

## Industry Briefing – Offshore Resources Visa Disallowance Motion – 16 July 2014

This document has been prepared by AMMA to correct misleading assertions by the Maritime Union of Australia (MUA) and the Australian Maritime Officers Union (AMOU) related to non-Australian crew members on offshore resources construction and supply sea vessels.

It has been prepared to brief Senators and others in opposition to the motion by Senator Wright of the Greens to move that the Migration Amendment (Offshore Resources Activity) Regulation 2014, as contained in Select Legislative Instrument 2014 No. 64 and made under the *Migration Act 1958*, be disallowed [F2014L00624]. This is expected to be considered on 16 July 2014.

See related media release [here](#).

### **What type of work activities are we talking about?**

Australia's offshore oil and gas industry has about \$200 billion worth of major projects either under construction or in operation. This maritime support sector employs about 2,500 people, and is estimated by Deloitte Access Economics to create up to 10,000 Australian flow-on jobs.

A small, but vitally important part of building offshore resource projects is the use of highly specialised, international offshore construction vessels to perform one-off works such as sub-sea pipe-laying at depths of up to 3,000 metres.

Only a handful of companies globally have the technology and expertise required to complete such work, including operating vessels over 200 metres long and with significant capital invested.

Such is the highly specialised nature of this work that these vessels operate with full-time international crews which travel with each vessel wherever it goes around the world and are essential to the safe operations of these vessels. These are not Australian, but international jobs.

When work is required in Australia, or anywhere else in the world, these crew members are typically flown or sailed into the host country for a one-day stopover before being transported to the vessel offshore. After a four to six week contract period, they then return to their families in their country, preceding their next assignment.

While in Australia, these vessel operators use strategic partnerships with local labour hire companies to supply full crews for the project period. This means the vessels pick up upwards of 120 Australian workers – or about 85% of the entire crew - when working on Australian projects.

### **What legislation and regulations cover this work?**

In a move inconsistent with how offshore resource projects (in international waters) are regulated elsewhere in the world, the former Labor government amended Australia's skilled migration laws to capture these specialised non-Australian crews within Australia's migration zone.

The former Labor government's *Migration Amendment (Offshore Resources Activity) Act 2013* (ORA Act) took effect on 29 June 2014. As specifically required under Labor's legislation, the current government created new [Regulations](#) specifying a list of visa options. Had Labor remained in office it would have needed to make such a regulation to meet the requirements of its own legislation.

In a political move driven by misleading union campaigns, the Greens will move to disallow the Abbott Government's regulations in the Senate on July 16. This would not only create great uncertainty for the oil and gas sector, but if there are no Regulations in place, work in this important part of the resource industry will come to a halt and jeopardise Australian jobs.

# Industry Briefing – Offshore Resources Visa Disallowance Motion – 16 July 2014

## RESPONSES TO MISLEADING AND UNTRUE STATEMENTS BY AUSTRALIA'S MARITIME UNIONS

**Misrepresenting what's going on:** *"The Abbott Government is currently pushing to replace the Offshore Resources Worker Visa class with the far less stringent Maritime Crew Visas.... "The Offshore Resources Worker Visa... contains specific protections for foreign workers against exploitation and protections for Australians from potential security breaches." (MUA Media Statement, 14 July 2014)*

*"...Government has changed the migration regulations to allow foreign workers to participate in offshore activities with a marine crew visa bypassing the requirement to obtain a 457 visa as was previously the requirement for foreign workers to engage in this industry." (AMOU website, 14 July 2014)*

- The AMOU and MUA are deliberately misrepresenting the facts. No new Offshore Resources Worker Visa was ever created under Labor's 2013 legislation, and the work in question has never required a 457 visa.
- No existing protections are being watered down by the regulation the MUA is seeking to have disallowed in the Senate. In fact, if the Regulations stand, there will be more stringent regulation in place than existed previously.

**This will not displace jobs for Australians:** *"....the Federal Government wants to make it easier for vessels operating in the offshore oil and gas industry to use foreign crews, at the expense of Australian maritime workers." AMOU website, 14 July 2014.*

- Offshore resources vessels are generally majority Australian-crewed when operating in support of Australian resources projects. Employers have no intentions of changing their mix of Australian and international crewing in this specialised sector as a result of these visa changes.
- Nothing in the visa arrangements used to support such work changes this, nor does it advantage in any way the use of international crew – decisions on which are, and will remain, operationally driven (and international crew will remain in the minority).

