



## AUSTRALIAN MARITIME OFFICERS UNION

ABN 56 181 230 800

# MAY 2018 INDUSTRIAL MONTHLY MEETING REPORT

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**Date:** 29<sup>th</sup> May 2018

**Locations:** **EASTERN AREA:**  
AMOU, Suite 1, Level 5, 377 Sussex St, SYDNEY NSW 2000

**SOUTHERN AREA:**  
Victoria Trades Hall Council, 4<sup>th</sup> Floor, 54 Victoria Street, CARLTON SOUTH VIC 3053

**WESTERN AREA:**  
Navy Club Inc., 64 High Street, FREMANTLE WA 6160

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# PRESIDENT'S REPORT

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Dear Members

Welcome to the May 2018 Industrial Report and my President's Report.

The Union's Executive Council met on 16<sup>th</sup> & 17<sup>th</sup> May and the following are amongst the decisions made:

1. The draft Memorandum of Understanding between AMOU and AIMPE, which has undergone some exchanges of editing over the past few months was recommended by the Council for signing. The MOU deals with the issues of increasing cooperation between the two unions through co-locations throughout the country. The last issue involved the co-location in Sydney whereby we would rent and renovate the ground and first floors of the AIMPE head office in Surry Hills rather than just do the ground floor and share space on first second and third floors. The reasoning is that being subject to a lease agreement there is a need for a defined area to be identified and further because Telstra has advised us that connectivity will be a much simpler exercise if the AMOU staff are all centralised within the building. As well as Sydney, the MOU deals with co-location terms for union offices in Fremantle, Melbourne and Brisbane, facility sharing in Adelaide and the potential for a new Nautilus Federation of Australia (jointly funded) operative to be located in AIMPE's Newcastle office as well as possibilities in Darwin and Tasmania following the appropriate feasibility exercise. AMOU has been invited to AIMPE's Federal Council meeting next month in Newcastle and it is likely the ceremonial signing of the MOU will take place there.
2. The Auditor's Financial Report was approved and will be sent out to all members this coming week. Whilst another loss was registered (\$315,000) the union's financial membership began to regenerate in the 4<sup>th</sup> quarter of the financial year and this will continue exponentially into the first two quarters of 2018. Much of this is due to the union's policy of waiving arrears for members that resigned or allowed their financial status to lapse due to a lack of visibility of their representatives. Much has been gained through the process that every union needs to undertake to contact those members that have been un-financial for two years, and establish their intentions of continued commitment to the union or resignation. This process has returned a considerable number of members to the AMOU family and allowed the membership records to be updated in accordance with the law to ensure that the declared membership numbers are accurate and that we are not holding private information on behalf of anyone that is not a financial member.
3. The Executive Council decided to transfer the union's accounting consultancy to a new provider. Refuge Accounting is our new consultant having replaced ESV, which continues to be our Auditors. It was felt that there was somewhat of a conflict of interest in the same firm furnishing accounting advice as well as auditing the organisation to which it has provided this advice. Refuge Accounting is working with Office Manager Liz Jenkins to close off the last financial year, refine our payroll, leave and expense claim/reimbursement system and bring the union's operation into the modern world. This will streamline the administrative functions of the union and eliminate the doubling handling of expenses by allowing the industrial staff to photograph receipts when expenses are incurred and have these records detected by the provider, expense and method of payment and transfer the data directly back to the credit card and expense claims on the Xero system.
4. The Executive Council has decided to change the investment management structure and the adviser presently looking after a proportion of the union's reserves. Yellow Brick Road has rendered excellent service in its stewardship of the share portfolio but it was felt that the management cost was burdensome and the inherent cost of regular meetings and updates could not be justified with the limited resources the union has in order to maximise the value of these exchanges. After receiving a number of quotes, a lower cost option was decided upon in Vanguard which merely

requires options to be taken up from a large variety of risk and portfolio configurations. The Executive decided on the portfolio being invested in a diversified balanced fund with the remainder split between cash reserve and diversified growth to ensure there was a prudent hedge against a downturn in the local share market.

