

LABOR'S PLAN FOR AUSTRALIAN SHIPPING



WE'LL PUT PEOPLE FIRST

Labor



OUR OBJECTIVES

Labor believes it is in our national interest for Australia to have a strong and vibrant shipping industry.

Australia's shipping industry needs to be competitive, reliable and able to respond to the needs of those industries which rely on shipping. Shipping is one of several transport modes that Labor supports to provide choice to businesses that rely on freight.

Australia is an island continent, and:

- Ten per cent of the world's goods trade involves movement to or from Australia.
- Ninety-nine per cent of Australia's goods trade is carried by ship.
- Australia has one of the longest coastlines in the world.
- Australia has the fourth largest shipping task in the world.

A local shipping industry is in Australia's economic, environmental and national security interest. This is something that all other G20 nations know and implement.

Australia's economic interest is served by being able to guarantee an Australian-based maritime cluster that employs Australians and which is dedicated to servicing Australian needs.

Australia's environmental interest is best served by having our sensitive coastline and reefs navigated by crews that know our coastline and are not subject to fatigue.

Australia's national security interest is served by having a local maritime capacity that can complement our navy.

Shipping is also a relatively clean form of transport.

Under the Liberals, shipping has continued to decline, and their recent coastal shipping reforms would have abandoned the local industry. Labor opposed and defeated this WorkChoices on Water legislation.

Labor believes in Australian shipping, and a Shorten Labor Government will promote the 2012 reforms and revitalise the industry and the jobs it supports.

LABOR'S RECORD

The current regulatory system is the product of an extensive consultation process, involving the industry, shipping users and the workforce, which occurred under Labor between 2010 and 2012.

This occurred following a bipartisan House of Representatives committee inquiry into the future of Australian coastal shipping in 2008.

The committee made several recommendations that formed the basis of later actions of the former Labor Government, including:

- Creating a single national maritime safety regulator, the Australian Maritime Safety Authority (AMSA).
- Rewriting the century-old Navigation Act.
- Overhauling taxation arrangements for shipowners and seafarers.
- Developing a national ports strategy.
- Improving training arrangements for seafarers and stronger personnel links between the Navy and the merchant fleet.

In 2012, Labor introduced a package of reforms aimed at turning around the decline in Australian-flagged and crewed shipping. The Abbott-Turnbull Government's opposition to this package from 2013, and indifference to the national interest in shipping, has meant that the reforms have not been promoted, and regulatory uncertainty has prevented many shipping companies from making a decision to invest in the Australian flag and jobs.

A Shorten Labor Government will support Labor's 2012 package of reforms, and take action to ensure they are promoted and applied to achieve our objectives.

REFORMS TO AUSTRALIAN SHIPPING

TAXATION REFORM

Labor's 2012 taxation incentives are targeted at attracting new investment in Australian-flagged shipping. They are similar to comparable overseas nations. These include:

- Income tax exemptions.
- Accelerated depreciation and rollover relief.
- A refundable tax offset for employers of Australian seafarers in the international trade.
- Exemptions from withholding tax.

COASTAL TRADING REFORM

Coastal shipping was reformed by Labor with a new system of licences providing different levels of access to coastal trading. This system provides unrestricted access to Australian-flagged ships in interstate cargo movement. Such regulation is at the liberal end of coastal trading regulation put in place by other G20 nations.

Labor supports a level-playing field for Australian coastal shipping, based on Australian standards. Labor supports a competitive and reliable coastal trading system that continues to employ Australians.

AUSTRALIAN INTERNATIONAL SHIPPING REGISTER (AISR)

Labor also established an international register to provide incentives for Australian ships to participate in international trading. The Liberals have refused to do the work to promote the register.

Recently, applicants for inclusion on the AISR have sought certainty that the register will continue. This certainty is imperative if investment in the Australian flag is to occur.

Labor will actively support the register, and will appoint ambassadors to promote the register overseas.

WORKFORCE PLANNING

A Shorten Labor Government will renew work on maritime workforce planning that started under Labor and which the Liberals shut down.

We know that the Australian maritime workforce is ageing, and we need to plan for new maritime jobs opportunities for younger Australians.

INTERNATIONAL STANDARDS

Labor supports Australian participation in international maritime forums, including the International Maritime Organization and the International Labour Organization.

Labor will also ratify and enforce international conventions where appropriate.

MARITIME SAFETY

Labor established the Australian Maritime Safety Authority (AMSA) as the national safety regulator. AMSA's search and rescue responsibility spans over 50 million square kilometres of ocean.

Labor will properly resource AMSA to carry out its functions to save lives at sea, and to enforce ship standards to safeguard safety and the environment.