**Opportunistic scare on maritime safety:** ....*"Literally hundreds of foreign nationals on MCVs have gone missing in Australia over recent years"..." MUA Media Statement, 14 July 2014*

- Safety is at all times the paramount concern at sea. Employers in the offshore resources sector are committed to safe operating and work with the maritime unions in Australia and globally to minimise risks and incidents.
- The MUA is quite misleadingly confusing tragic events in the commercial and general shipping sector with specialist offshore resources activities.
- The majority of international workers that would fall under this visa would never touch down on Australian shores, and those who do, transit very briefly before they are directly flown out.

**Dog whistling on "foreign workers":** *"...the Abbott Government's attempts to rapidly expand the use of a visa class [are] associated with hundreds of foreign nationals disappearing into the country over recent years ..."* MUA Media Statement, 14 July 2014

- No one disappears from this globally specialised, highly skilled and in demand sector into the Australian community. Employers report 100% of those transiting through Australia for offshore resources work enter and leave the country in full accordance with our laws.
- Any workers who have gone missing, if the MUA claims are to be believed, are not employed in the resource industry.

## Industry Briefing – Offshore Resources Visa Disallowance Motion – 16 July 2014

**Fanciful claims on national security:** *"The regulatory changes appear a golden opportunity for people smugglers..."* AMOU website, 14 July 2014

- This is fanciful and a laughably opportunistic attempt to hijack a legitimate community concern. International workers working under the visas in question will at all times be subject to appropriate checks when transiting through Australia, and will be employed in international waters in very tightly controlled, regulated and supervised maritime work.

**Claims that Australian wages will not be paid:** *"...These workers, working in Australian waters will not be paid Australian wages and conditions of employment..."* AMOU website, 14 July 2014

- Approximately 85% of employees working on specialist offshore resources vessels are Australian residents, and are paid, taxed and superannuated in full accordance with Australian laws, just like any other Australian employee. Many if not most are MUA or AMOU members.
- The remainder are international specialists paid in accordance with international maritime law, including the rules set by the International Labour Organisation and the Maritime Labour Convention 2006, which Australia has ratified.

**Misplaced claims on skills and training:** *"These measures will erode our technical skill capacity...the Australian Maritime College... would be devastated by these changes."* AMOU website, 14 July 2014

- The commitment of the industry to training Australians is not changed in any way by putting visa arrangements in place to meet a requirement under MUA/AMOU-driven legislation passed by Labor and the Greens, for a small sub-sector of in the industry.
- There is nothing in the visa regulations that will impact negatively on maritime training, with strong commitments to training and employing Australians remaining in place.

**Exaggerating the impact on the industry:** *"...this would affect an entire industry,...that would no longer need to domicile their business in Australia. Australians engaged as accountants, engineers, project managers, HR managers and administration workers would all lose their jobs."* AMOU website, 14 July 2014

- While the union claims in this area are gross fabrication and exaggeration, it is true that developments in this area could have a significant impact on the operational competitiveness of the Australian resource industry and Australia's international reputation.
- The fact is that nothing in the creation of visa arrangements for a few hundred maritime specialists at most, working in a small and unique subsector of the oil and gas industry, will bring the industry to a standstill.
- However, should the Regulations be disallowed tomorrow, it will bring a halt to important work that can only be performed by international specialist vessels who simply will not come here if they cannot safely run and maintain their billion-dollar vessels with their own experienced specialist crew. The flow-on impacts of this to the industry should not be underestimated, despite the unions' misleading claims.

### CONTACT:

For more information, please contact the following AMMA team members:

**Media:** Tom Reid, Media Manager via [Tom.Reid@amma.org.au](mailto:Tom.Reid@amma.org.au) or 0419 153 407

**Government:** Lisa Matthew, Senior Policy Adviser via [Lisa.Matthews@amma.org.au](mailto:Lisa.Matthews@amma.org.au) or 0400 332 070