As always Stay Safe



Tim Higgs  
President

## EXECUTIVE OFFICER'S REPORT

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### Mark Davis

*Executive Officer (Sydney)*

To carry on the theme regarding Executive Council decisions, Annual General Meetings were decided to be held in these locations and dates with the business to be transacted set out below. The official convening the meetings has as yet not been 100% decided.

| Port           | Date                  | AMOU representative officiating                 |
|----------------|-----------------------|---|
| Sydney         | 26 <sup>th</sup> June | Tim Higgs and/or Mark Davis and/or Meghann Papa |
| Melbourne      | 26 <sup>th</sup> June | Jan Thompson                                    |
| Fremantle      | 26 <sup>th</sup> June | Dan Pearson                                     |
| Adelaide       | 26 <sup>th</sup> June | Luke Hosking                                    |
| Darwin         | Not yet decided       | Mark Davis?                                     |
| Launceston     | 26 <sup>th</sup> June | Jarrold Moran                                   |
| Gladstone      | 27 <sup>th</sup> June | Chris Neiberding                                |
| Geraldton      | 27 <sup>th</sup> June | Glenn Andersen                                  |
| Sunshine Coast | 26 <sup>th</sup> June | Ken Blackband & Chris Neiberding                |
| Cairns         | 28 <sup>th</sup> June | Kerry Bullock & Chris Neiberding                |

In accordance with Rule 44 of the Australian Maritime Officers Union you are hereby advised that the following motions have been endorsed at the most recent Executive Council meeting and will be tabled for discussion at the upcoming Annual General Meeting:

#### **Motion 1: Acceptance of Executive Council Report**

It is moved that:

*This meeting among those that collectively constitute the Annual General Meeting of the Australian Maritime Officers Union held between 26<sup>th</sup> and 28<sup>th</sup> June 2018 accepts the Executive Council Report for 2018.*

#### **Motion 2 (procedural motion):**

##### **Approval of Financial Report for Year ended 31 December 2016**

It is moved that:

*This meeting among those that collectively constitute the Annual General Meeting of the Australian Maritime Officers Union held between 26<sup>th</sup> and 28<sup>th</sup> June 2018 approves the Financial Report for the year ending 31 December 2017 prepared by the union's auditor.*

### **Landbridge Infrastructure - Darwin Marine Pilots EA**

The Pilots agreed to provide the company with some space to settle the Darwin Port Operations EA (for AMOU this means Pilot Cutter Masters and Harbour Control Officers), which is due to expire on 30<sup>th</sup> June 2018 just as is the Pilots EA. This was done on the basis that the DPO EA is a more convoluted negotiation, with AMOU, AMWU and MUA plus numerous individual employee bargaining representatives looking to protect their narrow patches. As you will read in Glenn's report below, settlement has proven unattainable as yet and we need to approach the Marine Pilots EA in earnest now irrespective of this. It was hoped that many provisions settled with the DPO EA would simplify the Pilot's text by flowing over and to some degree this may well prove to be the case. The Pilots' EA is simpler in form as all Pilots are AMOU members and there is continuity in the delegates. We have labelled this set of negotiations as 'threshold' as not only is this the first in the private sector environment at the port for the pilots, it is also in the context of trying to stop the revolving door that has seen Pilots trained in Darwin only to disappear to other ports perceived as more attractive propositions. We are hopeful that by working together with the port we can ensure that the EA produces a sufficiently attractive remuneration package, that the most qualified Pilots will be able to access the full benefits of their rostered time off, getting the Pilot numbers right and that a training regime will ensure that there is some future-proofing to ensure there is

## **INDUSTRIAL REPORTS**

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### **Glenn Andersen**

*Organiser (Fremantle)/Offshore Oil & Gas Delegate*

#### **Darwin Ports**

There have been five rounds of negotiations with representatives of the now Chinese owned Darwin Port. Well not quite owned, just a 99-year lease! Talks have broken down over a final few, but important issues. Included is the wage increase percentage, an Indemnity for pilot boat masters and the *Consultation Regarding Major Change* clause. With the latter of those three, the combined unions refuse to water down the wording of the existing clause. It looks like we are headed towards a program of protected industrial action.

#### **Ship visits**

Two trips to Darwin in this month included visits to *OMS Endurance*, *MMA Plover*, *Skandi Hercules*, *Pacific Hornbill*, *Pacific Grackle* and the *Mermaid Inscription*. I am still meeting some masters and officers who, up until now, had never had a ship visit from the union. One meeting lasted for two hours, such is the interest in talking to an AMOU Organiser. The main topic of conversation is foreign masters and officers and the fact that once again ship masters have gone back onto the skills shortage list.

#### **King Bay Tugs**

The urgency shown by management late last year to start EA negotiations appears to have completely evaporated. The existing agreement runs out in December of this year.

