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INQUIRY INTO THE IMPLICATIONS OF THE COVID-19 PANDEMIC FOR AUSTRALIA'S FOREIGN AFFAIRS, DEFENCE AND TRADE

Ports Australia welcomes the Joint Standing Committee on Foreign Affairs, Defence and Trade's *Inquiry into the implications of the COVID-19 pandemic for Australia's foreign affairs, defence and trade* and is pleased to have the opportunity to provide input. As Australia is an island nation, ports have and continue to be instrumental in Australia's exports and imports with over 98% of international trade by weight conducted via the country's ports.¹ Accordingly, it is imperative that Australian ports are supported to enable safe, reliable and efficient trade. Whilst the COVID-19 pandemic has had a varied impact on trade and its management both nationally and internationally, Australian ports have continued to enable: the receipt of essential goods, such as food, medicines, personal protective equipment and fuel, for the welfare and benefit of the Australian public; and the export of key resources and goods that are critical to the national economy.

Ports Australia is the peak industry body representing port authorities and corporations, both publicly and privately owned, at the national level. Ports Australia is governed by a Board of Directors comprising the Chief Executive Officers of 14 port corporations from across Australia.

This submission seeks to assist the inquiry by providing a ports perspective on the strategic and operational implications of COVID-19. It should be noted that only the following aspects of the Terms of Reference which principally relate to ports have been addressed:

- Implications for Australia's Foreign Affairs, Defence and Trade policy, particularly with respect to strategic alliances and regional security;
- The impact on human rights;
- Supply chain integrity / assurance to critical enablers of Australian security (such as health, economic and transport systems, and defence); and
- What policy and practical measures would be required to form an ongoing effective national framework to ensure the resilience required to underpin Australia's economic and strategic objectives.

Implications for Australia's Foreign Affairs, Defence and Trade policy, particularly with respect to strategic alliances and regional security

Australia's relationship with Asia-Pacific nations has been important to preserve strategic alliances and regional security. For the Pacific Islands, the airline and maritime industries have a significant role in maintenance of the international supply chain and maintenance of the border such as for the protection of the population from potential COVID-19 cases. In order to safeguard the nation from the current and any

¹ Bureau of Infrastructure, Transport and Regional Economics (BITRE) 2014, Containerised and non-containerised trade through Australian ports to 2032–33.

future pandemics emerging overseas, it is necessary to continue to foster these relationships.

As an industry body, Ports Australia is cognisant of its role in assisting the Australian Government to support these alliances. It is also cognisant of the benefit of having neighbouring nations share best practice and maintain a level of consistency in their operations (including for biosecurity). As such, a number of neighbouring nations are now International Associate Members of Ports Australia including two New Zealand ports, Lyttleton Port Company and Napier Port; Cook Islands Port Authority; Fiji Ports Corporation; Port Authority of Nauru; Samoa Ports Authority; and Solomon Islands Ports Authority. Part of this membership involves sharing of best practice within ports, and at present this has resulted in communicating measures implemented at the ports in response to COVID-19. It is therefore recommended that Australia and New Zealand continue to jointly foster Pacific Island relations at both an industry and Australian Government level.

Impact on human rights

The protection of the health and welfare of port employees has been a principal focus of ports internationally and in Australia, as international crew and vessels are received on a regular basis. Port employees that need to undertake labour at the port for the continued functioning of the supply chain include maritime pilots, tugboat operators, and stevedores. Of these employees, maritime pilots are the first individuals to interact with and board a vessel approaching a port. As maritime pilotage is a highly skilled profession which requires specific knowledge of a stationed locality, there exists only a small number of pilots with expertise to navigate and steer a ship in and out of a specific port. Due to these reasons, pilot health and safety has been of utmost importance to ports in Australia.

Similarly, the health and safety of crew has been a priority for the ports. As seafarers are contained on a vessel away from shore for extended periods, the health of these workers is key. Therefore, procedures implemented by the ports have been conscious of and have taken into account the protection of both shore personnel and crew.

Ports across Australia have implemented Australian Government and jurisdictional COVID-19 requirements, as well as developing and implementing additional protocols and measures to safeguard port employees and crew. These have included, but are not limited to:

- Increased cleaning practices;
- Increased process digitisation to reduce paper based and/or face to face work such as for vessel safety checklists;
- The requirement for all port employees and contractors to declare their health status prior to commencing a shift;
- The requirement for pilots, other port employees that may come into contact with a vessel, and crew to minimise interactions, wear personal protective equipment, and adhere to social distancing; and
- The requirement to not board a ship where it has been advised that a crew member is symptomatic of COVID-19.

