotage service providers and the perceived and also variable need to provide an at-all-costs service to regular shipping company clients. In some pilotage operations little thought was extended to the health and welfare of Pilots and the lesson learned should be that the highest risk mitigation standards should in future be universally implemented by federal mandate.

Quarantine/isolation issues

The decision of governments which had the biggest impact on Australian seafarers was the quarantine/isolation decision. Most Australian seafarers work in the Australian domestic maritime industry. Many travel interstate to attend their work and may typically work for 4-weeks, 5-weeks or 6-weeks swing cycles followed by a similar period of time off.

While the 14-day isolation periods adopted by all Governments have had a substantial impact on anyone travelling, interstate maritime workers faced the prospect of undertaking quarantine both before joining their ship and then on return to their home state after leaving their ship. The reality of 4 weeks per swing cycle in quarantine is that these seafarers would hardly ever get home to see their family.

As the cycles repeat this has a far greater effect on interstate maritime workers than, for instance on returning holiday-makers. For the interstate maritime worker this adds up to being away from home and family for 90% of the year or more.

The sector that was hit hardest by this was the WA Offshore Oil and Gas sector. The interstate maritime workers who are employed to operate the offshore vessels have been put under extreme stress by the WA quarantine requirements.

Some of the accommodation chosen for government and employer mandated quarantine was less than satisfactory. Examples of low-star-rated hotels in Tasmania and dongas in a compound in the North-West are examples of limited access to fresh air, limited entertainment options, no cooking facilities and limited access to food and refreshments of the seafarers choosing. Up until the time that the WA Police granted dispensations for crew to quarantine in good standard hotels in Perth and Fremantle rather than the North-West, seafarers were forced to endure quarantine with less services and freedoms than correctional facilities.

Some companies insisted that maritime personnel relocate to WA to enhance job security and to avoid the inconvenience of unpredictable barriers and delays to personnel joining their vessels in a timely fashion. Other companies provided incentives to bring family across and accommodate them in WA. Certain employers in towage, pilotage and offshore oil/gas sectors utilised this strategy. In both of the above instances considerable domestic upheaval is a consequence and where families are not relocated, the geographical separation is a significant pressure point on maritime personnel and their loved ones.

The inequality of implementation of the National Cabinet decision, particularly involving WA had some unintended consequences for non-WA-resident maritime personnel. Two offshore oil/gas sector employers insisted on crew changes taking place in WA. Rather than deal with the inconvenience of flying and quarantining/isolating non-WA-resident seafarers prior to joining, they replaced non-WA crew exclusively with WA-based seafarers. In the offshore oil/gas sector 80% of ship's officers live in Eastern Australian States and therefore the WA labour supply is comparatively limited. These practices had consequences:

1. Non-WA-resident crew members were not engaged on any vessel and were forced to stay at home diminishing their leave accrued at sea

2. WA personnel unfamiliar with the ships were engaged in their place simply because they were from WA; and
3. Assiduous vetting of officer personnel by field and installation owners was undermined for reasons of logistical expediency thereby also undermining the best standards of vessel safety

For those in the international trading ship sector the recognition by ABF that the time spent on board the ship since the last port was recognised as effective quarantine time and counted to offset the 14 days quarantine period upon arrival into Australia by ship. This was much appreciated.

Drastically reduced domestic aviation services compounded the negative impact of the quarantine requirement because it ate into the period of time “off” or away from the ship. Domestic travel which usually takes a day can take three or four days as there are no connections to the next sector until the following day.

The right of seafarers to be repatriated to their home is a fundamental right under the Maritime Labour Convention 2006. The history of this right goes back many, many decades. It has been effectively denied to some interstate maritime workers in Australia because of the quarantine periods.

Shore Leave issue

In order to minimise the risk of spread of the pandemic, maritime personnel have been restricted to their ship for the duration of their swing. This has denied them their normal entitlement to go ashore during their free time while in port. This denial of shore leave or being confined to ship means that seafarers have been denied the opportunity to get exercise as other Australian citizens were permitted throughout the period of the tightest restrictions on movement.