#### **Bunbury and Esperance Marine Pilots**

Members have sent in their log of claims. We are close to our first meeting with the Southern Ports Authority. Their existing agreements are fairly "light" documents so we are in the process of adding clauses which reflect the improvements made by other ports. As per the members wishes, those two EAs will continue to remain separate agreements.

#### **GO Marine**

During the last months two voluntary redundancies have been made and in the last few days notices have been sent out for forced redundancies due to the imminent departure of the *GO Triumph* from the coast. There is a report of GO Marine employing some creative accounting to lower the calculation of days served with the company as a factor in the final calculation. This could be a consequence of the job-sharing arrangements at the time of the voluntary administration. So, in other words if at any time you volunteered to go on half pay, the whole of that period would be erased from the redundancy calculation. On the 28<sup>th</sup> May I will face GO Marine at the Fair Work Commission as they refuse to adhere to that part of the agreement which gives permanent employees preference over casuals. We hate to see anyone lose their job, but that principle must stand for the good of all members. The fact that overseas workers are employed on the *Floatel Triumph* will be raised at the conciliation hearing. The AMOU will use any opportunity, at any type of forum, including Fair Work, to rid our industry of these unnecessary and unwanted imports.

*GO KOI*: in a piece of good news a trainee DP operator has been added to the bridge team, however that person is not the extra watchkeeper the AMOU is requesting. As far as I know the case for the extra watchkeeper is still under consideration, by INPEX.

### **SIEM Offshore**

Due to the company not liking the Greenfields EA handed to them by the AMOU we will now approach OSM (the SIEM manning agents) to open EA negotiations. This matter has gone on for too long. A re-negotiation of the OSM document is the way forward for members to receive an overdue wage increase.

### **West Australian State MP visits**

On 26<sup>th</sup> April I met with Transport Minister Rita Saffioti's Principal Policy Adviser and Senior Policy Adviser. We discussed the following issues, all relating to West Australian ports:

1. Current negotiations with the Fremantle Ports
2. The apparent dysfunction amongst senior management employed by the Southern Ports Authority
3. Unfair practices restricting AMOU organisers ability to carry out workplace visits at Pilbara Ports.

The common thread to these entities is they are all WA Government owned and all behave as if they are a law unto themselves. At Fremantle Ports the recent voting down of the proposed EA was reported as overwhelming. An independent and extensive statement made to a review of the Southern Ports Authority was severely critical of senior management. The two senior advisers listened to and noted the complaints, which have been gathered from several informed sources. The Senior Policy Adviser committed himself to reading that independent statement. I will be contacting him to see what opinions he may have drawn. I got the feeling they both know something is not quite right, and that they knew that long before our visit. I reminded the Senior Policy Adviser that these port employees all work for the new Labor Government and now expect to be treated with respect and fairness. They responded by saying certain things can be done, or may be done, by the Minister. It was a worthwhile meeting today, but I am unsure of what the result will be. One thing I do know is that the message got through.

On the 14<sup>th</sup> May I met with the West Australian Minister of Industrial Relations, Bill Johnston plus two of his staff. At the twenty-minute meeting I brought up the issues of anti-worker behaviour at the Port of Fremantle and the confrontational attitude shown towards Marine Pilots by Southern Ports Authority management, at the ports of Esperance and Albany. Bill Johnston showed concern that Fremantle Ports are refusing to include the AMOU as a party to the EA currently being negotiated. The first EA Ballot was voted down by Fremantle Ports' employees.

## **INDUSTRIAL REPORTS**

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**Jarrold Moran**  
*Industrial Officer (Melbourne)*

## **Svitzer**

### **Adelaide**

The Adelaide POPs have been subject to more than 25 meetings between management and members. We have been in Fair Work a number of times to try and resolve our issues. As reported at last month's end of month meetings we participated in Fair Work Australia proceedings on 5 April seeking a determination on the matter: can Svitzer schedule hours of work in excess of 12 hours each shift. The Decision of the Commission is clear that the objective should be that shifts are scheduled for no more than 12 hours.

Unfortunately Svitzer has a different view of the decision and proposed to introduce POPs that again result in scheduled hours being greater than 12. It seems likely that the only way to resolve this matter is to ask the FWC to arbitrate the POPs.

