

CURRENT ISSUES

MANUFACTURERS & IMPORTERS WORKING GROUP

- **Coastal Shipping**

In November 2009 the Federal Government proposed changes to the Australian Coastal Shipping for vessels issued permits under the Navigation Act, 1912. These changes to the Australian Cabotage laws specifically related to the extension of the Australian Fair Work Act, 2009 (FWA) to include foreign vessels carrying Australian coastal cargo under Single Voyage permits (SVP).

The proposal was to result in foreign vessels being required to apply Australian award conditions to their crews while carrying Australian coastal cargo. This proposal would seriously affect the costs of such carriage and would result in greatly costs for members who utilise foreign vessels to carry construction and mining equipment from one Australian port to another.

CMEIG has worked closely with Shipping Australia (SAL) and Wallenius Wilhelmsen Logistics (WWL) to address this matter. On 6 April 2010 CMEIG wrote to the Hon Julia Gillard, Deputy Prime Minister and Minister for Education, Employment and Workplace Relations, setting out our concerns on the application of the FWA to the carriage of Australian coastal cargo under permit.

We have now been advised that the Australian Federal Government has just passed amendments to the Cabotage Laws which take effect from 1 July 2010. These amendments mean that the FWA will now apply to foreign vessels carrying Australian coastal cargo, resulting in these vessels having to pay crew members in line with Australian employment awards while engaged in this coastal carriage.

Shipping companies engaged in this service have indicated that there will be a Coastal Cargo Surcharge (CCS) on all domestic cargo carried between Australian ports effective from 1 July, 2010. CMEIG members involved in shipping Australian coastal cargo on foreign vessels should contact their shipping lines for details of this CCS.

CMEIG has received a response from the Office of the Hon Julia Gillard to our letter of 6 April setting out the arguments of the government for the introduction of these new laws. They have indicated that the government is now giving careful consideration to the issues raised by CMEIG and SAL. CMEIG will continue discussions with SAL and WWL on this matter.