

**SUBMISSION TO SENATE RURAL &
REGIONAL AFFAIRS & TRANSPORT
LEGISLATION COMMITTEE**

**INQUIRY INTO THE MARITIME TRANSPORT SECURITY AMENDMENT
ACT 2005 AND REGULATIONS**

Submitted by;

The Australian Workers' Union. (AWU)

**Bill Shorten
National Secretary
The Australian Workers' Union
685 Spencer Street
West Melbourne Victoria 3003
Tel: 038327 0800
Fax: 0383270899**

July 2005

Contents

Introduction.....	3
Background.....	4
The Maritime Transport Security Act 2003.....	5
Developments since the MTSA	5
Maritime Security Working Group.....	6
Oversights by DOTARS regarding consultation	7
Comments about the Regulations	8
Criminality versus security concerns	8
Transitional arrangements.....	9
Central Agency	10
Review of the exclusionary decision	11
Further Profiling or Checking.....	11
Penalties	12
Temporary MSIC's	13
Cost recovery	13
Issuing Bodies.....	14
Gaps in Maritime Security of Australia.....	14
Foreign Seafarers	14
Australian Shipping	14
Coastal Permit System	14
Domestic fleet and skills base	16
Container inspections	16

Introduction

The union making this submission represent workers involved in both mainland and offshore industries impacted by the Maritime Transport Security Amendment Act 2005.

In discharging our responsibilities to our members, the union seeks to protect the health and safety of employees in the workplace. The issue of security is a serious issue of workplace safety, which cannot be taken lightly. However, this must be balanced with the need to protect the privacy, job security and human rights of members of the workforce, while ensuring that adequate protection is in place to minimise threat to the broader community.

The Australian trade union movement has been a keen participant in the consultation process in relation to the draft regulations associated with the legislation currently being considered by the Senate Rural, Regional Affairs and Transport Committee. Sadly, this consultation process was narrow in scope, incomplete at the time of passage of the bill through the Parliament, and did not involve all affected unions.

On that basis, the Australian Workers' Union, welcomes the decision by the Senate to refer the regulations for consideration.

We are however very concerned that the Government has indicated an intention to finalise the regulations and present them to the Executive Council on July 21 – well before the reporting date of this inquiry. It is the view of this union that this undermines the role of the committee, and limits our ability to engage in the policy process of the Australian Parliament.

In making this submission, the union ask that the Committee consider a number of key issues:

1. The distinction between issues of security (and potential for terrorism) and criminal activity, and the need to ensure that each are addressed appropriately.
2. The need to recognise the difference between the aviation security environment and the maritime, hydrocarbons industry security environment.
3. Issues in relation to the introduction of the Maritime Security Identity Card (MSIC), including:
 - Privacy
 - Cost recovery
 - Transitional arrangements
 - Background checking in relation to prior criminal convictions.
4. The application of the maritime security framework to the offshore industry, with particular reference to the lack of consultation with unions on this issue.
5. The inconsistencies that exist in the maritime and hydrocarbons industry security framework, particularly in relation to:

- Foreign seafarers
- Foreign hydrocarbons industry workers
- Container screening
- The ongoing abuse of the coastal permit system thereby encouraging foreign ships and crews onto the Australian coastline, and
- The lack of regulation by the Australian Government on the carriage of high consequence dangerous goods.

Background

In almost every non military terrorist attack in recent years there has been one group of victims rarely recognised or even deliberately targeted. These are workers engaged in all offshore hydrocarbons, maritime and transport industries that are at risk on a daily basis merely by virtue of the fact of going to work.

From the American Airlines crews who perished in the terrorist attacks in the US on September 2001 to the seafarers killed on the “Super Ferry 14” sunk in the Philippines in February 2003 and to the rail workers murdered in the Madrid train attacks in March 2004, to Oil rig workers kidnapped in Nigeria, Southern Delta on June 2005 all these workers suffered simply because they went to work that day.