### **Western Port**

In October 2014 discussions commenced to renegotiate the Western Port POP's as shipping numbers in the Port had reduced. Svitzer estimated that there would be approximately 50 ship visits to the Port which equates to 100 days of towage. It was indicated that there was unlikely to be any weekend towage. On this basis a new POP's was agreed which provided increased flexibility to the Rosters. It was agreed that the rosters would provide for 28 days of duty followed by 28 days of leave. Crews agreed to reduce the amount of predictable leave from 26 weeks to 12 weeks per year. Crews agreed that they would perform towage duties during their non-predictable leave periods. It was agreed that the weekends would be regarded as duty free days if and when the crews were notified by 1300 hours on the Friday that there was to be no towage. On these occasions crews would return to duty on Monday. If the crews were not notified that there was no towage on the weekend then the duty days would continue as per the 28 day roster. Svitzer has now sought to reinterpret the POP's document and undermine the integrity of the 28 day duty roster by treating the weekend as single days. It was always understood that in exchange for the increased flexibility of performing towage during periods of rostered leave that the weekends were either free of duty for two days or continued as part of the 28-day duty roster. Svitzer is now retrospectively treating the weekends as single days, which is contrary to the POP's document. Crew members are seeking payment for the duty days worked in excess of the 182 duty days per year for 2016. Svitzer is seeking to reduce the number of duty days worked in the calendar year by applying a new interpretation retrospectively. We have not been able to agree an outcome with Svitzer and have asked the FWC to arbitrate the matter. At our hearing on Thursday 24 May in Melbourne, Svitzer made an offer to members to resolve these issues. Unfortunately it was an offer that had been made previously and which had been previously rejected. We have made it quite clear to Svitzer what is needed to resolve this matter and they are considering our position. The matter has been relisted for mid-June if needed.

### **Flinders Ports**

Three Flinders Ports agreements are currently being renegotiated; Flinders Ports, Pilots and the Supervisors at the container terminal (FACT). Fatigue and rostering issues seem to be a common issue across all workplaces. If these matters can be fixed a number of other issues will be resolved. Unfortunately not much progress has occurred on resolving our issues across these three work groups. Flinders Ports have an attitude that any proposals that result in extra workers or additional cost must only be justified with corresponding concessions to conditions of members. We think this is a hard argument to sustain when fatigue is a health and safety matter and it is well acknowledged that cost is not a consideration when seeking to reduce health and safety risk.

### **CSL Goliath**

Negotiations have commenced on a new agreement for the *CSL Goliath*. The current agreement expired in 2014. Compensation for a wage freeze since 2014, swing lengths and leave entitlements are issues members are pursuing. More meetings are locked in for June.

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**Chris Neiberding**

*Industrial Officer (Sydney)*

## INDUSTRIAL REPORTS

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**Meghann Papa**

*Industrial Officer (Sydney)*

### **Southern Ports Authority – Esperance, WA**

#### **Southern Ports – Esperance Shift Superintendents Enterprise Agreement 2018**

The Agreement is currently in the process of being approved by the Fair Work Commission after Southern Ports filed and served their application for approval on 26 March 2018. Once the Agreement has been approved by the FWC it will commence operation after seven (7) days. The AMOU will endeavour to keep members updated as the applications progress.

#### **Fremantle Ports Administration & Management Enterprise Agreement 2018**

On 27 March 2018 Fremantle Ports undertook a ballot for the *Fremantle Ports Administration & Management Enterprise Agreement 2018*, with the majority of employees voting not to approve the Agreement.

The parties met on 1 May 2018 to progress the negotiations, Fremantle Ports has proposed the following package:

1. Three year term;
2. General Managers employed after approval of the Agreement not to be covered by the Agreement upon approval from the FWC;
3. A base salary increase of \$1,000 per annum, or in accordance with the WA Government Public Sector Wages Policy as amended from time to time, whichever is greater;
4. Allowances to be increased by 1.5% per year;
5. Employees entitled to 10 days paid Domestic Violence Leave per annum;
6. Renegotiation of the agreement to commence 6 months before the nominal expiry date;
7. Consultation:
  - Any proposed changes to be in writing to employees;
  - The definition of 'significant effect' to include 'elimination or diminution of jobs' and 'alteration to hours of work';
  - Stepping out of 'definite' major changes and 'proposed' changes to hours of work
8. Inclusion of a fair and reasonable process where the employer can direct employees to take excessive annual leave;
9. Fourteen (14) weeks paid parental leave extended to primary caregivers who adopt a child under the age of 5 years old; and one (1) week of adoption leave extended to parents who are not the primary caregiver;

10. Entitlement of superannuation to be included in the Agreement;
11. Retention of the higher duties allowance as it is currently written;
12. Change of payment of long service leave from complete years to complete days and entitlement to cash-out accrued Long Services Leave;
13. Establishment of consultative committee;
14. Commitment from CEO to maintain the Special Leave Policy & additional Purchased Leave arrangements unchanged for the life of the Agreement; and
15. Entitlement of two (2) hours per month for the purposes of Blood/Plasma Donors Leave.

