



The Porthole

Volume 15 No. 05
May 2015

The newsletter of the South Australian Branch of the Company of Master Mariners of Australia.

PO Box 1, PORT ADELAIDE, SA 5015



Branch Master's Comments:

Our Branch Master is overseas but he has sent a brief message with a picture of this ship, which we think may have taken him up the Nile.



With some difficulty, we have managed to decipher the message and believe that he has reached Luxor!

In actual fact, the Editor has received an e-mail from Paul, in which he states that he and Janet have reached Luxor, and he sends his regards.

Included in this issue is a transcript of an address by Warren Truss to Shipping Australia in Sydney on 20/05/15. While constitutional restraints preclude comment from the Branch, Members are free to express their own opinions

Ian Dickson, Acting Branch Editor.

Guest Speaker:

The inveterate globe trotter, Bob Buchanan, will give an account of his recent cruise around the Western Mediterranean.

**The next Branch Meeting will be held at
the Largs Pier Hotel, 198 The Esplanade, Largs Bay,
on Wednesday, 27th May 2015 at 1145 for 1200.**

Please confirm your attendance at the lunch or register your apology before 1200 on Monday, 25th May 2015 with

Ian Dickson (8396 1030)

Inside this issue:

Minutes of meeting 29/04/15	2/4
Rod Hunter's talk 29/04/15	5
Admiralty & Maritime Law Seminar report.	5/7
Warren Truss speech 20/05/15	8/11



The Company of Master Mariners of Australia Ltd. is a Company established to promote and further the efficiency of the Sea Service generally, and uphold the Status, Dignity, and Prestige of Master Mariners in particular.

The Company of Master Mariners of Australia Ltd., S.A. Branch.

Branch Meeting at the Largs Pier Hotel, on 29 April 2015, at 1200.

Minutes

1. Meeting opened at 1207 hrs. Branch Master welcomed members and guests including friends and partners.
2. Present:
 - Members: Captains Phillips (Branch Master), Carr, Dickson, Hehir, Holmes, Kemp, Lydell, Parsons, Pronk, Rajagopalan & Westley, Mr Hales & Lt Cmdr Wynne.
 - Guests: Mr Rod Hunter (guest speaker), Mdms Margaret Dickson, Yvette Faria-Pronk, Roslyn Lydell & Cathy Wynne.
3. Apologies: Sir Eric Neal, Captains Bourne-Jones, Buchanan, Carrington, Carter, Ferrao, Fraser, Ganesan, Hammond, Jayasuriya, Magliulo, Marshall & Pearson.
4. Minutes of last business meeting: 25 March 2015 (circulated in the Porthole). Capt Carr proposed that the minutes be accepted as a true and correct record of proceedings. Seconded by Capt Pronk and carried.
5. Business arising from the minutes:

: a) Speakers:

May: Bob Buchanan. Topic: recently concluded cruise. (Bob Buchanan)

June: To be advised (Governor?).

July: To be advised

August: To be advised (Stand by: Paul Phillips on "Recent Visit to Egypt")

September: To be advised.

October: To be advised.

November: To be advised.

Suggestions Mike Carrington: Topic: "Diamond dredging in Namibia" (Mike Carrington).
 Speaker from the Australian Maritime & Fisheries Academy (Paul Phillips).
 Tony Elliott, Funeral Director: Topic "Body on the Beach".
 Christine ???, Commonwealth Bank: Topic "Credit Card Care".
 Alan O'Connor, ???: Topic "Habitat for Humanity".
 Hayley Everuss, State Manager, Oz Harvest: Topic "Delivering Goodness".
 Brian Gilbertson, ???: Topic "Christmas Pageant-Behind the Scenes".
 Tony Carr, ???: Topic "Kakoda Trail".
 Des Evans, ???: Topic "Tour de France".
 Kate Linley: Topic: Under Keel Clearances.(Howard Pronk?)

Visits:

Suggestions: Australian Maritime & Fisheries Academy: bridge & engine room simulators and ship fire fighting training facility (Paul Phillips).
 Working tug visit (Mike Carrington).
One & All: Visit: To be arranged (Ian Dickson).
 Le Fevre High School: To be arranged (Ian Dickson).