It is with this deadly imperative in mind that unions representing members involved in the maritime, transport and offshore hydrocarbons network in Australia sought to be involved in the maritime security framework. Through our involvement, we have acknowledged the importance of maritime security and we regard our role as crucial in determining the level of maritime security on our wharves, port facilities, ships and hydrocarbons facilities manned by Australian seafarers and non seafaring workers and all other transport modes feeding into maritime security zones, such as trucks and trains.

The unions sought to participate and influence the outcomes of any legislated security measures for two key reasons:

1. Our members are at the front line of maritime, hydrocarbons and transport security. Hence, the unions and our members have a vested interest to ensure that the final outcomes of any legislative regime are both fair and provide effective security for workers specifically, and for the country generally.
2. This essential group of workers can provide a primary level of security simply through situational awareness, recognition of any unusual circumstances and knowing where and how to report these concerns.

Therefore union and worker involvement in any project to develop and enhance maritime security is vital. Through this involvement, thousands of sets of eyes and ears will be encouraged to actively participate rather than being excluded.

The commitment of the unions to maritime security has been clearly demonstrated from our recent actions. For example, early in 2005 the Maritime Union of Australia sent representatives to Canada and the United States to learn about the maritime

security frameworks in those countries. The Australian Workers Union had representatives discuss the matter in depth with the Canadian Government and Canadian and USA union representatives whilst in Canada in 2004. These are the only two other countries considering the introduction of identification cards similar to the scheme proposed in Australia. Valuable insights about the challenges and opportunities experienced by other governments and unions involved in the maritime and offshore hydrocarbons industry were gained from these representations.

The Maritime Transport Security Act 2003

As a general comment, the unions would describe the beginning of the processes which would determine a new era of how workers in the maritime and hydrocarbons sector would move around their workplaces post 1st July 2004 as a stumbling start at best.

All unions were excluded from the preliminary meetings which were conducted around Australia in the lead up to the development of the Maritime Transport Security Bill 2003 – the key piece of legislation which was to implement the International Ship and Port Facility Security Code (ISPS), to which Australia was a signatory through the International Maritime Organisation. A particular oversight at this time was the involvement of the MUA, AIMPE and AWU, the MUA and AIMPE being two key unions in the maritime industry and the AWU within the hydrocarbons sector.

Through some concerted effort by the unions, the MUA and AMPIE eventually impressed upon the Government the need for consultation. This was highlighted by the unions' ability to use their detailed knowledge of the industry and how it interfaced with other transport logistics to identify several fundamental flaws in the initial draft of the Bill. Consequently, they were able to improve the level of effectiveness of the final draft which, of course, became the Maritime Security Act 2003 (MTSA)

Developments since the MTSA

Since the development of the MTSA in 2003, DOTARS representatives clearly acknowledged two important issues:

1. The desperate shortage of maritime skills which has been brought about by the running down of the Australian shipping industry. Despite a concerted effort by government and maritime industry employers to attract people with the appropriate level of shipping and dockside experience, these attempts were largely unsuccessful.
2. That the unions had a wealth of knowledge which could be used to achieve a positive outcome for maritime transport security.

Following these cooperative negotiations, the Prime Minister, in mid-2004, announced a range of extra maritime security measures, which included the introduction of the Maritime Security Identity Card (MSIC) and the expansion of the MTSA to include the offshore oil and gas industry.

Maritime Security Working Group

In June 2004, DOTARS invited what it identified as key industry representatives to participate in the development of changes to the MTSA. At the time the group was established, little consideration was given by DOTARS of involving those whose business was not primarily based in the maritime industry – for example rail, mechanical and related trades. This did not recognise the impact that changes in maritime security would have on broader industries.

The Maritime Industry Consultative Group met for the first time in September 2004 and brought together more than 70 participants from the industry including three unions, MUA, AIMPE and TWU. A sub-group was established and called the Maritime Security Working Group. This group was charged with the task of considering regulations and how they would impact of the MSIC cards on the industry and the workers who would require them. Between September 2004 and June 2005, this group met many times and a cooperative relationship was developed between all of those involved. The AWU has had limited involvement, but when involved was able to offer good insight into the hydrocarbons exploration and production sector.

