



# Shipping Reform (Tax Incentives) Regulation 2012<sup>1</sup>

**Select Legislative Instrument 2012 No. 137**

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I, QUENTIN BRYCE, Governor-General of the Commonwealth of Australia, acting with the advice of the Federal Executive Council, make the following regulation under the *Shipping Reform (Tax Incentives) Act 2012*.

Dated 28 June 2012

QUENTIN BRYCE  
Governor-General

By Her Excellency's Command

ANTHONY ALBANESE  
Minister for Infrastructure and Transport

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**Part 1 Preliminary**

- 1 Name of regulation**  
 This regulation is the *Shipping Reform (Tax Incentives) Regulation 2012*.
- 2 Commencement**  
 This regulation commences on 1 July 2012.
- 3 Definitions**  
 In this regulation:  
*Act* means the *Shipping Reform (Tax Incentives) Act 2012*.  
*deck officer training* means training to be a person who:  
 (a) is employed to carry out duties in relation to the navigation and operation of a vessel; and  
 (b) is responsible for receiving, discharging and caring for cargo or passengers during a voyage of the vessel.

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***engineer officer training*** means training to be a person who is employed on a vessel to be responsible for the propulsion and operating systems of the vessel.

***integrated rating and steward training*** means training to be a person who is employed to carry out duties, to support the navigation and operation of a vessel, like the following:

- (a) maintaining equipment on the vessel, including deck equipment, cargo gear, rigging and lifesaving and firefighting equipment;
- (b) standing lookout when the vessel is at sea and alerting deck officers when other vessels, navigation marks or hazards are seen;
- (c) steering the vessel under supervision;
- (d) securing cargo and handling mooring lines, gangways and ladders when the vessel is berthing at, or departing from, a place;
- (e) cleaning the vessel, including decks, structures, cargo compartments, and tanks for fresh water, ballast and oil;
- (f) assisting in maintaining and repairing the vessel's engines and mechanical equipment;
- (g) steward duties supporting the Master and crew members of the vessel, including ordering, preparing and serving food, preparing menus and similar duties.

***Master*** means the person who has overall responsibility for the operation of a vessel during a voyage, including navigation, crew management and compliance with local and international laws.

*Note* Some expressions used in this regulation have the same meaning as in the Act, including:

- shipping cargo
- shipping passenger
- vessel.

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**Part 2 Training and management requirements****4 Training requirements**

- (1) This section specifies requirements for the definition of *training requirements* in subsection 5 (1) of the Act.
- (2) An entity must ensure that, for each vessel operated by the entity (either directly or indirectly), training is being undertaken by at least one person (the *trainee*) in each of the following 3 categories:
  - (a) engineer officer training;
  - (b) deck officer training;
  - (c) integrated rating and steward training.
- (3) However, it is not a requirement that there are 3 trainees on each of those vessels.

*Example*

If an entity operates 2 vessels, the entity must ensure that training is being undertaken by at least 6 trainees (2 trainees in each of the 3 categories mentioned in subsection (2)), but there may be 4 trainees on one vessel and 2 trainees on the other.

- (4) The entity must ensure that if a qualification has been approved under the *Navigation Act 1912* for a category mentioned in paragraph (2) (a), (b) or (c)—each trainee being trained in that category is seeking an approved qualification for that category.
- (5) The entity must keep a record that sets out the following for each trainee:
  - (a) the name and details of:
    - (i) the entity; or
    - (ii) if the training will be organised by a third party—the third party;
  - (b) details about the trainee, including:
    - (i) the trainee's name, age and sex; and
    - (ii) the category mentioned in paragraph (2) (a), (b) or (c) in which the trainee is being trained; and

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- (iii) any qualifications already held by the trainee that are relevant for the person's training in that category;
- (c) a description of the training to be undertaken by the trainee, including:
  - (i) the name of the qualification the trainee is seeking; and
  - (ii) the name of the organisation conducting the training; and
  - (iii) the date that the qualification is expected to be attained by the trainee;
- (d) details of how the training will be monitored by the entity.

**5 Management requirements**

- (1) This section specifies requirements that are *management requirements* for section 6 of the Act.
- (2) An entity must conduct in Australia:
  - (a) crew management, in accordance with subsection (3); and
  - (b) at least one of the following:
    - (i) strategic management, in accordance with subsection (4);
    - (ii) commercial management, in accordance with subsection (5);
    - (iii) technical management, in accordance with subsection (6).

*Crew management*

- (3) For paragraph (2) (a), an entity conducts crew management if the entity, either itself or through a third party, performs the following functions:
  - (a) recruiting and employing persons as crew of a vessel;
  - (b) paying the crew of a vessel;
  - (c) otherwise managing the crew of a vessel.

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*Strategic management*

- (4) For subparagraph (2) (b) (i), an entity conducts strategic management if the entity manages, and makes decisions that guide and control, the entity's business activities in Australia, including:
- (a) making decisions about general policies, strategic direction, contract agreements and financial matters; and
  - (b) monitoring the entity's overall corporate performance, and reviewing the strategic direction of the entity on the basis of that performance.

*Commercial management*

- (5) For subparagraph (2) (b) (ii), an entity conducts commercial management if the entity manages the commercial activities of a vessel, performing functions like the following:
- (a) planning the route for a voyage of the vessel;
  - (b) taking bookings for the carriage of shipping cargo or shipping passengers on the vessel;
  - (c) taking out insurance for the vessel;
  - (d) managing finances relating to the vessel;
  - (e) managing charter arrangements for the vessel.

*Technical management*

- (6) For subparagraph (2) (b) (iii), an entity conducts technical management if the entity manages the day to day operation of a vessel, performing functions like the following:
- (a) supervising the maintenance and repair of the vessel;
  - (b) organising and managing provisions for the vessel, including fuelling of the vessel;
  - (c) managing safety on board the vessel.

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**Note**

1. All legislative instruments and compilations are registered on the Federal Register of Legislative Instruments kept under the *Legislative Instruments Act 2003*. See [www.comlaw.gov.au](http://www.comlaw.gov.au).