- b) "Master Mariner" journal: Mike Carrington: Possible topic: "Diamond dredging in Namibia" (Mike Carrington)?
 More articles required.
- c) Development of maritime facilities and construction programs: The Branch Secretary wrote to the Federal Secretary on 26/11/14; still no reply (Paul Phillips, Ian Dickson).
- d) Company Plaques: The Branch Master advised that he had received 5 plaques and tabled one for Members' inspection. The Branch Court has decided that one should be given to each of the following: the Governor, the SA Maritime Museum and the "One and All". The 2 remaining are available for purchase at \$55 each.

6. Treasurer's report: (Table report)

CBA Cheque a/c balance at 18/03/15	2,431.71	Bendigo Bank deposit balance at 18/03/15	2,703.74
Income: Subs.	110.02	Audit fee	-30.00
Expenditure:	<u>-303.00</u>	Interest added quarterly	<u>3.02</u>
Balance at 22/04/15	<u>2,238.73</u>	Bendigo Bank deposit balance at 22/04/15	<u>2,676.76</u>

Bendigo Bank Term Deposit at 1/02/15 7,051.66

Re-invested for 9 months from 1/02/15 @ 3.40%

Capt Dickson proposed that the Treasurer's report be accepted. Seconded by Capt Holmes and carried. .

7. Membership:Applications:

Applicant	Status sought	Branch	Master's Certificate			Occupation/ Position
			No.	Date	Place	
Sheldon Sanjay RODRIGUES	Ordinary	Melbourne	CoC0039254	20/06/2006	UK	Port of Melbourne Corporation, VTS Officer
Andrew HOGAN	Associate	Western Australia				AMSA, Chief Examiner of Engineers, Canberra. Andrew is domiciled in ACT. Frank Kaleveld has received the CV and application fee, but the application form has been mislaid. Frank will forward a signed application form ASAP

Branch Members:

Category	Number		Total
	Financial	Unfinancial	
Members	7	0	7
Seagoing members (incl. tug crews & pilots)	2	1	3
Retired members	15	0	15
Associate member	<u>2</u>	<u>1</u>	<u>3</u>
Total paying members	26	2	28
Honorary members	<u>4</u>	<u>0</u>	<u>4</u>
Total Levied Members	30	<u>2</u>	32
Life Members			<u>2</u>
Total Branch Membership			<u>34</u>

8. Correspondence 14/03/15 to 17/04/15: (Summary tabled). Inwards correspondence received & outwards correspondence approved at the Branch Court meeting on 22/04/15.

9. Federal Matters:

a) Federal Court: Summary of the AGM proceedings are in the April issue of the Porthole. Capt Westley, who attended the AGM, tabled the draft minutes.

b) 75th anniversary book: Update in the summary of the AGM proceedings.

10. Motions on Notice: Nil

11. General Business:

a) Articles for "Master Mariner" Articles for "Master Mariner"

b) Company plaques See 5(d) above

General Business continued on page 4

General Business continued from page 3.

- | | | |
|----|---|---|
| c) | Maritime Law Seminar | Was held on 23/04/15 and attended by Capt Dickson |
| d) | “One & All” | Capt Carr advised “One & All” would be out of service for maintenance shortly and it is hoped that the bell can be removed for re-engraving |
| e) | Maritime equipment, no longer required. | Capt Rajagopalan advised that he had several items of maritime equipment he no longer required and would welcome any interest. |
| f) | Harold Anderson | Capt Pronk advised of the death of Mr Harold Anderson, a well known shipping identity in Pt Adelaide and a previous manager of P&O Container Services. He had also been mayor of the City of Charles Sturt. |

12. **The next Branch meeting will be held at 1145 for 1200 on Wednesday, 27th May 2015, at the Largs Pier Hotel, Largs Bay. The guest speaker will be Capt Buchanan, who will give a talk on his recently concluded cruise**

13. Business meeting closed at 1245. Members and guests adjourned for lunch

Meeting resumed at 1345. The Branch Master introduced Mr Rod Hunter, Maritime Studies Co-ordinator at Le Fevre High School, gave a talk, supported by power point presentation and video clip, on the Maritime Course’s Inception, Establishment, Curriculum and Future. A summary of this most interesting talk will be found elsewhere in the May issue of the Porthole.

At the conclusion of his talk, Mr Hunter then answered questions from the floor, after which he was thanked by the Branch Master, who was supported by acclamation from those present.

The meeting then closed at 1425

—oo0000oo—

Facebook in Real Life

Presently, I am trying to make friends outside of Facebook, while applying the same principles.