This group was able to cut across much of the political and cultural divide which tends to dominate forums involving the federal government, industry and unions. As a result, the group was extraordinarily productive and the cooperative relations enabled the key players in the industry to overcome what at first seemed insurmountable and unprecedented challenges.

It is the unions understanding that the same consideration was never afforded to the unions who represent workers involved in the Aviation industry. Many of the MSIC meetings however were held at Sydney airport and included airport security staff who had been actively involved in the implementation of ASIC.

It was immediately obvious that the two industries had little in common and lessons learned in Aviation could not be applied in Maritime and offshore hydrocarbons sector. The importance of the Maritime and Hydrocarbons sector to be to be considered for its own dynamics is critical. There has to be a clear recognition that they are vastly different industries and to use ASIC as a template or model is fraught with danger.

Oversights by DOTARS regarding consultation

While DOTARS now recognises the importance of consulting unions and other industry participants, there were several oversights by the DOTARS in the development of security measures for maritime transport.

1. First, DOTARS did not seek the views of unions before amendments were proposed which extended the security measures to the off-shore oil and gas industry. This is currently a problem as attempts by the government to brief industry have resulted in confusion and left many unanswered questions regarding the responsibilities of workers and employers in the offshore oil and gas sector.

The unions understand that an extensive consultation process took place with all other major participants in the offshore oil and gas industry. On that basis, it is easy to conclude that the relevant unions were deliberately excluded from the process. Given that the unions have a major responsibility to protect the workplace health and safety of their members, such exclusion is difficult to understand.

2. Second, while the key Maritime Unions were invited by DOTARS to participate in the development of the Maritime Transport Security regulations and parameters surrounding the issue of the ID card, other unions were not. The Australian Workers Union has significant concerns about the process via which the regulations surrounding maritime transport security that have been developed thus far.

No representative from the union was briefed about the development or introduction of MSIC and the impact it would have on workers in these sectors of the hydrocarbons industry. The AWUs' limited experience and involvement with the ID card was at a meeting in June 2005 in Perth where the program was effectively presented by DOTARS as a fait au complet. Major concerns, were raised at that meeting by the AWU about a lack of consultation of the Offshore Hydrocarbons Industry and again at the following meeting in Melbourne on June 10th 2005.

While the AWU believes that the unions who were invited to participate in the working group discussions since mid-2004 have made significant and important changes to the initial DOTARS proposal, the involvement of all key players in the maritime, transport and offshore hydrocarbons sector should have been regarded as vital to this process and, certainly with respect to offshore hydrocarbons, has not happened until very recently.

To summarise, the AWU is extremely concerned that DOTARS has not consulted widely enough to take into account the views of all workers who

will be required to participate in a system which could impact on their livelihood.

The AWU is of the view that we do not want legitimate national security systems to be used to the detriment of the employees and/or of their union representatives.

The issues for consideration are;

- How will the MSIC be applied to existing employee?
- How will the MSIC be applied to new employees?
- Will it the MSIC be applied to union representatives?
- Where does any information gained go to?
- Who has access to information gained?
- Will any checks to gain information be retrospectively applied?
- What is the relationship of the MSIC proposals to employment laws?

The AWU supports improving the security of Australian and Offshore facilities within the offshore hydrocarbons industry.

Workers, (existing and new) should not however be disadvantaged nor have employment rights undermined.

The AWU does not want the MSIC to be used to place people with domestic legal issues on record in a double jeopardy situation in regards to obtaining employment or in the case of someone (existing employee) who may be refused an MISC to be terminated from their employment.

Comments about the Regulations

In providing comments in relation to the Regulations, the union would like the Committee to be aware that the finalised regulations were not provided until late on July 8, and therefore this submission addressing the unions concerns is sent after the commencement of the inquiry. The AWU seek that the submissions be received for consideration by the Senate inquiry and the union will continue to assess the regulations and may need to provide further comment to the Committee at a later date.

