



AIMPE

Australian Institute of
Marine and Power Engineers
HEAD OFFICE

Hon. Mr M. McCormack
Deputy Prime Minister
Minister for Infrastructure and Transport
Parliament House
Canberra ACT

11th January 2019

By email: Minister.mccormack@infrastructure.gov.au

Dear Deputy Prime Minister,

Re: Withdrawal of two Australian Crewed ships

Late yesterday Teekay Shipping (Australia) Pty Ltd advised AIMPE that BHP had given notice that it intends to terminate the contracts relating to the last two Australian crewed ships which carry its iron ore from Port Hedland Western Australia to Port Kembla NSW. The Lowlands Brilliance and the Mariloula have been operating in the trade under Transitional General Licences.

The effect of this decision is that there will be no Australian crewed ships involved in the carriage of iron ore from the Australian mines to the Australian steelworks. That is in future all iron ore for the Port Kembla steelworks will be carried by foreign crewed ships operating under Temporary Licences.

This is a national disgrace.

BHP iron ore division reported profits of US\$8.9 Billion for 2017-18 – equivalent to A\$12 Billion. Its customer for iron ore Bluescope reported a profit for 2017-18 of A\$1.5 Billion.

The Australian seafarers on the two ships last had a pay rise in 2014. The pay freeze on the Australian crewed ships was parallel to the pay freeze in the steelworks. So, all of this sacrifice contributed to the profitability of the supplier (BHP) and the buyer (Bluescope).

It is hard to imagine a more glaring example of the need for Federal Government intervention to retain an Australia merchant shipping capability.

AIMPE requests that you intervene immediately to stop this further step in the decline of Australian coastal shipping and we stand ready to provide further briefing and participate in any meetings that you organise.

A handwritten signature in black ink, appearing to read 'Martin Byrne', with a long horizontal flourish extending to the right.

Martin Byrne
Federal President

cc. Hon Mr. S Morrison, Prime Minister
Sen M. Canavan