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PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

Federation Chamber

BILLS

Maritime Legislation Amendment Bill 2012

Second Reading

SPEECH

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Questioner
Speaker Truss, Warren, MP

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Mr TRUSS (Wide Bay—Leader of The Nationals) (10:03): The Maritime Legislation Amendment Bill 2012 implements three unrelated changes to maritime regulation in Australia. Firstly, the bill amends the Protection of the Sea (Prevention of Pollution from Ships) Act 1983 to implement amendments to annexes IV, V and VI of the International Convention for the Prevention of Pollution from Ships, better known as the MARPOL convention. Australia has been a member of the IMO since it was established in 1948 and has played an active role in the development of its conventions and treaties over many years. The six annexes to the MARPOL convention and their amendments have been implemented in a bipartisan way over many years. On 15 July 2012 the Marine Environment Protection Committee of the IMO adopted the amendments which we are presently considering, and I understand that they will come into force internationally on 1 January 2013. The three annexes amended by the current legislation involve prevention of pollution by sewage, annex IV; the prevention of pollution by garbage, annex V; and the prevention of pollution by air, annex VI.

Dealing first with annex IV of the MARPOL convention, these amendments impose new restrictions on the discharge of sewage from passengers ships in special areas of the sea which are particularly sensitive or vulnerable to pollution. Under annex IV, only the Baltic Sea is considered a special area, and so that is the area affected by this change.

Annex V deals with the prevention of pollution by garbage. This second group of amendments impose restrictions on the discharge of garbage by ships of any nationality in the parts of the sea that are within Australia's territorial jurisdiction, and on the discharge of garbage by Australian ships in all seas, in accordance with the changes to annex V of the convention. The new annex V has not been changed in terms of the types of vessels it applies to but has been strengthened, particularly for garbage discharge in special areas, and broadened to prohibit discharge of plastic.

Special areas in relation to annex V are the Mediterranean Sea, the Baltic Sea area, the Black Sea area, the Red Sea, the gulfs area, the North Sea, the wider Caribbean region and the Antarctic area. Common sense exceptions are permitted in certain circumstances and include: water used for washing the deck of external surfaces if the cleaning agents are not harmful to the environment; cargo residues; and animal carcasses. It should be noted that Australia already has mandatory requirements for livestock management in shipping, including requirements for the disposal of animal carcasses. Fishing equipment may also be discarded where it is for the protection of the marine environment or the safety of the ship or the crew. It should be noted that many Australian shipowners and operators already follow a policy of not discharging waste at sea other than food waste in some circumstances. This practice is fully consistent with the revised annex V. The amendments also expand the requirement to hold a garbage management plan and the garbage management book to fixed and floating platforms.

Annex VI deals with prevention of pollution by air. The bill makes mandatory the current voluntary energy efficiency design index for new ships of 400 gross tonnes and over that are engaged in international trade. This will only apply to new ships on 1 January 2013, or to certain ships that have undergone a major conversion. All existing ships will require a ship energy efficiency management plan, which is an operational document that can be implemented at little cost to industry.

The second element of the bill deals with so-called rollback provisions. The Protection of the Sea (Prevention of Pollution from Ships) Act 1983 includes rollback provisions in relation to offences committed under the act within the sea under the state and territory jurisdictions. To clarify the operation of rollback provisions in the act the bill proposes to distinguish between two areas of the territorial sea by amending the act to stipulate that the area from three to 12 nautical miles off the territorial sea is termed the 'outer territorial sea'. This is the area for which the states and territories have no power to legislate in relation to an incident. The landward side of the outer territorial sea that covers the area from the territorial sea baseline to the first three nautical miles out to sea is called the 'sea near a state', the 'sea near the Jervis Bay Territory' and the 'sea near an external territory'. This is the area for which the states and territories will be able to exercise jurisdiction. If they have no applicable

laws, the Commonwealth will have jurisdiction. The amendment will clarify which level of government has jurisdiction over particular sea areas and will prevent Commonwealth legislation from prevailing over state and territory jurisdictions.

Finally, schedule 2 of the bill repeals the Stevedoring Levy (Imposition) Act 1998 and the Stevedoring Levy (Collection) Act 1998, which are redundant as the stevedoring levy ceased in May 2006. The stevedoring levy was introduced during the waterfront dispute in 1998 to help facilitate the restructure of our ports, to improve productivity and to address overmanning. The government of the time established a wholly owned Commonwealth company called the Maritime Industry Finance Company, or MIFCO, which established a \$250 million loan facility to pay stevedoring employees their redundancy entitlements.

This loan amount was then recovered from P&O Automotive & General Stevedoring and Patrick through a levy on the loading and unloading of containers and vehicles in Australia.

Successive independent reports to the former coalition governments, including by the Productivity Commission and the Industry Commission, concluded at the time that stevedoring was an impediment to our competitiveness as a nation. Our wharves were an international embarrassment and the prior Labor government had simply allowed our waterfronts to be the fiefdom of the union movement. Strong action was necessary to turn our waterfront into an efficient and reliable workplace. The coalition government backed employers who also wanted changes. Strong action was certainly needed. As a result of this action, waterfront productivity was greatly improved, with crane movement rates rising from 16.9 per hour in 1996 to 27.7 in June 2007. We moved from the bottom area of developed countries in efficiency on our wharves to close to the top.

Sadly, however, productivity on our wharves has now waned again, with container loading rates again in decline. The government has again surrendered to the union bosses and so it is no real wonder that the productivity level is again on the decline. Is it any wonder that port authorities are now resorting to automated and driverless unloading systems? An independent report released in June 2012 found that wages in Australian ports have been increasing ahead of productivity. The data suggests that the productivity gains which occurred under the former coalition government between 1998 and 2003 have largely dissipated—and that is tragic. This echoes the ACCC's advice from November 2011 that the benefits of labour market reforms are likely to have been exhausted several years ago.

As I noted earlier, the stevedoring levy ceased operation in 2006, with its task completed, but our focus on waterfront productivity and reform should not cease. Our ports are our gateway to the world market, and it is vital that they are productive, efficient and internationally competitive. I thought about whether we should keep MIFCO for another round of reform but I concluded that the next round of reform will probably need to be done differently and a MIFCO structure is unlikely to be necessary. The coalition has taken time to consult with industry about their views on the bill, and industry have raised no objections. The measures contained within the Maritime Legislation Amendment Bill 2012 are largely uncontroversial and as such the coalition will be supporting the bill.