Criminality versus security concerns

The key element in determining an effective Maritime Security framework to defend our critical maritime infrastructure from a terrorist threat is to clearly define what we are trying to achieve.

There is always the tendency for commentators to refer to issues of criminality as opposed to real terrorist activities.

As the debate deepens there is a blurring between criminality or more specifically a history of criminal convictions and the deliberate risk of terrorism. To describe cases or give examples only further confuses the argument but in order to progress the

matter there has to be a conscious understanding and a separation of criminality and terrorism.

Australia has an effective law enforcement regime consisting of a well resourced state or territorial police force supported and complimented by the federal police with much broader powers. In addition it has a well funded intelligence network that is all able to share important information in their pursuit of criminals and organised crime.

If the arguments around the introduction of the MSIC cards are allowed to broaden the scope to include the detection of criminals or reformed criminals in the transport chain then the effectiveness of any maritime security measures are diluted.

There must be a focus and refocus on the primary objective and that is to limit Australia's exposure to a terrorist threat.

Transitional arrangements

One of the outstanding threshold issues concerning those involved in the Working Group (unions, employers, employer associations) is the administration of the 'system' post 30 June 2006. It is our understanding that, at this stage, prior to 30 June 2006, DOTARS and OTS have committed to undertake the coordination of AFP and ASIO checks. The ONLY information to be provided to an 'issuing body' during the first nine months (1 October 2005-30 June 2006) is whether they should issue an MSIC to a particular individual or not. The issuing body will not be provided with reasons why or why not a card is to be provided (although in the case of a negative result the individual will receive reasons from OTS).

After 30 June 2006, the process is yet undecided. DOTARS has advised the Working Group that the Department has only been allocated \$300 000 and this will be used for the administration of the scheme in the first nine months. No allocation of funds has been made for any period afterwards.

After concerns raised by members of the working group (see below), DOTARS suggested that at the end of the first nine months, two options would be available.

1. DOTARS may secure further funding and therefore DOTARS/OTS (or some other section of the public service) will continue to process the ASIO/AFP reports and simply provide a yes/no response to the issuing body.
2. The issuing body is provided with copies of the AFP record checks for their reference.

Unfortunately, the second option seems the most likely outcome at this stage and it is an outcome which is unacceptable to transport unions. We cannot accept employers who register as issuing bodies having access to workers' AFP record. It is our understanding that, at this stage, AFP record checks will list any crimes for which the worker has been convicted over the last 10 years (not just those related to 'terrorism') as well as those which are 'unspent' convictions. Employers in the working party suggesting that they do not want access to this information, unions fear that workers could be prejudiced as a result. This option begs the question: Why it is considered

appropriate or relevant to transport security that employers gain access to this prejudicial information?

A simple statement to the latest working group meeting that 'OTS has agreed to review its post implementation role during the implementation phase' provides cold comfort. Regardless of these concerns being widely held by many in the working group and raised a number of times, DOTARS has proceeded to have the legislation drafted to take into account Option 2 becoming the process for issuing of MSICs after 30 June 2005. This indicates that Option 2 is the preferred governmental outcome and, as noted by DOTARS, is the way the ASIC (aviation security identification card) is currently administered. The unions wish to highlight the failure of the ASIC process to date and suggest that better practices be adopted for MSIC. This requires details in the draft regulations which presuppose the outcome past 30 June 2005 to be removed from the legislation to enable a genuine consideration of the issues during the first nine months of the operation of the scheme. For the draft regulations to already include the machinery for Option 2 indicated that DOTARS is not taking the concerns of the working party seriously.

Central Agency

Unlike the ASIC and the aviation industry, the maritime and related employers made it clear that at no time did they want the burden of seeing the results of the background checks conducted. DIMIA, ASIO and the Federal Police should process the application and to issue the result to the employer or issuing body as a Red, Amber or Green light with no qualification or information.