Therefore, every day I go down the street and tell the passers-by what I have eaten, how I feel, what I have done or where I had dinner the night before, and what I will be doing today.

I give them pictures of my family, my dog and me doing some gardening and spending time by my pool.

I also listen to their conversations and I tell them that I love them.

And it WORKS! I already have 3 persons following me — 2 police officers and a psychiatrist!

Le Fevre High School's Maritime Studies Programme

A summary of a talk given on 29 April 2015 by the school's Maritime Studies' Co-ordinator, Rod Hunter,
to the South Australian Branch of the Master Mariners of Australia

When the Australian Submarine Corporation commenced operations at Osborne, the State Government was concerned about the possibility of a lack of skilled workers, such as welders, electricians and shipwrights. Le Fevre High School was designated the Maritime High School, with a Maritime Studies designed to provide the necessary basic training for students wishing to work in the Maritime industry. Courses were devised in science, maths, engineering and technical drawing, all with an applied maritime emphasis. Practical skills, such as welding and metal work, were also included. The courses have proved very successful with an enthusiastic response from the students. Over time, the range of topics has been expanded, and, by making radio-controlled boats and submersible craft, students have been introduced to general principles of naval architecture. Senior students have undertaken various shipboard safety courses at the Maritime and Fisheries Academy, such as fire fighting and sea rescue, and extra-curricular activities are part of the course. By the end of year 12, students have covered the core of the Cox'n's Certificate, but completion of the required sea-time is necessary before being eligible to be tested for the Certificate.



Extended trips away are arranged. Once a year, senior students spend a week at the Australian Maritime College at Launceston, Tasmania, where they get an insight into the international shipping industry. And, on completion of year 12, students partake in a three days voyage around the Gulf St Vincent on the Sail Training Vessel *One and All* (left). In 2014, students visited *HMAS Newcastle*, when she visited Port Adelaide (right).



Following the success of the Maritime Studies programme at Le Fevre High School, a parallel course of studies in Maritime Logistics has been made available to students at Ocean View High School. These studies introduce students to the services necessary to enable a port to function, and to the employment opportunities in Shipping and Customs Agencies, road, rail and port services and also the Government Customs and Quarantine Services.

Rod Hunter would greatly appreciate any unneeded Maritime items that would enhance the teaching of Maritime Studies. The High School has a Maritime specific learning room that he is slowly developing to reflect Maritime Pathways.

—oo0000oo—

Admiralty and Maritime Law Seminar – Current Issues in Admiralty

1730 on 23 April 2015 in Sydney, with video links.

The Adelaide link was in Court 1, Roma Mitchell Commonwealth Law Courts, 3 Angas Street, Adelaide.

The topics were:

“The Untouchables”: Organised Crime in International Waters”

Review of the history of laws covering activities in international waters, by Emeritus Professor Ivan Shearer, University of South Australia.

Review of the legal problems involved in apprehending criminal activities in international waters, by Associate Professor Sarah Percy, University of Western Australia.

Practical problems associated with the apprehension of vessels and persons engaged in illegal activities in inter-national waters by Inspector Joe McNulty, Fleet, Regional & Ocean, Marine Area command, NSW Police Force.

“Cross Border Insolvency & Shipping”

Angus Stewart SC, New Chambers, Sydney.

Julie Soars, Barrister, Mediator & Arbitrator

In all States the seminars were held in courtrooms, and the speakers stood in front of the bench facing the body of the court. The courts' public address systems were used to relay the speech to the remote courts. The courts' closed circuit television cameras and monitors were used to provide visual images. The cameras were situated at the sides of the courts, and the monitors were small and situated either in inconvenient or distant positions. Consequently, the image of the re-

mote speakers was always in profile and difficult to discern clearly. Most of the speakers made indifferent use of the microphones, moving their heads from side to side and near and away. Sarah Percy and Joe McNulty were exceptions, the former's contribution being very well constructed and presented.

The attendance in Adelaide was poor, with only 4 persons in the audience at the start, increasing to about 10 during the course of the presentations. I have the impression that the attendance in the other States was also low, but we only had one brief glimpse of the small Sydney audience.

