

CURRENT ISSUES - SEPTEMBER 2010

MANUFACTURERS & IMPORTERS WORKING GROUP

- **Carriage of coastal cargo**

The situation regarding the application of the Fair Work Act to crews of foreign vessels carrying Australian coastal cargo under permit has been finalised by the Federal Government. From 1 July 2010 all shipping companies involved in this trade have increased their costs for the carriage of this coastal cargo due to the increased costs they have incurred in paying their crews the higher wage rates.

While this is a disappointment to our industry, the shipping companies have all indicated that they will continue to accept coastal cargo for shipment between Australian ports, albeit at increased rates.

CMEIG had lobbied the Federal Government through the Hon. Julia Gillard MP, when she was the Minister for Employment and Workplace Relations, indicating our concern at the application of the Fair Work Act to these situations with the subsequent large increases in costs which would result. While CMEIG received a response from the Minister's Chief of Staff, the response was not positive and it now appears that the increased costs for shipping Australian coastal cargo on foreign vessels will be with us for some time