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## World may view extension of Fair Work Act to foreign seafarers as protectionist

‘Members of Shipping Australia believe that there are many good reasons why Minister Julia Gillard should not have passed the regulation extending the workplace Act to all licensed and permit ships carrying coastal cargo irrespective of the flag of the vessel.’ Llew Russell, Chief Executive Officer of Shipping Australia said today. ‘Outside of the United States, most countries in the world do not have such a restrictive and protectionist policy.’

‘Many Shipping Australia members operating foreign vessels carry coastal cargo between Australian ports under a permit and such permits can only be granted if there is no available vessels licensed under the Australian Navigation Act within three days before or after the scheduled load date.’

‘However, Minister Gillard has announced that from 1 January, 2010 a modified version of a modernised seagoing award will apply to such vessels on the basis that foreign crew carrying Australian domestic cargo should have access to Australian industrial relations law’ he said.

Mr Russell said an analogy could be drawn with a land based carrier using foreign guest workers under a permit system but clearly such permits would be completely invalid under the existing cabotage system because there would be Australian road and rail carriers to undertake the task.

In our view, the relevant implications of her proposals on a policy that, in one form or another, has been in existence in Australia since 1912, will likely be that it will drive up costs and effectively push much more domestic cargo onto road and rail, which, in turn will increase rather than reduce Australia’s carbon pollution because shipping has been shown to have considerably lower CO2 emissions compared to road and rail’ he said.

Australia's international competitiveness will be affected as we are moving towards similar protectionist policies which currently apply in the United States.

'The Government would be opposed to the suggestion that Australian industrial laws should apply to foreign vessels carrying our overseas trade but it originates in Australia or is destined for Australia; so why is that so different to domestic cargo generated in Australia' he asked.

'The Maritime Union of Australia is reported in the media saying this policy will end the inhuman treatment of foreign crews but there are the minimum terms and conditions applied, for example, under the Asian Rates of the International Transport Federation which have been actively enforced by the MUA in the past. If the union is so concerned then surely international solutions to the problem are preferable to the equivalent of putting up tariff barriers.' Mr Russell said.

Mr Russell said 'The Department of Education, Employment and Workplace Relations only recently advised SAL of the Minister making this regulation but this was without any detailed consultation with those who will be most effected.'

'We will be looking for a Regulation Impact Statement with detailed costs or benefits as promised by Prime Minister Rudd in seeking a more transparent government with less red tape' he said.

Mr Russell pointed out that this policy covers many portfolios and the Australian Government appears to be creating policy on the run which has the potential to seriously damage Australia's international competitiveness and, in fact, its international standing.

**For further information:**

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