Professor Shearer's talk covered the development of today's relevant laws, first mentioning that, historically, the Admiralty criminal jurisdiction applied only to British ships and British subjects aboard foreign ships, dating back to 1536 in Henry VIII's reign. The English law pertained in Australia until the passing of the Statute of Westminster 1931, which, if adopted by the Australian government, would effectively establish the country's legislative independence. However, the Australian government did not formally adopt the Statute until 1942, although, to clarify its war powers, this adoption was backdated to 3 September 1939. There appeared to be no necessity to amend or replace the English Admiralty criminal jurisdiction until the proclamation of territorial economic zones 200 miles off-shore. Consequently, the English law was replaced by the Commonwealth Crimes at Sea Act, 1979, which extends State and Northern Territory criminal law to off-shore areas out to 200 miles. Beyond 200 miles the criminal law applies to Australian citizens and ships, and to foreign ships, if their first port of call after an offence is in Australia.

The international law of the sea is codified in the United Nations Convention on the Law of the Sea, 1982 (UNCLOS), to which Australia is a party. This affords coastal states certain rights in off-shore areas, and imposes certain restraints. It also regulates the exercise of powers of arrest of foreign vessels and persons at sea.

Definitions:

Term	Definition	Jurisdiction	Enforcement Rights
Territorial Sea	Extends to 12 nm from the coast.	Complete, save for the right of foreign vessels to innocent passage.	Unrestricted except for innocent passage.
Contiguous Zone	Extends a further 12 nm seaward.	Extended for enforcement of fiscal, immigration, customs and sanitary laws.	Special rights of control.
Exclusive Economic Zone	Extends to 200 nm from the coast.	Regulation and management of natural re-sources and preferential access.	Specific rights of arrest and prosecution in respect of violations of natural resources and marine pollution given by UNCLOS, implemented by e.g. Fisheries Management Act, 1991; Whale Protection Act, 1980.
Continental Shelf	Extends to 200 nm or to the natural geo-graphical limit of the sea bed.	Exclusive rights to natural resources of the sea bed to 200 nm.	
The High Seas	Co-exists within the EEZ, to the extent it is not affected by the EEZ regime, and to the ocean beyond 200 nm.	UNCLOS article 110 affirms customary law immunity of vessels on the high seas, except when they are reasonably suspected of piracy, slave trade, displaying no flag or without nationality or is, in reality, of the same nationality as the enforcement state.	

Many of the international fishing vessels fly "flags of convenience", popularly understood to mean internationally recognised flags of States which have low taxes and/or lax supervision, to avoid regulatory supervision. A vessel can only be regarded as a "vessel without nationality" if it satisfies the provisions of UNCLOS article 92, prohibiting the dishonest use of two or more flags.

Off-shore areas under Commonwealth jurisdiction are subject to special laws in respect of, *inter alia*, people smuggling, terrorism, crimes against humanity, war crimes, slavery and trafficking in persons. These are subject to the four categories of "extended geographical jurisdiction" under the Criminal Code Act, 1995.

Powers of arrest at sea are generally governed by UNCLOS article 110, except against Australian vessels, which are subject to Australian law. Where justified by special conventions on the high seas, the Attorney-General's consent must be obtained before any arrest of a foreign vessel, to ensure that there is no breach of international law. Often, consent of the foreign State must be obtained first, e.g. Crimes (Traffic in Narcotic Drugs) Act, 1990.

Where a foreign vessel is present on the high seas (including in the Australian EEZ) and is not engaged in any activity related to resources prohibited within the EEZ, boarding, searching and arrest are only possible with the permission of the flag State (UNCLOS article 110). However, article 110 contains the qualification: "except where acts of interference derive from powers conferred by treaty". Such treaty may be conferred by UNCLOS itself, a formal treaty such as a regional fisheries co-operation agreement, or an *ad hoc* arrangement, e.g. in relation to immigration. Hence, it is possible to conclude agreements for the waiver of immunity with a flag State of suspicious vessels.

Professor Sarah Percy's talk covered the practical application of the laws outlined by Professor Shearer. Her presentation was well constructed, with good use of photographs, and clearly delivered, though the monitor image was small, with the camera situated on the Professor's right.

Professor Percy commenced her talk by referring to an International Maritime Law Institute enquiry into maritime crime in international waters. She then outlined the nature of some of those crimes, which included illegal fishing, smuggling and trafficking in drugs and people, and the frustrating legal limitations brought about by the complexities of the national and international laws involved. To achieve effective control of illegal activities at sea, it is essential that there is a good legal framework, which is recognised by most, preferably all maritime nations. Unfortunately, this is not the case, particularly in international waters, which has resulted in the formation of international vigilante groups, such as Green Peace. One important function of these groups is to bring the public's attention to these illegal activities.