To supplement the above, Australian ports are continuing to investigate additional measures to support the safe and continued work of essential port employees and ship crew. For example, NSW Ports partnered with NSW Health to develop a proof of concept for rapid mobile COVID-19 screening for port workers and ship crew at Port of Botany. Should this screening prove feasible, it is suggested that this measure be considered for broader implementation.

Internationally in response to COVID-19, the International Transport Workers' Federation (ITF) agreed to the extension of seafarer contracts, allowing for service periods beyond the maximum allowable under the ITF or the Maritime Labour Convention (MLC).² In Australia in response to COVID-19, the states and territories placed varied restrictions on shore leave and crew changes. This included some jurisdictions prohibiting all shore leave and crew changes, whilst others have allowed shore leave and crew changes under certain circumstances.³ For example, in Queensland crew changes are allowed to occur and for this to occur in a safe manner, Maritime Safety Queensland with Queensland Health developed and implemented a strict step by step protocol on how to conduct crew changeovers in the State and a number of crew changeovers have now successfully occurred in Queensland.⁴ Extensions to seafarer contracts coupled with restrictions in some jurisdictions, have impacted the welfare of a significant number of seafarers. Ports Australia recommends that the Australian Maritime Safety Authority, the Maritime Union of Australia and the International Transport Workers' Federation be liaised with for further information on these matters to assist with maintaining seafarer welfare.

Supply chain integrity / assurance to critical enablers of Australian security (such as health, economic and transport systems, and defence)

Australia's supply chain needs to be both resilient and flexible with all transport modes available to conduct critical nationwide freight movement. As the pandemic has required border closures from many of the states and territories, coastal shipping presents itself as a method to complement and support other transport modes, to enable freight distribution between jurisdictions in a secure and safe manner. Coastal shipping has been on the decline in recent decades due to policy and planning issues, with the number of Australian shipping vessels having fallen from over a hundred in the 1990s to approximately a dozen today. To ensure coastal shipping is an option available for intra-country freight transportation, coastal shipping reform should be examined.

At present, potential reforms are being looked at by the federal government and several states, including as part of Queensland Government's Maritime Jobs Taskforce and the Independent Review of the Victorian Ports System. Due to other COVID-19 priorities it is understood that the coastal trading reform work that the Department of Infrastructure, Transport, Regional Development and Communications was undertaking, has been placed on hold. Given the pandemic has highlighted the need for increased supply chain flexibility in Australia, examination of coastal shipping reform is prudent, and it is recommended that it be part of the Australian Government's current agenda.

² ITF Seafarers 2020, ITF agrees to crew contract extensions.

³ Shipping Australia Limited 2020, Seafarer crew change rules: an overview.

⁴ Maritime Safety Queensland 2020, Protocol for maritime crew members entering or departing Queensland.

Governments' flexibility in allowing for temporary measures for workplaces and for expedited freight distribution has been welcomed, and has been necessary to meet the commodity needs of Australian businesses and the public. Examples of these temporary measures have included the removal of curfew restrictions to enable faster freight delivery, and employment of underutilised passenger rail networks for freight deliveries. Ports Australia commends this flexibility by governments and recommends that this flexibility be part of the proposed effective national framework suggested by this Inquiry.

Supply chain integrity is pivotal and only able to occur with the necessary data to accurately monitor freight being imported, exported, distributed nationally. With such readily available linked data government and industry can better anticipate freight and supply chain problems, enhance supply chain efficiency and flexibility, and respond rapidly to arising issues. Initiatives to enable this have and now continue to be examined with increased focus and effort by the federal and jurisdictional governments and industry. These include initiatives by the ports, the National Freight Data Hub, a trade community system (TCS) and a single window.

A number of ports have actively increased their supply chain monitoring through increased data collection and/or integration of existing datasets. Fremantle Ports is one, having developed a data intelligence hub that provides monthly trade data able to be analysed against key geographic and demographic data including but not limited to, COVID-19 prevalence, distribution routes, hospitals, and the density and age of populations in each locale. Due to the extent of the integrated data coupled with the recency of the data, the data hub has enhanced planning activities including identification of potential supply chain issues. The Department of Infrastructure, Transport, Regional Development and Communications is developing the National Freight Data Hub and Fremantle Ports has been in communication over this, sharing learnings and identifying further opportunities. This collaboration is encouraged, and the Australian Government is encouraged to expedite the establishment of the National Freight Data Hub due to the insights the Hub could provide for the supply chain, improving issue identification and pandemic scenario planning and management.