No matter how good the ship’s gym may be, it is no substitute for going down the gangway and taking a walk on dry land. The Australian seafarers on Australian ships do not represent any risk of infection to the Australian public. In fact, if there is any risk it is in the opposite direction – the seafarers getting infected by people ashore. Throughout the pandemic there has not been one case of an Australian seafarer with a COVID-19 infection on an Australia flag ship.

For foreign seafarers on international trading ships the prohibition on shore leave is equally tough. Shore leave is a right under the Maritime Labour Convention 2006 and this has been denied to seafarers during the pandemic. Even on these foreign trading ships there have been very few cases of confirmed COVID-19 infection among the seafarers. For many of these ships that voyage to Australia takes 10 – 12 days. There are relatively small crews say 20 -30 personnel so the voyage itself is an effective quarantine period.

Cruise ship sector

The vast majority of the cruise ships operating from Australia ports are foreign flag vessels registered in tax havens known as Flag of Convenience countries. The reasons that these ships are registered in Flag of Convenience tax havens are complex but include:

- a. Low registration/administration charges;
- b. Low or negligible corporate income taxes;
- c. No restrictions on crew nationality
- d. Light regulatory enforcement; and
- e. Avoidance of Australia employment laws.

The vast majority of employees on these cruise ships are not Australian citizens or residents. They are employed overseas [and not usually in the tax haven countries] and are paid under contracts which are less than Australian minimum award conditions. The labour costs are reduced by the fact that the employees do not pay personal income tax in any country. Approaches by AIMPE and AMOU regarding employment of Australian officers on these cruise ships have been deflected with referral to the overseas employment offices. The Ruby Princess episode not only highlighted the problem of infection control on the very large cruise ships but it also demonstrated that Australia has very little control over the operation of this sector which carries very large numbers of Australians as passengers.

Tourism sector

The marine tourism sector covering areas like the Great Barrier Reef tourist, dive and charter vessels, Sydney Harbour charter vessels and other like operations have been hard hit by the consequences of the COVID-19 pandemic. The effective cessation of domestic and international tourism activities has meant that employment opportunities have almost completely evaporated.

Many of these operators do have seasonal peaks and troughs however the Australian summer peak was severely disrupted by the extreme bushfire season in Eastern Australia and so it has been an extended period of low activity for many operators.

The seasonality of marine tourism means that a large proportion of the jobs in the sector are casual and do not extend for 12 months. This means that many employees did not qualify for the JobKeeper program.

The prohibition on interstate and international travel has been necessary on health grounds to prevent the spread of the virus however it has hit marine tourism very hard and the employees in the sector have had a very hard time.

Oil and Gas vessel sector

There have been two main impacts of the COVID-19 pandemic on the Offshore Oil and Gas vessel sector:

- 1 disruption to work cycles due to quarantine periods; and
- 2 deferral or cancellation of exploration and development due to the collapse in the price of oil.

An overlay on the disruption caused by government mandated quarantine periods has been the requirement for extra quarantine periods imposed by major clients.

The vessel operators and the maritime unions have attempted to deal with these problems in consultation with the workforce by introducing temporary extended swing cycles of one form or another.

Once there is an easing of the interstate travel restrictions and a resumption of more frequent aviation services it will be possible to revert to normal work cycles. However, the deferral or cancellation of major contracts will have an extended impact on the vessel operators well beyond the easing of those restrictions.

Dry-dockings

All large commercial vessels require dry-docking from time to time. Over a long period, Australia has seen its domestic drydocking capability diminish significantly. This has been a result of a number of factors. The decline in the number of vessels in the major coastal trading fleet reduced demand from that sector. This saw large East Coast dry docks like Newcastle State Dockyard (1987) and Cairncross Brisbane (2014) closed. Garden Island in Sydney remains the only drydock servicing the large commercial vessel industry.