Even where illegal trading occurs between co-operative nations with good laws and the means to enforce them, the high monetary returns ensures that the perpetrators will still strive to continue their illicit activities, using sophisticated transport systems, corruption and/or violence. An extreme example is the trade in the Caribbean, where one means of transport of drugs is by submarine.

Currently, the main method of control is the use of military ships and aircraft to intercept the miscreants and prevent the delivery of the contraband or people. This is proving to be very expensive and has little effect. Professor Percy said that it is using a heavy hammer to crack a nut. Bi-lateral agreements between nations are possible but prove to be impractical.

In conclusion, Professor Percy expressed the opinion that the police and military of all involved nations must co-operate and that they should only act where there is a serious [undefined] threat.

Inspector Joe McNulty's contribution dealt with the practicalities of enforcement of the laws. To demonstrate the scale of the drugs problem, he quoted some figures from a European Maritime Analysis of 40 operations at sea between 2007 and 2010, which resulted in the seizure of 52.3 tons of cocaine, 62.5% from yachts and 20% from fishing vessels. However, in terms of quantity, 44% was on fishing vessels and 27% on yachts. Inspector McNulty made no comment on other sources or quantities of illegal cocaine. As well as drugs, one of the most rewarding, other commodities that are involved in illegal trade and trans-shipment at sea include humans, oil and gas, wildlife, timber (illegal logging), fish (illegal fishing), waste dumping, art and cultural property and small arms and light weapons

Inspector McNulty then spoke of the practical effect of the legal barriers previously mentioned by the first two speakers. These varied depending on the geographical position of the encounter, and often boarding a suspicious vessel depended on a favourable response to a verbal request. Another problem was the trans-national nature of any crime, resulting in the need to negotiate the legal maze involving the flag state of the vessel, the nationality of the Master, the Owner and a multi-national crew, not to mention the multi-jurisdictional laws pertaining to any event. One particular fishing vessel is known to have had 16 different names and to have been registered with 11 different flag states!

The final two speakers, Mr Angus Stewart SC and Ms Julie Soars Barrister, Mediator & Arbitrator, jointly presented a practical perspective of the United Nations Commission on International Trade Law's Model Law on Cross-Border Insolvency, adopted by Australia by the Commonwealth Cross-Border Insolvency Act 2008. This proved to be a very detailed legal perspective covering the topics including the arrest, detention and disposal of vessels and assets involved in cases of insolvency of companies in foreign jurisdictions. The whole topic was highly technical and outside my field, although it provided some interesting insights.

In conclusion, I found the seminar interesting and informative, particularly in regards to the problems and complexities in the control of the trafficking of people and illegal goods on the high seas.

Shipping Australia Luncheon, Sydney Harbour Marriott Hotel, 20 May 2015
Trans-script of Warren Truss' speech (WTS007/2015).

Ladies and gentlemen, eight months ago I spoke to you about the need for coastal shipping reform in Australia.

For an island nation like Australia, with vast distances between most of our major cities, all of which are by the sea, it makes sense for coastal shipping to play a vital role in our transport network.

Yet as we have seen, coastal shipping volumes have continued to decline and the number of Australian flagged vessels continues to slip with only 15 major trading vessels remaining with a general licence to undertake coastal trading. Ships in Australia on transitional licences are leaving too. When the current system started there were 16, now there are just eight.

The case for reform is crystal clear.

So, today I want to talk to you about the next steps the Government plans to take to address these problems and fix Labor's failed coastal shipping legislation.

What I am announcing today is a substantial deregulation of coastal shipping, with built-in protections to maintain Australian skills and to ensure the payment of appropriate wages and conditions for seafarers on foreign ships operating primarily in the Australian coasting trade.

Importantly, all ships will still have to meet Australia's strict maritime safety and environmental provisions, which are rigorously enforced by the Australian Maritime Safety Authority.

It goes without saying that maintaining our high standards of safety at sea and the protection of our sea environment, particularly the Great Barrier Reef in my home state of Queensland, are essential.

It is time to recognise that shipping operates as part of a global network with global connections, and it is time to embrace the opportunities that these global connections make possible.