At present the development of a national single window is being examined by the Department of Home Affairs. A single window is a platform for industry and government to track regulatory adherence for international and interstate trade, including for customs declarations and trading invoices. A single workflow means that it will be easier for industry such as shipping lines to be across all regulatory requirements and adhere to these, and it will also likely have a positive impact on approval timeframes, as well as government and industry resources allocated to regulatory applications. Most importantly, a single window would allow for clear visibility across government regarding regulatory adherence, including for biosecurity and health declarations. During the COVID-19 pandemic, these declarations have been essential to prevent incoming cases. Increasing the ease for incoming vessels to declare and increasing government visibility of these declarations is therefore a priority.

In the last decade, ports within Australia have been examining the development of a TCS, also known as a

port community system, championed by the Port of Brisbane with involvement from a number of ports across the country. A TCS enables integration of supply chain systems, enhancing information sharing and interoperability between freight handlers. Whilst this has been a priority for some time, the pandemic has drawn attention to the importance of having a national TCS to monitor freight in real time. It is also understood that Transport for NSW is in the midst of developing a strategic business case on a port freight community system for NSW. Ports Australia would like to endorse these efforts by both industry and government, and recommend that the valuable opportunity to establish a national TCS aligned with the National Freight Data Hub and a national single window be taken.

The implications of having a national single window, a national TCS and a National Freight Data Hub to plan for, track and respond to pandemics cannot be underestimated, and Ports Australia therefore recommends these be closely examined by this Inquiry.

Policy and practical measures required to form an ongoing effective national framework to ensure the resilience required to underpin Australia's economic and strategic objectives.

In the initial outbreak of the pandemic, Australian ports were forced to take immediate action for the protection of their employees and the national supply chain. Hence ports across the country implemented their own precautions for several weeks prior to being issued government advice.

As mentioned previously, the health and welfare of pilots and port employees, as well as their ability to attend work has been essential for the ongoing function of the supply chain. In addition, this has been important for public confidence in the security and reliability of the supply chain, and minimisation of panic-based purchasing.

On 9 April 2020, National Cabinet provided a class exemption for non-cruise maritime crew to allow their transit to and from work and between jurisdictions without undertaking quarantine, as many maritime crew and pilots are in fly-in fly-out roles.⁵ In principle, this was a significant measure to assure the integrity of the supply chain. However, as states and territories could adopt additional protocols in conjunction with this exemption, in reality, this exemption was not implemented by all states and territories. Hence, continued difficulty ensued for critical supply chain workers to attend their place of work without undertaking quarantine. Whilst it is acknowledged that states and territories require different policies to attend to the needs of a jurisdiction, clarity and transparency of these policies is essential. A single source of truth document produced and routinely updated by the Federal Government on all federal and jurisdictional policies that is accessible to all, is recommended. This would reduce uncertainty from industry and allow for improved adherence to policies throughout the country.

The formation of an ongoing effective national framework developed in conjunction with and agreed to by the Australian Government, the states and territories and industry is imperative to enable governments to more rapidly respond in an aligned way to future pandemics, and for industry to be better informed and

⁵ Prime Minister of Australia 2020, Update on coronavirus measures media statement 09 Apr 2020.

adopt a consistent approach. Based on the federal and jurisdictional government responses, Ports Australia recommends the following to support the Australian supply chain:

- Continued increased flexibility to implement temporary measures for workplaces and for expedited freight distribution;
- Continued industry focused teleconferences with all levels of government;
- Continued industry and government collaboration on pandemic related initiatives, including for the strengthening of regional relations;
- Continued consideration of coastal trading reform for greater supply chain flexibility;
- Continued development of the National Freight Data Hub;
- A national single window and a national TCS;
- National consistency on pandemic policy development, where possible; and
- A single source of truth document produced and routinely updated by the Australian Government for communicating all pandemic-related policy and regulatory changes and a single contact point for all pandemic related matters (coordinated between the federal and jurisdictional governments).

Ports Australia commends the Australian Government for holding this Inquiry and the request for comment, particularly on policy and practical measures required for a resilient national framework. Ports Australia, hence, considers it critical that the policy and practical measures listed throughout this submission be acted on and form part of the national framework, to ensure Australia's international and domestic supply chain is safe, reliable, flexible and efficient and can cope with significant global and local issues now and into the future.

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