There are still a few items that the parties are in discussion about, such as:

1. the AMOU being a party to the Agreement;
2. consultation clause;
3. the types of matters that can be put into dispute in accordance with the dispute settlement procedure, along with the ability to have disputes arbitrated by the FWC;
4. special leave; and
5. cashing out of long service leave.

The AMOU is confident that the parties will be able to reach agreement on all matters.

### **Harbour City Ferries Maritime Agreement 2018**

Negotiations to replace the *Harbour City Ferries Maritime Agreement 2015* continued on 2 & 3 May 2018.

HCF proposed a roll over of the current EA with a 3 – 4-year term and proposed a CPI pay increase. HCF also advised that Transport for NSW (TfNSW) will not be continuing the current travel pass arrangements currently provided to employees.

The unions in their combined log of claims proposed a wage increase of 4% and the travel pass was not negotiable, the unions also had collective claims on several operational issues. The parties reviewed and discussed the log of claims prepared by each union on behalf of their respective members. The claims were extensive and went through many categories including but not limited to wage increases, travel pass, travel conveyance, rostering rules, labour planning and training resourcing.

On Thursday 3 May 2018, HCF requested an immediate meeting with the three union officials and proposed a 2.5% per annum wage increase, with no further claims and if agreed in principle. HCF undertook to meet with TfNSW to discuss the travel pass issue and have this resolved. The three unions considered HCF's offer and then determined that the company offer didn't give due consideration to several collective union claims which related to:

- Training
- Charter Vessel Usage
- Labour

The AMOU met with HCF, MUA and AIMPE again on 22 May 2018. HCF advised the unions that they met with John Karaboulis from TfNSW the previous week to discuss the travel passes. At this meeting TfNSW was informed that unless travel passes remained, then no agreement will be reached with the 3 unions, as this matter was not negotiable. TfNSW will provide their position on this matter to HCF in a couple of weeks' time.



A further discussion regarding the standards of training were discussed. All the parties are interested in raising the standard of training of all its employees. A major development from HCF is agreeing to the reintroduction of all Trainers and Assessors obtaining a Cert IV in Training and Assessment and ensuring they are kept up to date with all relevant modules. Upon HCF taking over from Sydney Ferries in 2012 they ceased to certify their Trainers and Assessors, which the unions say has contributed to the decline in the standard of training.

Discussions regarding the utilisation of charter vessels continued, with the MUA pursuing their claims that workers on charter vessels engaged by HCF are paid the same terms and conditions as HCF employees and reduce the utilisation of charter vessels. This claim is strongly supported by the AMOU and AIMPE. Whilst this claim will be a tough one, the overall benefits to the unions and HCF would be substantial, with the possibility of creating more jobs if HCF is able to secure vessels to bareboat charter.

There was a lengthy discussion regarding Labour Workforce Planning. HCF proposed that all leave should be fixed into rosters for all employees. Needless to say, this was resoundingly rejected by all three unions. The discussion then turned to Officers having a similar system to that of the GPH's where a part of their leave is fixed into their roster, which was strongly opposed by the AMOU. HCF will be proposing some parameters around application and cancellations of leave, which the unions will consider at the next meeting.

Discussions in relation to manning and how labour is being managed will continue with HCF in the upcoming meetings.

The next meeting has been scheduled for 26 June 2018.

#### **Mid West Ports Authority – Geraldton, WA Maintenance & Marine Specialist Enterprise Agreement 2017**

The AMOU met with MWPA and the MUA on 14 May 2018 to continue working through the Interest Based Bargaining (IBB) process with Deputy President Binet at the Fair Work Commission with regards to resolving the issues with the *Mid West Ports Authority Maintenance & Marine Specialist Enterprise Agreement*.

