

5 July 2005

Ms Maureen Weeks  
Committee Secretary  
Senate Rural and Regional Affairs and  
Transport References Committee  
SG 62  
Parliament House  
CANBERRA ACT 2600

Ms Maureen Weeks,

**Senate Rural and Regional Affairs and Transport Legislation Committee  
Inquiry into the Administration of the Maritime Transport Security Act 2005**

Shipping Australia appreciates the opportunity of providing a submission to the Committee in relation to this inquiry. Shipping Australia is a peak shipowner body representing 40 shipping operators and shipping agents representing all types of shipping from liner, bulk, break bulk and cruise vessels. Members would be involved with the carriage of approximately 80% of Australia's international container transport and a little over 50% of our break bulk and bulk overseas trade. A list of the members of Shipping Australia are attached. There are also 30 Corporate Associate members: primarily companies that provide services to the maritime industry in Australia.

Shipping Australia has been closely involved in the development of the draft Bill and, in particular the drafting of the regulations relating to the proposed introduction of the Maritime Security Identification Cards (MSIC) with the planned introduction date of 1 October this year and with the view to compulsory application from 1 July next year.

In relation to the protection of the offshore oil and gas facilities, Shipping Australia is happy with the proposed provisions and in particular definitions relating to the specific type of vessels that will be covered under that part of the Act.

There are only a few sections of the Act relating to the MSICs and these are supported. However, the detail in the regulations are presumably the focus of attention by the Committee and in that respect we would comment as follows;

- a. We believe that the regulatory framework that is being proposed have provisions that will, in our view, adequately protect privacy interests.

- b. We believe that the proposed cost recovery model is reasonable in its general approach in that issuing bodies for MSICs, for example, can do it themselves or those involved can request others to do it for them and for those that outsource those requirements, presumably, there will be competing issuing bodies that would meet their requirements and therefore we believe that cost should be kept to a minimum.
- c. We have no reason to believe that law enforcement mechanisms will not be adequate to enforce the new regulatory regime but we would defer to the comments of those more directly involved in the oil and gas offshore industry to comment in relation to that issue.
- d. Similarly, we have no reason to believe that the proposed oversight and compliance inspection mechanisms will not be adequate but again this is an issue upon which the comments of those involved in the oil and gas offshore industry would be more relevant.

However, we note that the draft regulations leave open the situation post 1 July, 2006 whether the Office of Transport Security (OTS) in the Department of Transport and Regional Services (DOTARS) will continue in their role of determining whether a person has an adverse maritime security assessment. We understood that the Government is yet to make a decision on that matter but SAL is supportive of the Government continuing in this role post 1 July, 2006 in order to avoid issuing bodies having to make such a determination.

- e. We do have strong views regarding the adequacy of the existing security checks for foreign seafarers. It has been proposed by some interests that Australia's anti-terrorism measures are being put at risk by inadequate identification of foreign seafarers. The Special Purpose Visas that have been issued to seafarers is an historical and worldwide tradition which is not justification in itself but the only country which does not accept those procedures at the present time, are the United States. Australia did tighten its security regime in this area by enforcing the need for passports to be held by foreign crews as from 1 November 2004. Under the new security arrangements applied by the Department of Immigration and Multicultural and Indigenous Affairs (DIMIA) there is a requirement to have two documents of identity, namely; the passport and a separate document such as a seafarers identification document or contract of employment etc. Fines apply for not having these documents for crew and supernumeraries. Furthermore, the Australian Government has provided funds for Customs to increase their level of face to passport checks of foreign crews on board and the objective is for Customs to board 80% of vessels at their first port of arrival in Australia.

Those that advocate there is a security risk do not provide evidence of an increased risk or even reasoning as to the basis of the risk. All of Australia's maritime security measures are based on an assessed risk and an outcome focused prevention regime. Shipping Australia believes that these arrangements are adequate, at least at IMO risk level 1 but we are willing to discuss with the Government any proposals that would reduce any perceived

risk depending on costs and effectiveness and importantly the practicality of any such proposal in terms of implementation.

- f. It is SAL's view that the proposed security checks regarding existing and new employees as proposed by the MSIC regulatory regime is fair and equitable but some of the practicalities of the proposals and timetable still need to be, in our view, tightened up.
- g. We would like to take the opportunity of commending the Government and particularly the Office of Transport Security in DOTARS for the high level of consultation that they have undertaken regarding the proposed regulatory regime supporting this Act. It has been most comprehensive and very much welcomed by the industry.

If required, Shipping Australia would be happy to provide verbal evidence at the Public Hearing on 12 July and it would be most appreciated if you would let me know as soon as practicable, if the Committee wishes us to elaborate on this submission at the public hearing.

Yours sincerely

Llew Russell  
Chief Executive Officer

## SHIPPING AUSTRALIA LIMITED MEMBERS – July 2005

### **FULL MEMBERS**

AAL Shipping  
Adsteam Marine Limited  
ANL Container Line Pty Ltd  
APL Lines (Australia)  
Asiaworld Shipping Services Pty Ltd  
Barwil Agencies Oceania  
Beaufort Shipping Agency Co  
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CP Ships (UK) Limited  
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FESCO Lines Australia Pty Ltd  
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Hamburg Sud Australia Pty Ltd  
Hapag-Lloyd (Australia) Pty Ltd  
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Inchcape Shipping Services  
Indian Ocean Shipping Agencies  
John Swire & Sons Pty Ltd  
“K” Line (Australia) Pty Limited  
Maersk Australia Pty Ltd  
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MISC Agencies (Australia) Pty Ltd  
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Oceanway Shipping Agency Pty Ltd  
OOCL (Australia) Pty Ltd  
P&O Nedlloyd Limited  
Patrick Shipping  
RCL (Australia) Pty Ltd  
Teekay Shipping (Australia) Pty Ltd  
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P&O Swire Containers Ltd  
P.T. Djakarta Lloyd (Persero)

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