

DEL AGUILA Fiorella

From: Sutton Michael
Sent: Tuesday, 17 November 2015 4:33 PM
To: HEFFERNAN Brett
Cc: ZIELKE Judith; OPOKU Naa; PATHAK Chirag; FINLAY Jess
Subject: RE: Letter from Acting PM... [SEC=UNCLASSIFIED]

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Brett - two comments:

- the actu wasnt consulted; the mua was
- as per the notes i sent up, the ship looks unlikely to be replaced by a single vessel - the contracted shipping company will likely use a range of ships after they come to australia on international voyages. It would be more accurate to say that any replacement vessels will be subject to the requirements of the FAir Work Act and regulations. (Nb - if an individual ship undertakes more than two voyages under a temporary licence this means they will be required to pay Part B wages to their seafarers. But you may not want to say this, as it could highlight that they wont have to pay Part B for two voyages or less).

Michael

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Sent with Good (www.good.com)

-----Original Message-----

From: Heffernan Brett
Sent: Tuesday, November 17, 2015 04:11 PM AUS Eastern Standard Time
To: Sutton Michael
Cc: Zielke Judith; Opoku Naa; Pathak Chirag; Finlay Jess
Subject: Letter from Acting PM... [SEC=UNCLASSIFIED]

Guys can you please cast an eye over this please for fact checking...

Letter to the Editor
The Age

Stranded cargo ship nothing to do with our reforms

Your piece 'Cargo ship stranded while sailors battle over jobs' (The Age, 17/11/15) carries the false ACTU claim that crew on the MV Portland are being sacked to be replaced with a low paid foreign crew.

The reality is MV Portland is at the end of its economic operating life. It is 27-years-old and the costs of keeping it in service are becoming prohibitive. Alcoa has chosen to sell the vessel and replace it with a more cost efficient method of delivery of alumina from Western Australia to the Portland aluminium smelter.

The coastal trading legislation provides a mechanism to ensure that cargo can be moved when there is no general licenced vessel available, and that is what has happened on this occasion.

Neither the ACTU nor the MUA lodged an objection to the granting of a temporary license until after the license was issued.

The current legislation regulating coastal trading was implemented by the former Labor Government. Under the Coalition's reforms to revive coastal shipping in Australia, yet to be debated in the Senate, the crew of the replacement vessel would have to be paid Australian Part B wages.

Shipping is vital to modern trade and Australia's economy. While the ocean provides a natural highway for carrying the vast majority of Australia's international trade by volume, we are not using it enough.

The number of major Australian registered ships with coastal licences plummeted from 30 in 2006-07 to just 15 today. Deadweight tonnage capacity has plummeted by 63%.

At this rate of decline, soon there won't be a coastal shipping industry or Australian shipping jobs to save. Labor's legislation has not saved Australian jobs on the water and has cost many Australian jobs on land.

Even so, the current legislation does not force operators of general licence vessels to carry cargo on their ships.

It is unfortunate that yet another major licenced Australian trading vessel is going out of service, but it is symptomatic of the urgent need for reform of the current legislation, which is simply not working.

Warren Truss MP
Deputy Prime Minister
Minister for Infrastructure and Regional Development

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