



Shipping Reform (Tax Incentives) Regulations 2023

I, General the Honourable David Hurley AC DSC (Retd), Governor-General of the Commonwealth of Australia, acting with the advice of the Federal Executive Council, make the following regulations.

Dated 14th September 2023

David Hurley
Governor-General

By His Excellency's Command

Catherine King
Minister for Infrastructure, Transport, Regional Development and Local Government

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Part 1—Preliminary

1 Name

This instrument is the *Shipping Reform (Tax Incentives) Regulations 2023*.

2 Commencement

- (1) Each provision of this instrument specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

Commencement information		
Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details
1. The whole of this instrument	The day after this instrument is registered.	16 September 2023

Note: This table relates only to the provisions of this instrument as originally made. It will not be amended to deal with any later amendments of this instrument.

- (2) Any information in column 3 of the table is not part of this instrument. Information may be inserted in this column, or information in it may be edited, in any published version of this instrument.

3 Authority

This instrument is made under the *Shipping Reform (Tax Incentives) Act 2012*.

4 Schedules

Each instrument that is specified in a Schedule to this instrument is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this instrument has effect according to its terms.

5 Definitions

Note: A number of expressions used in this instrument are defined in the Act, including the following:

- (a) Australia;
- (b) shipping cargo;
- (c) shipping passenger;
- (d) vessel.

In this instrument:

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

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- (b) is responsible for receiving, discharging and caring for cargo or passengers during a voyage of the vessel.

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, including (but not limited to) any one or more of 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.

prescribed qualification means a qualification, competency, proficiency or standard prescribed by an instrument made for the purposes of subsection 29(2) of the *Navigation Act 2012*.

Part 2—Training and management requirements

6 Training requirements

- (1) This section specifies requirements for the purposes of the definition of *training requirements* in subsection 5(1) of the Act in relation to an entity for a vessel of the entity.
- (2) The 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 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 in relation to 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 categories mentioned in subsection (2)), but there may be 4 trainees in relation to one of those vessels and 2 trainees in relation to the other of those vessels.

- (4) If there is a prescribed qualification for a category specified in subsection (2), the entity must ensure that each trainee in that category is seeking to obtain that prescribed qualification.

Note: For the meaning of *prescribed qualification*, see section 5.

- (5) For each trainee undertaking training for the purposes of subsection (2), the entity must keep a record that sets out the following:
 - (a) if the training is to be organised by a third party organisation—the name and details of the third party organisation;
 - (b) details about that trainee, including:
 - (i) the trainee's name, age and gender; and
 - (ii) the category specified in subsection (2) in which the trainee is being trained; and
 - (iii) any prescribed qualification already held by the trainee that are relevant for the trainee's training in that category;
 - (c) a description of the training to be undertaken by that trainee, including:
 - (i) the name of the prescribed qualification the trainee is seeking; and
 - (ii) if the training is being provided by a third party organisation—the name and details of the third party organisation; and
 - (iii) the date that the prescribed qualification is expected to be attained by the trainee;
 - (d) details of how the training will be monitored by the entity.

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7 Management requirements

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

Crew management

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

Strategic management

- (4) For the purposes of subparagraph (2)(b)(i), the requirements are that the entity manages, and makes decisions that guide and control, the entity's business activities in Australia, including (but not limited to) the following:
 - (a) making decisions about general policies, strategic direction, contract agreements and financial matters;
 - (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 the purposes of subparagraph (2)(b)(ii), the requirements are that the entity manages the commercial activities of the vessel, performing functions including (but not limited to) 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 the purposes of subparagraph (2)(b)(iii), the requirements are that the entity manages the day-to-day operation of the vessel, performing functions including (but not limited to) 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.

Part 3—Application, saving and transitional provisions

8 Things done under the *Shipping Reform (Tax Incentives) Regulation 2012*

- (1) If:
 - (a) a thing was done for a particular purpose under the *Shipping Reform (Tax Incentives) Regulation 2012* as in force immediately before that instrument was repealed; and
 - (b) the thing could be done for that purpose under this instrument;the thing has effect for the purposes of this instrument as if it had been done for that purpose under this instrument.
- (2) Without limiting subsection (1), a reference in that subsection to a thing being done includes a reference to a notice, application or other instrument being given or made.

Schedule 1—Repeals

Shipping Reform (Tax Incentives) Regulation 2012

1 The whole of the instrument

Repeal the instrument.