

**Melbourne Office***Station Pier PO Box 323**Port Melbourne Victoria 3207**Tel 03 9206 6211 Fax 03 9646 3867***Reservations***Tel 13 20 10 Fax 1800 636 110**spiritoftasmania.com.au**TT-Line Company Pty Ltd**ABN 39 061 996 174*

24 April 2008

The Secretary  
Standing Committee on Infrastructure, Transport,  
Regional Development & Local Government  
Director of Liquor and Gaming  
House of Representatives  
Parliament House  
CANBERRA ACT 2600

Dear Sir / Madam

Thank you for your letter dated 25 March 2008 inviting TT-Line Company Pty Ltd (TT-Line) to provide a submission to your inquiry on Coastal Shipping Policy and Regulation.

## BACKGROUND

TT-Line is a wholly Tasmanian State owned Company which was incorporated on 1 November 1993 to coincide with the commencement of the original white *Spirit of Tasmania* in November 1993. TT-Line is the largest Roll On Roll Off Passenger Ferry operator in Australia.

Prior to this TT-Line, a division of the Department of Transport Tasmania, operated the passenger, vehicle freight ferry, *Abel Tasman* from 1985.

TT-Line's current passenger, vehicle and freight ferries, *Spirit of Tasmania I* and *II* have been in operation between Station Pier Port Melbourne and Devonport Tasmania since September 2002.

Both vessels complete a daily service between these ports, with double sailings undertaken during the peak periods each year. In the off peak periods during autumn and winter, the ships do not sail on Sundays.

TT-Line is involved in two very competitive markets in freight and passenger transport. In freight, TT-Line offers its freight services against Toll Shipping, Searoad Holdings and ANL.

In the tourist / travel market, TT-Line competes with Qantas, Jetstar, Virgin and most recently Tiger Airways as well as the various international airlines.

## TT-LINE'S SUBMISSION

TT-Line's focus for this report is on security and the shortage of qualified seafarers which is having a significant impact on the operation of the Company.

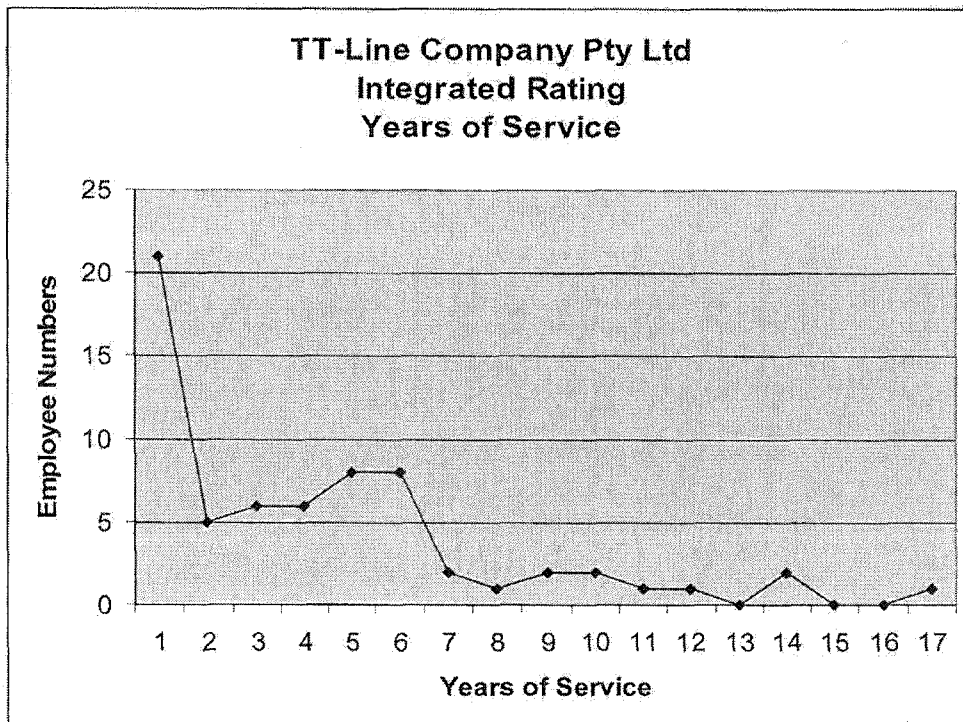
In relation to the shortage of seafarers, TT-Line will only be addressing the shortage of Integrated Ratings. The officers and engineers employed on TT-Line vessels are

contracted to the Company through ASP Ship Management Pty Ltd (ASP). TT-Line has been advised by ASP that it will be providing the Committee with their own submission which will address these issues.

