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SAL 13070

20 June 2013

Committee Secretary
Senate Standing Committees on Legal and Constitutional Affairs
PO Box 6100
Parliament House
Canberra ACT 2600
Australia

Re: Inquiry into the Migration Amendment (Offshore Resources Activity) Bill 2013

1. Shipping Australia Ltd (SAL) is a peak shipowner association with 35 member lines and shipping agents and with 47 corporate associate members which generally provide services to the maritime industry in Australia. Our member Lines are involved with over 80% of Australia's international container trade and car trade as well as over 70% of our break bulk and bulk trade. A number of our members are also actively engaged in the provision of coastal cargo services to Australian consignors and consignees. A major focus of SAL is to promote efficient and effective maritime trade for Australia whilst advancing the interests of ship owners and shipping agents in all matters of shipping policy and safe environmentally sustainable ship operations. SAL also provides secretariat services to the many liner companies and agencies that are members of conferences, discussion agreements, consortia and joint services that have their agreements registered under Part X of the Australian Competition and Consumer Act, 2012 (Cth). These agreements specifically seek to facilitate and encourage growth of Australia's international liner shipping trades.

2. SAL considers the amendments to the Migration Act 1958 (Cth) set out in the Bill are unnecessary as the current Act is consistent with international standards of practice in the offshore resource sector.

3. SAL is concerned that the Bill, intended to ensure that Australian jobs are regulated in an appropriate way, will have unintended consequences, be unwieldy to implement, substantially increase costs (in administration, ship time costs and wage bills for resource development projects) and be difficult to monitor to ensure compliance. The result is likely to be the suspension or cancellation of potential development projects, which will result in a loss of Australian jobs (rather than an increase) and negative impact on Australia's future export earnings and taxation revenue.

4. The Bill casts a wider net than its stated intention and even covers offshore re-supply vessels which conduct transshipment at sea in international waters and never even enter Australia's territorial seas or contiguous zones. This effectively reverses policy decisions that

have already made in the development of the Coastal Trading Act 2012. It is questionable whether UNCLOS could be interpreted to allow for this restriction on the crewing of re-supply vessels operating in international waters when these vessels are not engaged in exploitation of Australia's resources within the EEZ but rather are providing supplies to vessels which may be engaged in such exploitation.

5. Ships supporting specialist tasks undertaken in developing offshore resources require very high capital investment and extremely skilled labour for their operations. The costs are such that the vessels need to operate globally to be cost effective; there is just not enough specialist work in Australia to support these vessel capabilities. If these vessels, which normally would not even call at an Australian port, are designated as Australian workplaces it is likely that the ships will be compelled to pay for Australian crew members even though they are not qualified to operate the specialist equipment and could only be engaged as a "Ghost Crew". This imposes unnecessary costs on resource development projects and could leave them non-viable.

6. The existing Act already sufficiently covers visa requirements for special skilled workers when operating within Australia's territorial seas and on Australian vessels.

7. SAL considered that the Bill is over-reaction to an individual case and will have substantial negative long term consequences for Australian offshore developments, employment and the economy. The Bill adds severe administrative burden, likely time delays and therefore costs to development projects that are important for Australia's economic wellbeing.

Yours faithfully,

Rod Nairn, AM
Acting Chief Executive Officer