Labor's tinkering has failed. The unions have had their try. The previous Government gave the unions what they asked for and it has predictably failed. It has cost Australian jobs on the water and on land—and if we continue down the current path, it is likely to put a lot more jobs at risk.

Jobs in our manufacturing industries, jobs in aluminium and mineral processing, gypsum, cement and sugar, to name just a few.

Australia's economic health depends on its competitive efficiency in a tough global marketplace, which is only getting tougher.

It does not help our national cause or our national interests when coastal shipping is bound by regulations that are designed to fail, like having a minimum waiting period before an application can be approved of up to two business days—even when there are no Australian licensed ships that are suitable to carry the cargo.

Nor does it help anyone when a piece of oversized, heavy machinery cannot be moved by ship and must go by road—all because this would constitute a single voyage, and you cannot get a Temporary Licence for a single voyage.

Shipping is, unashamedly, a priority area for this Government's broader reform agenda.

Without reforms to our economic and regulatory settings, Australia risks falling behind in the world market.

We must look more closely at the micro economic reforms and deregulation, which are needed to underpin productivity growth.

However, changes have to be well thought through, balanced and capable of being sustainable over the long-term if we are going to encourage a buoyant coastal shipping industry.

As I told a recent ALC conference, the national story is not all about road and rail; in a vast country, girt by sea and at such great distances from major global hubs, sea freight movements are a critical part of the national and international supply chain.

As you are more than well aware, our major sea ports are also our international trade gateways and we rely on maritime transport for 99 per cent of our exports.

I put it to you that the ships are here - so why don't we make better use of the shipping routes lapping our coast?

A substantial proportion of our domestic freight also depends on coastal shipping, but as things cur-

rently stand, the coastal trading sector is at a crucial way-point.

In 2012-13, Australian ports managed more than \$400 billion worth of international cargo and saw over 4,900 overseas cargo ships make around 14,000 port calls.

Clearly, coastal voyages by international and domestic ships should be growing, and to do that, we need to overhaul the current arrangements.

Our policy is all about utilisation of resources in the most efficient way possible.

Although some specialised ships have joined the fleet to service niche markets, the heavy carriage side of the industry has seen nothing but ship retirements.

The fleet of major Australian registered ships with coastal licences has been declining over decades and in the past decade alone, from 30 in 2006-07 to just 15 in 2013-14.

And what that means is that there aren't enough ships to move our cargo, and for some cargoes there aren't any Australian ships at all.

You have told the Government that you prefer ships under 15-years-old because they are more fuel efficient, break down less and cost less to insure.

In 2013, 49 per cent of the ships in the world fleet were under 15-years-old and 79 per cent of the world's gross tonnage was under 15-years-old.

In contrast, the average age of an Australian ship in the major trading fleet and operating under a general licence is 23 years.

The introduction of the *Coastal Trading (Revitalising Australian Shipping) Act 2012 (Coastal Trading Act)* has not revitalised Australian shipping. In fact, it has gone a long way to sinking the industry.

Indeed, over the first two years of the *Coastal Trading Act* the total deadweight tonnage of major Australian flagged vessels with a coastal trading licence sunk by 63 per cent.

As a government, we see great opportunities for growth and expansion and the opportunity to take a good proportion of long-distance cargo off the rail networks and the highways and onto coastal shipping, once we get the regulatory monkey off the industry's back.

Work has progressed on a raft of issues to allow this to happen, including returning the Protection of the Sea Levy back to its original level of 11.25 cents per net registered tonne.

And we have saved the industry millions more each year with the abolition of the carbon tax on the fuel used in domestic shipping.

Today, I am pleased to announce that we have taken a further, and very important, step towards putting in place a regulatory framework which strips back the red tape.

The new framework is outlined in the paper that will be circulated to you.

This is a framework that fosters an environment where industry can make the most of domestic and international opportunities, and be responsive to changing patterns of demand.

We will introduce a single, streamlined permit for all ships—Australian and foreign—operating along our coast.

The new permit will replace the complicated licensing system we have at the moment.

This permit will allow Australian and foreign ships to carry goods and passengers on unlimited domestic voyages during the 12 months of the permit.

There will be no requirement to nominate voyages upfront for approval and, as a result, there will be no need to seek variations to cargo type or volumes carried or the dates voyages are undertaken.

Reporting on activities will instead be done twice a year, halfway in, and then at the end of the permit period.

This is much simpler than applying for a voyage that is likely to happen, reporting on what you think you'll do beforehand, and then reporting again on what you've actually done after the voyage is over.