The parties discussed a number of outstanding items pertaining to the BHF Maintenance Employees, including:

- BHF Maintenance
  - Annual Pay increase rates
  - Annual leave calculation for 5 weeks annual leave
  - Public holidays to be paid at double time for days worked
  - Shift work allowance to be incorporated into the salaries for BHF Maintenance shift workers (will not be paid to BHF Maintenance day workers)
- Resolution of mooring issues, subject to drafting
- Resolution of classification for specific position

The discussions then moved onto the MUA's claim of including BHF Operators in the M&M EA. MWPA advised that the BHF Operators could be covered by the M&M EA provided a number of conditions were met, which the AMOU immediately opposed as a number of MWPA's conditions required AMOU members to forgo and/or change particular entitlements.

The AMOU have had discussions with its members on 21 May 2018 in relation to MWPA's proposal and will provide its response at the next IBB session, which has yet to be listed by the FWC.

## **Port Kembla Marine Pilots Enterprise Agreement 2018**

Negotiations to replace the *Port Authority of New South Wales - Port Kembla Marine Pilots Agreement 2015-2018* progressed on 10, 24 and 25 May 2018.

The parties reviewed and discussed their log of claims, which were quite extensive. A large portion of the discussions have been based on consultation, matters that can be placed in dispute, legal representation for Pilots, rostering arrangements, annual leave, higher duties, call-in provision, time in lieu, termination of employment, and redundancy.

The next meeting has been scheduled on 14 June 2018.

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### **Jan Thompson**

*Industrial Officer (Melbourne)*

#### **Gippsland Ports**

Gippsland Ports is no closer to be resolved, with the Board now advising that they will not be approving the Agreement.

#### **TASPORTS**

Tasports Agreement has been voted up and is awaiting approval. Due to the change in the review process at the FWC, this may take some time. We have finally signed the MOU for VTS Officers being relocated from Bell Bay to Launceston.

The company is now seeking our assistance to resolve their issue with a new player in Port Latta; despite the fact that we met on the 14<sup>th</sup> and 28<sup>th</sup> to settle the agreement that we have been trying to negotiate for the past 2 ½ years.

#### **Portland Tugs**

We are scheduled to meet on the 5<sup>th</sup> June.

#### **Dredging International**

In a twist of fate, we understand that Dredging International has won the Queensland Dredging Project in part because they retained the '2012 agreement' and are able to negotiate an agreement compliant with the building code. Whereas Jan De Nul replaced the 2012 Agreement with a non-union Agreement not compliant with the building code and Boskalis terminated the 2012 Agreement to revert to the Dredging Award. Furthermore unlike JDN and Boskalis, DI is prepared to enter into negotiations with the unions and we are proposing meeting dates for June.

#### **Rhode Neilsen**

The AIMPE and AMOU opposed the approval of the non-union agreement for RN Crewing Pty Ltd. On 18<sup>th</sup> May we participated in a phone conference with Deputy President Sam, directions were issued and further submissions were required on the 25<sup>th</sup> May and without any reasoning, RN withdrew the application.

#### **Svitzer Anatomia**

The *Anatomia* will cease on 31 May 2018. At the time of writing this report, we understand 2 Masters and 1 Mate will take a redundancy and the other Mate will be redeployed with Svitzer tugs. We would like to extend a special thanks to our delegate Andrew McIntosh for all his assistance over the years and wish him well in retirement.

#### **Teekay Tankers, Bulk, Sycamore and Ocean Shield**

The *Sycamore* Agreement is out for vote. This agreement is based on the *Coral Knight* model with a June 2020 expiry date to allow an earlier review of terms and conditions! Although not in the agreement, Teekay

has conceded that the superannuation will increase over the life of the next agreement and the MATV allowance will remain.

The company has not made any formal offer for the dry bulk, but it seems that there is very little on offer and Jadestone is wanting to slash conditions on the *Dampier Spirit*.

### **INCO**

We have forwarded an extensive list of modifications for the *ICS Reliance* for the vessel to operate on a live onboard proposition. INCO have also advised that the *ICS Integrity* will be laid up, presumably until November when the cruise season recommences. We are waiting for a meeting date.

### **Searoad Shipping**

Members have endorsed the variation to the agreement, for a 5% rollover of the existing conditions for 12 months. In an interesting twist, we will be renegotiating the new agreement before FWC approves the variation. Thankfully the company agreed to pay the backpay and wages from the date of the vote.

### **MODEC**

MODEC has advised that due to engineering issues the *MV11* will not be resuming production and will depart the field on 27 June; some 3 months earlier than expected. We are in discussion regarding the redundancy. The *Pyrenees Venture* agreement has been endorsed by members and is before FWC for approval.