As suggested the Red means that no card is to be issued and the applicant could access the appropriate appeals mechanism which included the AAT dependant upon which agency has returned a negative result.

Amber would mean that one or more of the bodies conducting the tests required clarification or more information before making a decision. However, at this stage it is unclear how this would be handled – and what level of information would be passed to the issuing body (which may in some cases be the employer).

Green indicates that the checks were all clear and the issuing body was to issue an MSIC.

In the initial nine month period, DOTARS has the responsibility to inform the issuing body of the results it provides a buffer between the background checks and the issuing body. This method of protecting the civil rights of the applicant is also effective in protecting employers from accusations that they may make employment decisions based on any sensitive information disclosed throughout the three background checks.

The regulations make several references to post role out period which is intended to begin on the 1st July 2006 and indeed some regulations are only valid up until this date.

The proposed system will be administered by the office of transport security for the roll out period of 9 months from the 1st October 2005 – 1st July 2006 but a number of decisions for industry and unions to make will depend entirely on the post July 1 commitment. It is essential that the government provide for industry and workers and to indicate clearly that this provision will be carried through after the roll out period.

If, for example, the issuing bodies (IB) were made responsible for this process it is very unlikely that unions or industry would accept that position. Unless the matter is clarified before the regulations are enacted anyone who would become an issuing body for the roll out period may find themselves faced with the responsibility of winding their involvement back after July 2006 and being exposed to the procedures of dismantling their IB structures.

The establishment of a “central vetting agency” has been mooted over recent months and the working group have unanimously called on the government to provide a commitment to maintain this core responsibility as key feature of the MSIC process.

Review of the exclusionary decision

The former deputy Prime Minister, John Anderson, made some very astute comments in the media and Parliament in June 2005 that the distinction between terrorist activity and general criminal activity needs to be clearly borne in mind when discussing transport security matters.

This was major issue of discussion by industry and unions through the working group and it was agreed that the regulations need only be concerned with the types of criminal convictions that have a demonstrable link to terrorism. On this basis the working group settled on a process which allowed for discretion to be applied in appropriate circumstance – the “amber light”.

The working group reached agreement on the criminal activities that would be defined as disqualifying (i.e. no discretion) and those that would be exclusionary. This list can be provided to the committee and should be the basis for the definitions included in the regulations.

What is not clearly defined in the regulations is the process by which discretion is applied and by whom.

This step of the determination must be transparent and consistent. The factors by which someone is judged at this stage must be prescribed. Again a commitment is sought from the government for a consistent approach from the start-up date of 1st October this year through the roll out period and into the post 1st July 2006 stage. There must be a seamless process if it is to be applied fairly.

Further Profiling or Checking

Recent media reports over international drug smuggling arrests and subsequent convictions involving Australian citizens saw a somewhat hysterical and ill informed

debate into transport security (at airports and ports), largely driven by radio “shock jocks” and ratings-driven television current affairs programs.

The danger in this type of debate is that the real objectives of all involved became blurred and the focus shifts away from the most important goal – that of protecting Australian workers, critical infrastructure, and the Australian community generally.

Unfortunately, in response to this debate, the Government made reference to the need for further and more invasive background checks, including reference to people needing to be fit and proper persons to work in the transport industry, and the notion of a pattern of criminality. Unions sought a clearer indication of how these statements fitted into agreed positions reach over months of discussions and deliberations by those who understood the industry best. This has never been clarified.

Unions maintain that the pattern of criminality question was addressed satisfactorily through the working group process, and is reflected adequately in the regulations and needs no extra attention.

In terms of “fit and proper person”, the unions contend that the level of background checking included in the regulations – ASIO, AFP and DIMIA – is sufficient (and significantly higher than in many industries) and that no further screening is required or appropriate.

Penalties

A key role of the involvement of the unions has been that we sought to be a partner in the measures adopted to secure our workplaces and by extension our members.

It is by inclusion, education and induction that workers will be encouraged to contribute most effectively to the protection of Australia’s critical infrastructure. Enlisting the assistance and the intimate knowledge of workers about their daily working environment will support all other maritime security measures.

