



FIGHT OVER INTERNATIONAL WORKERS IN THE OFFSHORE SECTOR HEATS UP

With the Maritime Union of Australia last month launching a Federal Court challenge against the rights of non-Australian specialists to legally work on our nation's offshore oil and gas projects, AMMA executive director Scott Barklamb explains what this is all about and how the outcomes could impact a \$200 billion industry that creates 70,000 Australian jobs.

AUSTRALIA IS FAST emerging as a leader in global energy supply and as the national resource employer group, AMMA is committed to ensuring we further capitalise on the economic potential of rising energy demands worldwide.

Central to this objective is having a globally competitive regulatory framework that sends a message to the rest of the world that our nation is indeed globally engaged and open for business.

Unfortunately, one of the key areas of both public debate and regulation in which our nation has fallen behind in recent times has been the approach to non-Australian

nationals working on our offshore oil and gas projects.

Specifically, readers of *National Resources Review* may recall great contention in recent months relating to visa arrangements for international employees working on our offshore oil and gas projects.

To understanding the complexities of this delicate policy field and the importance of international workers, we must review how this issue has unfolded.

A SMALL BUT CRITICAL ROLE

Any non-Australian national working within Australia's migration zone must have an appropriate working visa.

The major point of contention in the offshore visa debate has been whether international employees on international ships, working outside the migration zone in international waters, should be considered to be working in Australia's territory.

Historically and as consistent with global practice, they have not.

Right around the globe, many components of offshore resource projects take place outside the boundaries of a country's migration zone within what is called the Exclusive Economic Zone (EEZ). The EEZ primarily exists for the allocation of royalties from projects which are in international waters.

Globally, working conditions and pay for maritime work taking place within an EEZ are regulated in accordance with international maritime laws and the laws of a vessel's national origin.

One small, but vitally important servicing sector where this practice is prevalent is in offshore sub-sea pipelaying – specialist underwater construction work often laying pipes at depths of up to 3,000 metres.

Only a handful of companies globally have the technology and expertise required to complete such work, which sees these specialist vessels travel the world with a permanent crew, completing contracts in one nation before moving immediately onto the next.

The majority of these vessels are from European nations such as the Netherlands

and Italy and their presence in fact creates Australian jobs through partnerships with local maritime labour hire companies.

When these construction vessels begin working on short contracts in Australia's EEZ (but importantly, not into our migration zone), often as much as 75% of the total crew can be Australians.

It's important to note that these vessels could not come to Australia to do this essential offshore project work and create jobs for Australians without their permanent international specialist crew. With technology including advanced GPS manoeuvring systems, the expertise simply does not exist in Australia.

UNION CAMPAIGNS A THREAT TO OFFSHORE PROJECTS

Despite this being well-accepted international practice and a necessary part of building Australia's offshore LNG projects, Australia's maritime unions are on a large-scale campaign to ensure this international work is captured within our national jurisdiction.

Led by the militant Maritime Union of Australia (MUA), the campaign claims to be about 'protecting Australian jobs', but those in the industry know it is simply about extending the union's membership coverage and influence to areas where it has never had a legal right to cover before.

The former Labor government gave in to the MUA's demands and passed new laws that would extend Australia's migration zone to the edges of our EEZ, thus capturing all this work within our national jurisdiction.

Had this unprecedented move proceeded as planned by Labor and the unions, there would have been an enormous level of additional cost pressures and red tape to the offshore resource industry, which comprises \$200 billion in capital investment and employs upward of 70,000 people.

As new competitors for resource investment rapidly advance around the world, this situation would have added considerably to the cost, delays and productivity challenges that has seen Australia lose some of its competitive edge in attracting further investment.

AMMA executive director, policy and public affairs, Scott Barklamb.



Thankfully, the current Australian Government acted swiftly to fix this major problem for the offshore industry by effectively restoring the way this part of the industry works back to the long-withstanding and sensible arrangements.

That is, those non-Australian employees performing work on 'fixed platforms' such as a drilling rigs would require Australian working visas, while those maritime crews working on vessels that do not enter our migration zone would not require visas, and will continue to be regulated by international maritime laws.

This was very welcome news and restored confidence and uncertainty to the industry.

MATTER NOT SETTLED YET

In late July the MUA, backed by other maritime unions including the Australian Maritime Officers Union, launched a Federal Court challenge to the government's solution to this complex and concerning issue.

While the basis for this legal challenge and the outcomes will be seen in coming months, as an industry we must oppose any attempts by the unions to undermine globally consistent work practices in our offshore resource industry.

To keep opportunities flowing through our industry, we must stay on par with tried and tested global standards that allow highly-skilled workers on foreign-flagged vessels to continue making important contributions to our offshore oil and gas projects.

We urge the maritime unions to put to bed its unproductive and damaging campaign around non-Australian nationals working on our offshore oil and gas projects, and allow us to jointly focus back on positively boosting our competitiveness to ensure Australia maintains its reputation as a globally attractive place to invest, build projects and employ people.