**SEAFARER SHORTAGES**

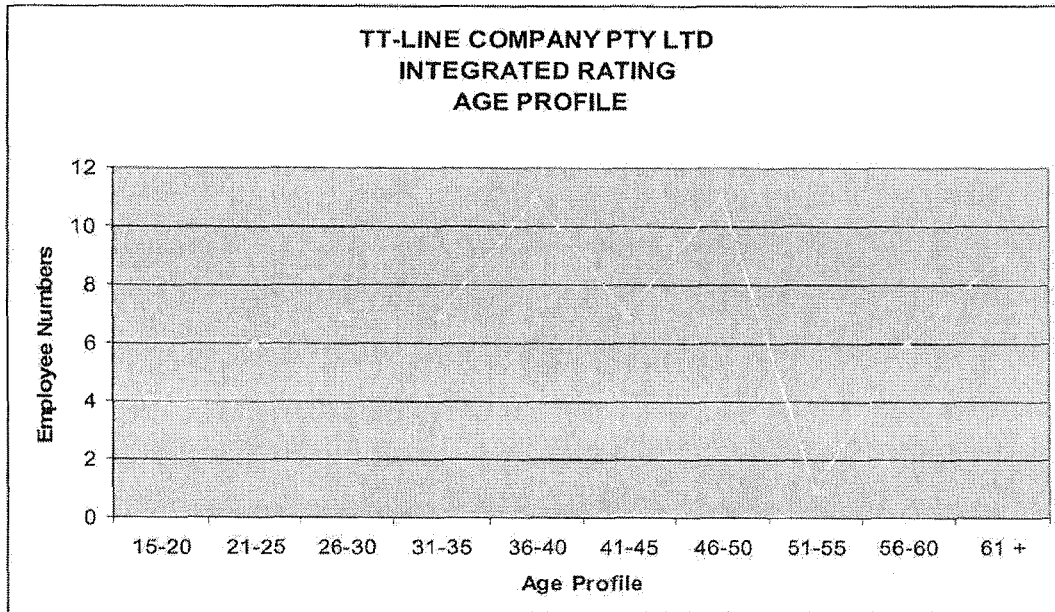
TT-Line is currently experiencing a shortage in Integrated Ratings for its vessels despite the training of over 46 trainees over the past five years. This shortage became apparent approximately three years ago and has worsened despite the Company increasing its training of these seafarers.

TT-Line has a complement of 12 Integrated Ratings (IRs) and one Chief Integrated Rating on each of its two vessels. This equates to 26 fulltime positions on each vessel when taking into account the two crew swing system or a full complement of 52 for both vessels. TT-Line, like many other coastal shippers, is unable to fulfil this number and is having to continually source the casual IR workforce to ensure the vessels are fully manned for each sailing. This is becoming increasingly difficult as more and more IRs follow the higher wage and leave packages in the offshore industry.



The high number of employees in the 0 to 1 year category highlights the large number of casual IRs the Company is currently relying on to meet the Company's manning requirements as there are not sufficient IRs in the industry to fill these positions with long term employees. These casual IRs tend to be IRs on leave from other shipping lines.

In what can be seen from the age Profile Graph below is an aging workforce the increase in the number of IRs working for TT-Line in the under 35 age category reflects the number of persons trained by the Company over the past five years.



#### **TT-LINE'S COMMITMENT TO TRAINING**

The training of IRs involves the attendance at a suitable tertiary institution, being the Australian Maritime College (AMC) in Launceston, for 12 weeks. When students successfully complete this course they are then required to spend 36 weeks at sea where they must complete certain 'watches' before receiving their full certificate to become an IR. The cost of the AMC course, including board and course fees but excluding wages paid to the TT-Line trainees while they are at college, is \$11,000.00 per student. This does not include their wages while they are a trainee at sea. These costs also do not include the cost of supervision both at sea and on shore.