### **Sea Swift**

Sea Swift is continuing to refuse to negotiate, as they once again seek to make submissions on the Awards so that it does not apply to them.

### **ASP Ship Management**

ASPSM have been insisting on the “me too” principle during these negotiations advising that we must have capped redundancies and 1.6% or CPI wage increases because that is what the MUA has agreed to. But they failed to offer us the automatic increase in the maximum service step level of 8 years or 8% wage increase as of August 2019 and the 2% increase that applies in the service steps for new employees post August 2019. We have finally received a draft and we are meeting on the 30<sup>th</sup> May.

### **Toll**

The parties have agreed that we will rollover the Supervisor’s Bass Strait Shipping Agreement for 12 months while the terminal issues are resolved for the new ships. We just have not agreed on the quantum! The *BBC Brisbane* superannuation issue on accrued leave at termination is not resolved and we are most concerned that we have not even received the documentation that has been allegedly sent to the ATO by Toll.

## **INDUSTRIAL REPORTS**

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### **Dan Pearson**

*Industrial Officer (Fremantle)*

#### **Overview**

The offshore oil and gas industry remains stable at present but as previously reported, the outlook for the remainder of the year looks bleak before an uplift in activity during 2019. During May there has been a number of announcements regarding the release and uptake of exploration permits in Australia. Whilst this is a positive development, the expectation is that this will not translate into large employment opportunities for some time.

Cooper Energy have secured exploration permit VIC/P72 in the Gippsland Basin. This permit is adjacent to the Patricia-Baleen gas field where Cooper owns subsea production infrastructure which is connected to their Orbost processing plant.

In an article in *Offshore Energy Today*, Cooper Energy Managing Director David Maxwell said VIC/P72 is an attractive and logical addition to the company's gas exploration portfolio on a number of counts.

*"From a technical perspective, the permit is located in a proven gas and oil province, is surrounded by producing fields, is covered by high quality 3D seismic data and has identified prospects."*

Maxwell said VIC/P72 fitted neatly within the company's gas strategy and Gippsland gas hub.

*"The new exploration opportunity complements our existing project construction at Sole and the work we are doing to mature Manta as the next Gippsland Basin development. It clearly satisfied our screening criteria for likely competitiveness, foreseeable development pathway and capacity to add value."*

The permit has been awarded to Cooper Energy for a six-year term, of which the first three years is a guaranteed work program consisting of 260 km<sup>2</sup> of 3D seismic reprocessing and studies and the drilling of one exploration well.

With the *Ocean Monarch* currently engaged in a drilling campaign for Cooper in the region, this announcement may extend duration of the campaign and guarantee work in support of this rig.

On the other side of the continent, Carnarvon Petroleum has completed capital raising to be used to fund the development of the Buffalo-10 well located in the Timor Sea. Following new data gathered since the company's entry into the block, which further improved the imaging of the Buffalo oil reservoir, the company is moving quickly to progress the redevelopment of the field.

These redevelopment plans have only been enabled by the signing of the Maritime Boundary Treaty by the Australian and Timor Leste governments earlier this year.

The Buffalo-10 well will be the first of three production wells to be drilled in this oil redevelopment project. The current expected timing for drilling to start on the first well is between March and September 2019, after the end of the cyclone season.

Carnarvon is currently participating in drilling the Phoenix South-3 well utilising the *Development Driller 1* and will soon start drilling the Dorado-1 well in its Phoenix project with the *Ensco 107*. Again, it would appear the Buffalo program will extend at least one of these rigs.

Transborders' FLNG \$1.6 billion offshore project has been given Major Project Status by Minister for Jobs and Innovation Michaelia Cash and Minister for Resources and Northern Australia Matt Canavan.

Transborders has recently teamed up with TechnipFMC, MODEC, and Add Energy, to create a fast deployment business model for the FLNG industry that will free up small-scale stranded resources around the world and establish a new concept in global gas field development.

This announcement by the Federal Government is at odds with the West Australian Government's policy platform of downstream development to be located within WA. Whilst the announcement estimates 150 new direct jobs to be created during hook-up, commissioning and start-up of the initial FLNG vessel, history would suggest Minister Cash is pulling out of the drawer the well-worn approval stamp for visa applications for maritime positions associated with this development.

