

BRIDGING THE DITCH
FRESH PERSPECTIVES ON SHIPPING ACROSS THE TASMAN

Ladies and Gentlemen,

I am bound to say that when I was approached to give consideration to presenting a paper to this Conference, I leapt at the opportunity.

Adelaide is my original home port and here is a chance to visit family and friend, and as for the task, well let's fish out a couple of previous papers and speech notes of which there are plenty because the issue of trans Tasman shipping has been the focus of much attention in the 1980s, brush them up a little and "VOILA".

One then has simply to then present it and all obligations fulfilled.

That was alright as far as it went.

However, when I received a copy of the program I was cast upon the horns of a dilemma by the subject matter for my address.

Bridging the Ditch - Fresh Perspectives on Shipping
Across the Tasman.

How does anyone find a fresh perspective on any subject in today's political and economic climate, which has as a major objective the aim of driving society back to the victorian era in respect to social and industrial relations.

There is nothing new under the sun and in the Maritime Industry throw in the Moon and the Cosmos as well.

I speak from the cynical perspective of one who heads an organisation from which a group of the members and the ship they were in, were charged with barratry in February of this year in the course of a major dispute with the New Zealand State Owned Enterprise Shipping Corporation of New Zealand in a flagging out dispute.

However, it was from this political and economic climate that the glimmer of an idea first began to introduce a new perspective on trans Tasman shipping and noting that the Australian Industries Assistance Commission had brought down a report on and recommended the demise of cabotage on the Australian coast and that this had in fact then been counted by the Task Force into Australian

Shipping, also noting that in New Zealand the Maritime Transport Department had also initiated a study on the cabotage provisions of the New Zealand Shipping and Seamen Act 1952 and, always being of the firm conviction that the best form of defense is attack, why not put forward the idea of some form of cabotage for the Tasman.

The New Zealand Transport Minister Jeffries was always doing a Pontius Pilot on the issue and reminding people adnauseam that it was simply a Union blockade that prevented them using foreign flags on the Tasman. There was no legislative restrictions at all. Why not then from a fresh perspective put it back to the Minister and say;

"In the environment of CER the Tasman can be considered domestic trade between Australia and New Zealand. Then, if that is so, a logical consequence would be a demand for that trade to be protected".

A new perspective? I am afraid not. In researching my subject I did a little historical research and the first thing I came up with was an agreement between the Waterside Workers Federation and the Federated Seamen's Union of New Zealand on the one part and AG Frankham Limited on behalf of Osaka

Shosen Kaisha (OSK) of the other part made in Auckland on 09 February 1931 whereby it is agreed between the parties as follows:

"That owing to the undesirability of New Zealand and Australian owned shipping being displaced by foreign shipping at a time when unprecedented unemployment exists in both countries, the vessels of the said Osaka Shosen Kaisha will as from this date cease to operate in the inter-colonial trade" (as the trans Tasman trade was then known.)

As a result of that it was further agreed, that in consideration of the above undertaking, the inter-colonial cargo at present on board the ship "Brisbane Maru" will be discharged by the Waterside Workers Union.

Thus passed the first industrial action against a ship in the trans Tasman trade and one cannot help but get a certain sense of deja vue when we read a document from 1931 that talks of New Zealand and Australian owned shipping being displaced by foreign shipping at a time when unprecedented unemployment exists in both countries.

The second item dated 04 January 1932 was in a very early copy of the New Zealand Seamen's Journal and it is a report from Mr WR Clarke which is headed "Australian Labour Movement Supports New Zealand Seamen Against Subsidised Cheap Labour Shipping Lines".

In it Mr Clarke reports to the then executive as follows:

"Fellow Members,

I have now to report that, acting under the instructions from your National Council, I proceeded to Australia by the RMS Makura, leaving Wellington on 17 November 1931 for the purpose of conferring with the Australian Labour Movement both industrial and political, with a view of getting their co-operation to bring pressure to bear on the Governments of Australia and New Zealand, for the passing of legislation to protect the wages and conditions of Australian and New Zealand seamen against highly subsidised, cheap labour competition in the island and inter-colonial trade."