Vessels operating under a permit will be protected from importation requirements by Customs, including when carrying out scheduled maintenance.

This will mean more business for Australian dry-docks and repair facilities.

The large cruise industry, which is currently exempted from the operation of the *Coastal Trading Act*, will also be included within the operation of the permit system.

This means that cruise ships can stay for repairs rather than going to Singapore or elsewhere, and it will help keep cruise ship visitation figures up.

The Government is also fixing some of the issues with the coverage of the existing framework.

The new permit system will allow the carriage of petroleum products from our offshore facilities to the mainland for processing. Currently the processing is happening overseas and the fuel is being shipped back because offshore facilities are outside the confines of the current legislation.

Because the Government genuinely cares about seafarer welfare, ships trading here for more than 183 days in a permit period will be required to pay all their crew an Australian wage set out in law.

Labor's Fair Work Act and Part B safety net will apply if a vessel engages in more than 183 days of coastal trading in a permit year.

If a vessel spends most of its time trading in Australian waters, you will have to pay Australian wages and meet Australian conditions.

Additionally, ships trading for more than 183 days will be required to employ a Master or Chief Mate and a Chief Engineer or First Engineer who is an Australian or who has Australian work rights.

We recognise that Australian skilled seafarers are renowned for their expertise throughout the world. We need to maintain these key maritime skills in Australia and ensure we are training the engineers, masters and pilots of tomorrow.

Australia's strong environmental and safety laws will continue to apply to all ships operating in Australian waters.

As you are aware, foreign ships operating in Australian waters are subject to Australia's port state control regime, administered by the Australian Maritime Safety Authority.

Our port state control regime is second to none in world terms.

And if you do the wrong thing, regardless of the flag your ship carries, AMSA will detain your ship until it is fixed, and if you still don't get the message they can direct you out of Australian ports and not to come back.

The Government also plans to amend the Australian International Shipping Register to remove the requirement for a collective agreement between the owner of a vessel and the Seafarers' Bargaining Unit, and the requirement for a vessel to be predominantly engaged in international trading.

Similarly to vessels predominantly engaged in domestic trading, vessels wishing to be on Australia's second register will have to have two senior Australian crew on board.

Shipping in Australia has been in a long-term downward spiral.

We need to turn that around. The common sense reforms we are implementing will do just that.

Cheaper freight costs will help the viability of manufacturers and primary producers, and, as these industries grow, so will their demand for shipping services.

Greater choice between shipping companies will lead to better services being provided to customers.

Easy access with simplified rules for moving cargo will show the global marketplace that Australian waters are once again "open for business".

More services for shippers and less regulation means it will be easier for businesses to arrange spot transport of cargoes and for more ships to service Australia.

Moving containers from road or rail to the sea will free up road infrastructure for the transport of more valuable or time-critical cargo and that means less congestion on roads and rail.

Cheaper freight rates and more efficient services will make Australian products more competitive in both international and domestic markets, saving current jobs in industries that use shipping and creating new ones.

Increased shipping volumes means more landside maritime jobs.

And, importantly, critical maritime skills will be preserved, with key positions on ships working predominantly in Australia reserved for people with Australian work rights.

The reforms I have outlined today have been undertaken after comprehensive consultation with all parties concerned with the Australian shipping industry, and I thank everyone, including Shipping Australia, for their participation and frankness.

Legislation is currently being drafted with a view to its introduction before the end of the current Winter sittings.

Once the drafting process has concluded, the Bill will be the subject of full public scrutiny through Parliamentary committee processes.

This will allow all stakeholders to comment on the detail of the measures I have outlined today.

However, I firmly believe that if we could better utilise just a fraction of the capacity on the foreign ships that visit our shores, it could make a major difference to the efficiency of Australia's sea freight movements.

That's what this policy is about.

It's simple economics—if you have an underutilised resource, you should maximise its utility

This government recognises it, shippers recognise it and it's a change the industry needs to accommodate.

The measures I've announced today are a substantial change to the existing framework and will deliver advantages across the economy.

Without change, we will just have more of the same

More delays, more inflexibility and more uncertainty about how ships can be used to meet Australia's freight transport needs.

This framework will repair the existing mess and will set Australia on the right path to meet its future transport needs.

I'm sure that you will have a number of questions and I am happy to answer them.

Thank you.

—oo0000oo—