### **SolstadFarstad**

The number of vessels working in Australia has stabilised at around the 10 vessel mark. There have been some comings and goings in recent months but officer positions remain stable. Additionally, the company has secured medium term contracts in SE Asia which may provide further opportunity, albeit on lesser conditions synonymous with the region.

We are currently organising a FCC to occur in coming weeks to discuss issues around catering, online training and promotion/engagement of casuals.

### **Mermaid**

We are in the process of lodging a claim in relation to the MMA Plover and MMA Brewster, under the dispute resolution process with Inpex. Concerns have been raised by the crew of these vessels that additional duties will require to be undertaken over the normal duties in relation to the delivery of chemicals to the offshore facilities.

## **Svitzer**

The announcement of the removal of the CEO for Svitzer came during the month. The dispute in Fremantle and Kwinana about the implementation of a belt roster had reached a stalemate of sorts in proceedings before the Fair Work Commission.

Given the scuttlebutt about the reasons for the removal of the CEO, it will be interesting to see if the replacement will have the same appetite for disenfranchising their workforce. We await developments.

## **Svitzer Line and Launch**

We have now had two meetings with management since finalising the log of claims in relation to the replacement agreement. We are currently awaiting the response from the company about the claim for a reduction in costs for travel allowance. Once this is furnished and we have had a chance to discuss the matter with the workforce, we will proceed to the next round of meetings.

## **SERCO**

On behalf of Jarrod Moran of our Southern Area, who has carriage of this portfolio, I attended a meeting of the members employed upon the vessels located at Fleet Base West on Garden Island.

The SERCO agreement is due for renegotiation in coming months and the main issues for the employees in this location remain difficulties from previous employment practices during the DMS era and the operation of the vessels *Besant* and *Stoker* when at sea for prolonged periods.

## **AOS**

AOS still has the lion's share of the work at present, but it has all come at once and we are getting reports of manning issues from our members. We will be seeking meetings from AOS to discuss this problem in coming days.

## **Siem**

The reluctance of Siem to adopt the Farstad varied agreement saw a halt to negotiations. However, in discussions with our colleagues at the AIMPE we have some thoughts about how to close out this agreement. In order to progress this matter, we are looking at being in Dampier in the coming weeks to discuss with our members the options to conclude this agreement.

## **Maersk**

The company went cold on negotiations after concluding the MUA agreement. We have been in contact with the company to arrange potential dates to progress the replacement agreement. This will be after the vessels are visited in Dampier to discuss with the members the outstanding issues from previous meetings and developments with the MUA document.

## **Trident**

Both AIMPE and ourselves have been in constant communication with the company in relation to visiting the vessels. Unfortunately, last minute changes to the vessel schedules has precluded many of the intended visits going ahead. With the impending removal of a number of vessels from the DES contracts in the beginning of 2019 and the need to renew the Enterprise Agreement in the nearer term, the visits are essential and we will continue to push for the opportunity to visit as many of the members employed aboard these vessels as humanly possible.

## **GO**

We have been constantly monitoring the situation in relation to the manning of the *GO Koi*. After much pressure by the Masters of these vessels, the company employed an additional officer under the guise of gaining DP time. Our application in relation to this matter is still on foot but the engagement of this additional officer means we will have further evidence about the changes/improvement of hours of rest for the core manning for future hearings on this matter.

## **Atlas Professionals**

We had a conference before the Fair Work Commission in relation to redundancies within this company. Whilst a number of voluntary redundancies were enacted, we lodged an application in April on the basis there were some casuals employed during the time the company was contemplating making an involuntary redundancy of one officer.

After the initiating application the company undertook to disclose the forward planning for the manning of the vessels under management within the confidentiality provisions of the FWC conference process. This was done at the conference held in early May and revealed that for the immediate future there would be no further redundancies but this was predicated upon the retention and extension of current contracts.

For the time being this should give our members some piece of mind, and the announcement that Polarcus had entered into a contract for 3D marine seismic acquisition in Australia is further good news. Whilst details are scant about the project, it would be likely the *Polarcus Naila* will remain on the coast to complete this project.

Whilst we have received nothing formal, the word on the street is the *Posh Arcadia* will remain on site for an additional period beyond the planned completion of contract due to delays in commissioning the Prelude FLNG.

Additionally, it appears the pressure we have put on the company has resulted in the opening of positions aboard the *DPS1* rig for Australian officers. We will continue to monitor the situation and are at large to relist the matter before the FWC if there is deviation from the plan.