The involvement of unions in the working group has demonstrated that Government agencies, industry and unions can work together to achieve a common purpose – a safe and efficient waterfront.

Given the role of workers in ensuring a secure workplace, it is inconsistent to suggest fines and monetary penalties for small infringements related to the display of the cards.

Hefty penalties should be considered however against anyone deliberately abusing the maritime security regime. An example of gross abuse of the maritime security framework was played out recently in South Australia by the master of the Maltese registered “Flecha”. The Greek captain of this vessel raised the security alert level of the ship from the default to level 2 in order to hide his abuse of the Filipino crew from an intended visit from the International Transport Workers Federation inspectors.

This open and deliberate exploitation of maritime security went unpunished by Australian authorities and such incidents threaten to erode the real effect of Australia's maritime security.

Unions again agree with the former Transport Minister and Deputy Prime Minister, John Anderson who remarked at the time that Maritime Security was far too important to be used as an industrial lever.

Still there seems to be no penalty for this abhorrent conduct and yet a rig worker, seafarer or a truck driver can be fined penalty units for not "properly displaying" his or her card in the correct position.

Temporary MSIC's

The issuing of temporary MSICs is not clearly addressed in the regulations. The ability for contractors or casual employees to gain ASICs in the aviation sector has presented a clear weak link in the system. It is obvious to even a casual observer that a terrorist aligned group would be more likely to place an employee at a port or airport as a casual and thereby avoid screening if this option is available.

The regulations indicate that MSICs will be issued to anyone with "an operational need" to hold one – defined as needing to have unmonitored access to a secure zone at least once per year.

The unions contend that temporary MSICs should not be freely available to casual or contract employees – that a clear limit must be placed on the number of times a casual or contractor can be allowed on site per year, without being subject to the same background checking process as other MSIC holders.

Cost recovery

The unions believe that the cost of applying for and obtaining an MSIC must not in any circumstances be passed on to individual employees. It is a cost of doing business, similar in our view to broader transport security measures, insurance, provision of office/workplace facilities, and workplace health and safety. This issue is not addressed in the draft regulations, despite their being scope for Issuing Bodies to recover costs – in our view these costs must be recovered from employers, not individuals

Issuing Bodies

The unions welcome the Government's agreement to the unions potentially being able to become Issuing Bodies in their own right however this will be entirely dependant on consistency of the processes post July 2006.

Gaps in Maritime Security of Australia

In addition to the issues raised above, and the general provisions of the Maritime Transport Security Amendment Act 2005 and Regulations, a number of clear gaping holes remain in the maritime security framework that the Government refuses to address. These issues have been raised repeatedly by the unions, in particular the MUA and of which the AWU equally support and have been the subject a range of reports, including the recent report of the Australian Strategic Policy Institute (ASPI), to which the Government declined to respond.

In brief, these issues include:

1. Foreign Seafarers

The Australian Government continues to refuse to ratify International Labor Organisation (ILO) Convention 185.

Nowhere in the current proposals is there any discussion of how the Government might seek to undertake background checking of foreign crews in the absence of its commitment to ILO 185.

2. Australian Shipping

The state of the Australian domestic shipping fleet is a clear question of Maritime Security. Australian manned Australian owned ship are unquestionable the safest mode of transporting cargos around our countries and must be recognised if we are to improve our maritime defences.

Domestic shipping fleets have been an effective 4th line of defence for Australia and our trading partners. The USA has relied heavily on their merchant marine and supports them for these very reasons. The Jones Act not only ensures US coastal cargos are carried on US tonnage it also encourages a shipbuilding industry and all downstream industries.

Another important benefit to the government is that this support creates a broad skills base which has been drawn upon in recent years. The American merchant marine is thriving not only in the carriage of coastal cargos but has boomed in the cruise ship market which continues to draw on the skills base to source national officers , ratings and hospitality staff in partnerships forged between Government and Unions.