In the course of his report, he reports on a minor setback as follows:

"Unfortunately the Federal Government was defeated in the House and the following on the defeat the Prime Minister asked for a dissolution which was granted by the Governor General. Through the dissolution of the Federal Parliament it was very difficult to carry on negotiations with the Government. However, we did succeed in getting the Minister to receive the deputation. The case on behalf of the Maritime Unions of Australia and New Zealand was placed before him by Mr J. Tude-Hope and myself"

and he concludes his report with a summary of the position,

"I am further of the opinion that the required legislation for the protection of our wages and conditions can be brought about with the assistance of all parties concerned, and that whatever Government is in power must give respect to our case which is indisputable.

I further urge the Union to leave no stone unturned to see that the necessary legislation is enacted by the Governments of Australia and New Zealand to protect New Zealand and Australian shipping and seafarers against this highly subsidised, low wage invasion."

I close this historical research with the comment that Mr Clarke also reported, in having left Wellington on 17 November 1931, he arrived in Sydney on 21 November 1931 and whilst clearly my new perspective and new thrust is shot down in flames as being the focus of a mission by my predecessors some 58 years ago, it also indicates that passenger transport has deteriorated sadly.

Before concluding on that section entirely however, I would think that it was those two incidents I have referred to and the campaign to which Mr Clarke refers that led to the enactment in 1936 of the Protection of British Shipping Act of that year in the New Zealand legislature, since repealed by the Shipping Act 1987.

So much then for my fresh perspective, but as the events I talked of are some 58 years ago, indicating how long the Maritime Unions of Australia and New Zealand have had trans Tasman issues high on their agenda, it may be safe then in the face of such antiquity to press on.

After these initial moves between the Union Movements of both countries, there was no more

formal approaches between the two groups of Maritime workers until 1974 when the Waterside Workers and the Seamen's Unions of Australia and New Zealand re-affirmed a position in respect to trans Tasman shipping and this was more latterly again consolidated in an accord the unions reached in March of 1988 in a document signed by 14 Unions.

So there we are then, history doesn't help us much, except to record those events of 50 or more years ago.

In the intervening period however, although there have been sporadic set piece developments, such as the two I have mentioned in 1974 and 1988, the debate on trans Tasman shipping has been continuous, particularly in the last ten years.

Obviously any discussion today on the subject cannot take place independently of CER.

This gives another focus to trans Tasman transport which has been a topic of discussion and of dissension for many years and it poses the question,

"would it be mutually beneficial to bring it under the ANZCERTA umbrella?"

At the Australian New Zealand Business Council Conference on Closer Economic Relations, CER Beyond 1988, the Conference saw the next logical step as the achievement of one market in 1990s. Issues which were identified included the need to see New Zealand and Australian markets as one. This could be achieved in a number of ways such as a customs or economic union, or by administrative or legislative action including the abolition of dumping and counter-vailing duties.

The widening of trade practices and competition law in both countries and to reflect the one market concept rather than individual countries or regions in determinations of mergers and takeovers.

Guaranteeing free investment opportunities across the Tasman and then finally trade in services including Tourism, Consultancy, Professional qualifications, Insurance Indemnity, etc should become part of ANZCERTA.

Of transport there is no mention.

How can we logically say that if in a trade sense and many others, the two countries are to become one market. How can we ignore the middle trade, the Tasman sea itself generates a "Carriage Trade"

between our two countries and it is this trade also which is a most lucrative one and needs to be reserved for Australian and New Zealand operators.

I believe that the proposal that I am making is a logical consequence of the development of CER. In fact it is a provision of CER. That the trade between our two countries is reserved for the shipping of the two treaty members only.

Ignore the rabid calls for complete deregulation of trans Tasman shipping. CER confirms the Tasman as domestic trade between our countries and the way to go in shipping is to act in concert with other moves to make Australia and New Zealand more or less one market.

In this debate the Unions take yet another and even more pragmatic approach in posing the simple question.