Over the same period the average size of trading ships increased dramatically, and the Australian dockyards were not big enough to accommodate the larger vessels.

In addition, the emergence of a large number of highly competitive drydocks across Asia meant the vessel owners and operators were more inclined to take their vessels out of Australia for dockings. This was in part dependent on regular and affordable international aviation services to and from Australia. This enabled Australian crews to join and leave the vessels as required during the sometimes-extended docking periods.

The COVID-19 pandemic has demonstrated that dockings can become very difficult when the regular and affordable aviation services are not operating. The Australian Maritime Safety Authority has demonstrated flexibility in relation to the normal drydocking schedules which has given vessel operators some flexibility. However, if international travel restrictions do continue for an extended period of time as seems likely then Australia will need to reassess the lack of large scale drydock facilities in our own country.

Maritime regulation

The Australian Maritime Safety Authority has like all other parts of Australian society had to respond to the COVID-19 pandemic. AMSA offices were closed to the public and normal shipboard inspections by Port Marine Surveyors were scaled back to those that are essential.

AIMPE raised with AMSA the problem surrounding the revalidation of Certificates of Competency and AMSA responded promptly and pragmatically – as indeed the IMO subsequently recommended that all national regulators should respond. The extension of the period of validity of Officers Certificates has been well received among AIMPE membership.

Maritime training

Training in the Australian maritime industry has been problematic for some time. The employer group Maritime Industry Australia Ltd (MIAL) identified a significant demographic problem after a major industry survey that they conducted in 2018. The Seafaring Skills Census showed that in 2018 new entrant training for seafarers was half the level that it was in 2012.

This has not improved in 2020. The COVID-19 pandemic has highlighted how vulnerable Australia is to external contagion and yet how dependent we are upon foreign shipping and foreign seafarers.

MIAL in 2018 proposed a solution in the form of a strategic fleet. This was greeted positively by the then opposition but was not taken up by the Government.

Following the 2019 Federal Election AIMPE proposed an alternative plan entitled Maritime Australia – a plan for renewing Australia’s maritime industry. This plan was specifically and intentionally designed to provide opportunity for accelerating maritime training in Australia by providing additional incentive to train new entrants. The Maritime Australia plan is attached.

AMOU and AIMPE participated in the Coastal Trading Stakeholders meeting in December 2019 which followed a round of bilateral consultation meetings with senior Department of Infrastructure & Transport officials. Before we even entered the room, certain central initiatives were specified to be off the table: cabotage, subsidies and a strategic fleet. The Training workshop was very positive and focused on the skills deficit with a major emphasis on dynamic positioning, gas and tanker training opportunities. Research is to be conducted on the future numbers required to populate the maritime infrastructure with Australian mariners to avoid the need to import seafaring labour to occupy critical and sensitive positions to ensure the protection of the coast. The stakeholders in the room agreed that we would be the working group to develop an industry body to address the training task in order to achieve this.

When we reconvened in the plenary group and heard the report back from the Cargo and Passenger work groups, it was very clear that there was no appetite from either group to provide training opportunities for young Australians. The emphasis was purely on the reduction of red tape to further deregulate their industries and give further encouragement to monopolising the coastal trade with foreign vessels and crews and to contribute nothing by way of shipboard training and onboard jobs for nationals of the coastal State.

At that stage it was difficult to envisage the next move as there was a huge disconnect between the outcomes from the Training group and the two groups that should be contributing to training opportunities. Since the bushfire disaster and the COVID-19 pandemic have revealed the need to have a vibrant Australian-crewed coastal fleet for emergency and infrastructural support roles and our lack of independence in providing

critical supplies, the means to a solution has become more obvious. Industry stakeholders need to be formally reconvened in a forum that builds on the Coastal Trading Training working group's dynamic to ensure provision for training of new entrants for the future health of the Australian maritime industry and the shore-based maritime-related businesses which require detailed practical understanding of vessel operations.

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