With the slow decline in the Australian shipping industry also comes the demise of Australia's maritime skills base. This is identified in the Sharp & Morris report "Independent Review on Australian Shipping".

It has been reported that government departments trying to get an understanding of the complexities of the industry experienced enormous difficulties in source the appropriate people because of the shortage.

3. Coastal Permit System

While unions support the coastal voyage permit system we do not support the abuses under them. Australian industry can identify many occasions where their businesses have suffered under the unfair competition of SVP and CVP using vessels that fly flags of convenience dodging all responsibility to safety, wage conditions, taxation and security.

This is a drain on our economy and where they replace Australian ships, present an obvious security threat from crews sourced from countries our government call the arc of instability.

International Maritime Security agencies accept that Osama Bin Laden owns a fleet of cargo ship all flagged under the "Flag of convenience" system. This system evades taxes, and most other regulated cost but more importantly provides the beneficial owner with the most effective veil of anonymity available in international trade.

Where the MSIC will see a high level of background checking on all Australian seafarers from our top law and intelligence bodies the same is impossible for foreign nationals.

The most obvious prospect for potential terrorists to breach our maritime security is by using flag of convenience shipping on government permits to replace entire trades on our coast at the expense of Australian shipping.

Over the year 2001/2002 the Bureau of Transport and Regional Economics reports that 105 Million tonnes of *coastal* cargos were handled through Australian ports. More than 10 Million tonnes were carried in foreign ships holds using 1000 Single and Continual Voyage permits.

Baring in mind that these cargos are carried from one Australian port to another the cost of the permit system to Australia is far greater than the loss of a key industry or economical and environmental concerns.

Eclipsing these fears is the laying bare of our ports, facilities and cities to terrorist risk using cheap flag of convenience ships and crews.

A graphic although not isolated example of the unions concern was described in a submission to the senate hearing on maritime security.

On the day on which the Maritime security bill was introduced to parliament the FOC bulk carrier the "Henry Oldendorf" loaded a coastal cargo of fertiliser from NSW bound for Victoria. Until very recently this cargo was carried exclusively by Australian flagged and crewed ships.

The “Henry Oldendorf” had a compliment of 21 men from 7 different nationalities carrying potentially one of the most dangerous cargos in and out of Australia’s major capital cities, Sydney, Melbourne and Brisbane. While this is by no means an isolated event it serves to demonstrate how the government’s assault on the Australian industry opens the gates to terrorist opportunities.

After this committee concludes its deliberations there will still be no way possible for Australian authorities to background check any seafarer other than those with a vested interest in our national security.

Unless the permit system is reviewed under a security context including the use of FOC shipping as a term of reference, foreign seafarers will continue to replace Australians (with background checks) on our coastal trade under a misguided priority of competition over national security.

4. Domestic fleet and skills base

The continued abuse of the cabotage system has seen the Australian shipping industry significantly run down. This policy of the Government fails to recognise the national interest, defence and security benefits of having secure Australian ships, with secure Australian crews operating through secure Australian ports.

The running down of the Australian fleet has also resulted in a sharp decline in the maritime skills base in this country. This is a problem not only to the maritime industry, but it also means that fewer experts are available to work in the area of maritime security – both in Government and the private sector.

5. Container inspections

Each year there a 100s of thousand of empty containers transhipped through Australian ports. Many of these are transported through our cities and left in container parks until space can be found on vessels travelling back to the container’s port of origin.

There are no physical checks at all performed on the “empties” and they are only presumed to be empty. This provides a clear portal for terrorist activities and the examples stated internationally is the opportunity for a dirty bomb to be planted in one of these empties, tracked through a major city and detonated at precise location.

A manual physical check is the only way to be sure they are indeed empty and even then it will require some level of training and technical support.

In Australia about 4% of full or “Stuffed” containers are x-ray checked and while the government departments have a target of more than 7% to be X-rayed it is not enough. Australia must ramp up this level if inspections if the checking regime is to be taken seriously.