Are not those people who advocate foreign flag shipping on the Tasman in fact working against CER?

ANZCERTA is a treaty between two countries - it provides that the carriage trade between them is open to both parties - surely it follows that

anyone talking about opening up the Tasman for foreign flag operators can only be doing so against the spirit and intent of CER in the interests of a third party, not the treaty.

If the shipping sector could be freed of many of the constraints which commonly go with operating in an international arena, such as documentations, customs procedures and so on, then we could operate shipping services more or less as we operate our domestic services. Then they would be considerably more efficient and we would be able to continue to service the range of ports and offer the quick transit service which we believe is essential to the growth and trade.

The Liner trades constitute the vast bulk of the shipping tasks across the Tasman. It is important in this context to note that the existing trans Tasman Liner service, which has done so much to encourage the growth of trans Tasman trade, is a dedicated "ferry" type timetable service, serving a wide range of ports on a regular, frequent and reliable basis.

It is frequently and fallaciously argued that the opening up of the Tasman to foreign flag cross over vessels would reduce freight rates without

simultaneously reducing the level and quality of service provided. While it is possible some minor initial reduction in rates may occur, the entry of cross over vessels would destroy the volume of cargo available to the timetable services so essential to the growth of the trade, and, as a consequence, shortly thereafter, first destroy the timetable service and then the trade itself.

An Australasian trade group with no merchant fleet of its own is unacceptable given the history and traditions of both Australia and New Zealand as maritime nations.

However, that is exactly the prospect on present trends. Both Australia and New Zealand depend on merchant shipping for their economic and social advance.

In a closer economic relationship trade agreement and as the two countries develop into a major trading block, shipping is vital, not only through the contribution of merchant shipping to the economy of both countries - which is enormous - and not only as a life line for imports and exports, but also in terms of earning of foreign currency and benefiting the balance of payments.

The Maritime Unions of both countries have always fought hard for the development of national flag shipping and both support the UNCTAD Code of Conduct in Liner trades.

They have of course selfish interests in the survival of the maritime industries of Australia and New Zealand - and why not? -but their case stands on other strengths also and they have consistently made a positive constructive contribution to what should be regarded as an emergency debate on the rebuilding of a vital part of the intra-structure as through ANZCERTA we develop into a great trading community.

And so the conflict which exists between free trade and protectionism reaches an important stage.

However, with free trade in shipping having failed the developing nations, the survival of Australian and New Zealand Merchant fleets should not be tied to an ideological commitment to one particular economic system. The maintenance of a merchant fleet commensurate with the ANZCERTA position in world trade is important, not simply to protect the interests of seafarers, but because of its inter-relationship with other industries and because both

for economic and defense reasons it would be an unacceptable risk to rely on foreign flag vessels entirely, to carry our countries imports and exports.

Instead of opposing cargo sharing arrangements and reserves on the Tasman, the ANZCERTA should tackle how management of cargo movements can be developed in an orderly way. Internationally it is clear that cargo sharing will not go away. The developing and socialist countries interests are too bound up in cargo sharing for them to abandon it to satisfy some red necks in the South Pacific thumping the de-regulation drum in some Orwellian ritual, like the sheep in "Animal Farm" with their rallying call of "Two legs bad, four legs good".

On a world scale the call has been heeded in this case but what has it achieved?

So far the only results seem to have been an impending recession, the loss of public services and a more powerful elite.

We have an opportunity, it seems to me, to do it better. We ought not to miss it!

The Tasman trade is inextricably a part of the whole in terms of trade between our countries and cannot simply be "opened up" for all comers with drastic effects on us elsewhere as we become dependent on other people for our shipping services so vital to us.

In conclusion I must state that the foregoing is not to advocate wholesale return to the womb. But in a transitional period leading to development, compensation and protection of services is necessary.

This will require specific forms of intervention in special industries. The maritime industry is one example - it is in a transitional process and it is not good sense to let it wallow. It is good sense to provide it with the assistance it needs up to the point where it can take off for itself.

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