In TT-Line's recently signed EBA with the Maritime Union of Australia (MUA), it was agreed to have two trainee IRs on each vessel for the three year life of the Agreement. The two trainees will take the place of one IR. This was agreed by both parties in recognition of the shortage of IRs in Australia.

This EBA agreement allows for a minimum of two trainees to be selected for the IR training at AMC for each of the two intakes in March and August. Where the Company is able and we can provide sea time for these trainees, more will be taken on.

The Company currently has five trainees placed at AMC with another four on the vessels undergoing the sea time section of their training. TT-Line will be sending another five trainees to AMC in the September intake.

Trainees are required to sign up to a two year work agreement with the Company before they commence their training.

This training will be of little use to TT-Line, as fully qualified seafarers continually leave coastal shipping to pursue the larger pay packets and better leave entitlements offered in the off shore industry. Of the 11 people TT-Line trained as IRs in 2003 there are only two remaining with the Company.

In addition to the above, TT-Line trains cooks and stewards to ensure that there are sufficient numbers of these employees available for the peak tourism season each year. They are required to attend a seven day Sea Safety Training Course at the AMC before being allowed to work onboard the vessels. Despite the fact that the Australian Maritime Safety Authority (AMSA) allows for some exemptions to this, it is still necessary for TT-Line to conduct at least two courses per annum. The cost of each course to TT-Line, with a maximum of 14 per course, is approximately \$25,000. This does not include any allowance for wages paid during this training.

TT-Line has become the trainer in the maritime Industry for cooks and stewards, as we are not aware of any other Company that provides such training. Again, many of the cooks and stewards who TT-Line select and train, seek employment with other Companies, both with the Blue Water and Off Shore Industries.

TT-Line would seek any assistance that could be made available in relation to the training of IRs cooks and stewards as it appears we are training these seafarers for the benefit of the industry as a whole.

## SECURITY

TT-Line currently spends \$3.5m on security to meet Federal Government requirements. This equates to a cost per passenger of \$8.97. The Company has also had to spend an additional \$790k in capital expenditure since July 2003 on security related items.

The security measures put in place to comply with legislation includes:

- Screening of all passenger motor vehicles, trailers, caravans and motor homes and boats;
- Screening of all foot passengers and their cabin luggage onto the vessel;
- Random screening of all freight trailers;
- Two Security Officers are employed onboard at all times the vessels are at sea at a cost of in excess of \$550k per annum.
- Motor launch providing random patrols around the vessel during loading and unloading, Devonport only;
- Extensive camera surveillance in and around the Devonport and Melbourne terminals
- Provision of Maritime Security Industry Cards (MISC) for large numbers of TT-Lines ship and shore based employees and contractors;
- Escorting all persons without MISC within the freight transit yard, and all secure areas on the vessels;
- Administration of the Federal Governments legislative requirements for maritime security (estimated at over \$100k per annum);

Unlike the airlines, TT-Line does not have a large client base to spread these security costs across and has been unable to absorb them, consequently passing them on to the consumer.

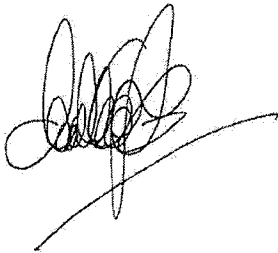
TT-Line believes the current security requirements placed on the Company by Federal Government authorities are onerous on the operation and in some cases have a highly questionable and at best a limited effect on providing a more secure environment for its passengers and crew.

TT-Line requests the Committee consider a review of these security requirements to ensure that the dollars being spent are being directed to where they will have a real impact on security. TT-Line would welcome the opportunity to co-operate in any such review.

TT-Line also requests any financial or other assistance that may be made available to the Company to alleviate this security cost impost on travellers on Spirit of Tasmania vessels.

On behalf of TT-Line I would like to thank the Committee for the opportunity to make this submission on behalf of TT-Line.

Regards



Charles Griplas  
CHIEF EXECUTIVE OFFICER