CRUISE SHIPPING

Cruise shipping is among Australia's fastest growing tourism sectors with growth of over 20 per cent occurring in recent years. A coordinated approach is needed to ensure Australia has sufficient infrastructure to accommodate the sector's growth.

Labor will work with industry to ensure adequate port and visitor infrastructure is available to accommodate growth in the cruise ship sector. We will also ensure that we maintain a strong Australian domestic shipping industry, including cruise ships.

Labor will work with the sector and local communities to ensure that the cruise ship industry that appropriate consideration is given to environmental impacts.

PORT EFFICIENCY

The efficient operation of our maritime industry relies on good landside connections to ports. The previous Labor Government endorsed a National Ports Strategy. The Strategy, accompanied by Labor's investment in port access projects including at Port Botany, Port Kembla, Gladstone and Perth, aims to increase efficiency and reduce the costs of moving cargo by ship.

While Infrastructure Australia has proposed rewriting the strategy, Labor believes the existing work should be a starting point and a basis for action in government.

THE LIBERALS' WORKCHOICES ON WATER

The Abbott-Turnbull Government has opposed Labor's historic 2012 reform package all the way, and prevented the new policy from doing its work. Having failed to pass its legislation to throw open Australia's coast to foreign ships on lower standards and costs, the Abbott-Turnbull Government now resorts to working around the object of Labor's laws.

The Liberals' legislation to deregulate Australian coastal shipping was defeated in the Senate in November 2015. This "WorkChoices on Water" legislation used cuts to wages and conditions - effectively replacement of Australian seafarers with foreign seafarers on lower foreign wages - for 88 per cent of the claimed "industry savings". Major Australian seafarer job losses were specifically anticipated by the Abbott-Turnbull Government's modelling, as Australian crews were replaced by foreign crews while working on the Australian coast.

While Labor's 2012 reforms remain in place the Abbott-Turnbull Government has supported the issuing of temporary licences to foreign ships for permanent work that has long been done by Australian crews.

The Liberals have also:

- Not encouraged use of the "international register" - established by Labor to allow greater participation by Australians in international shipping.
- Sought on several occasions to abolish the Seafarers' Tax Offset, which reduces tax liability for employers of Australians in the international trade.
- Shut down the Maritime Workforce Development Forum. The Forum included industry, the Navy, unions and training organisations, and sought to put in place a workforce strategy that would promote maritime skills development for Australians.

While some investment has occurred (SeaRoad in Tasmania for instance), the ongoing uncertainty surrounding policy settings for Australian shipping has prevented the making of reflagging decisions by operators. Reflagging decisions (which would include a move to employ more Australians as crew, and subject a ship to broad Australian-level standards of regulation) are in effect significant medium to long term investment decisions by shipping operators. A sustained period of certainty around shipping regulation is vital for the policy to work.

The Abbott-Turnbull Government's cynical attempt to work around existing legislation has attracted public attention, especially via the MV Portland, CSL Melbourne, removal of all Australian crewed tankers and WorkChoices on Water issues.

Recently the new Minister for Infrastructure and Transport, Darren Chester, has continued to issue temporary licences for permanent work (such as BP Kwinana to Adelaide).

SPECIFIC MEASURES

A Shorten Labor Government will reaffirm Labor's commitment to revitalising Australian shipping as a strategic industry.

Labor will:

- Work with industry to support an adequate level of Australian shipping capability, including ensuring that our defence and fuel security needs are able to be reliably met.
- Ensure that the national interest in promoting Australian shipping is taken into account when licensing foreign ships to work in Australia.
- Stop the abuse of temporary licences that has occurred in breach of the existing legislation by the Abbott-Turnbull Government.
- Streamline regulatory processes – for example not requiring multiple voyages per permit and clarifying customs importation rules.
- Retain the Seafarer Tax Offset and consider if any additional, affordable tax measures are needed to encourage investment in Australian crewed ships.
- Actively promote the Australian International Shipping Register, including by appointing ambassadors for Australian shipping.
- Reinstate and resource the Maritime Workforce Development Forum allow it to plan and develop a system for the training of Australians in the maritime industry.
- Properly respond to the recommendations arising from the recent inquiry by the Senate Rural and Regional Affairs and Transport References Committee into the increasing use of so-called Flag of Convenience shipping in Australia.

A UNITED LABOR TEAM WILL PUT PEOPLE FIRST

From the day Bill Shorten became Leader, Labor's team has remained united, with a single-minded commitment to deliver those policies that put people first. A healthcare system underpinned by Medicare. An education system that gives every child in every school more individual attention – Public, Catholic or Independent. University and TAFE that is accessible for all.

**WE HAVE PUT FORWARD OUR POSITIVE PLANS.
WE ARE UNITED. WE ARE READY.**



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