

**SENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT  
LEGISLATION COMMITTEE**

**Shipping Legislation Amendment Bill 2015**

**Public Hearing**

**Monday, 7 September 2015**

**Canberra**

**Questions Taken on Notice – [Australian Institute of Petroleum](#)**

**The following questions from Senator Lambie were taken on notice during the Hearings of the Senate Rural and Regional Affairs and Transport Legislation Committee into the Shipping Legislation Amendment Bill 2015 on 7 September 2015.**

**Hansard p32: Is Tasmania now entirely dependent on imported foreign fuel?**

**AIP Response**

The wholesale market for fuel in Australia is open and competitive, delivering value to Australian customers including those in regional areas. Caltex, BP and Viva Energy currently supply wholesale fuels to the retail and commercial markets in Tasmania, using both imported and Australian produced fuels, depending on market demand and fuel supply availability at any point in time.

AIP member companies are in business to supply fuels to their Australian customers in all parts of the country, and place a strong emphasis on maintaining their reputations for high levels of supply reliability, whether fuels are sourced from Australian or overseas refineries.

**Hansard pp32-33: What sorts of safety and security and health checks are done on foreign vessels that are carrying fuel? Are they the same as those that apply to Australian vessels?**

**AIP Response**

Security of facilities and safety of personnel are key operating requirements for AIP member companies. Each company has a detailed security program for each facility including vessels used to move crude oil and petroleum products into and around the country. These programs are robust and graduated using threat/consequences approaches that take account of ongoing security risk assessments. Periodic reviews are conducted to ensure that plans and processes are contemporary, and to identify both non-compliance as well as new threats and risks at the local, national and international levels. These programs and processes address all security risks including criminality, personnel security and terrorism.

Security plans and processes cover all guidance that is found in relevant Australian government guidelines on protecting critical infrastructure and security plans are in place for oil import facilities consistent with International Maritime Organisation (IMO) codes and the Maritime Transport and Offshore Facilities Security Act. International shipping arrangements are covered by the IMO codes and company specific security and safety requirements which are applied to company operated and contractor supplied shipping. Shipping is regularly risk assessed by each AIP member company and appropriate plans implemented for high risk journeys.

As the Committee was previously advised in questions on notice to the Committee's 2015 inquiry into Australia's transport energy resilience and sustainability, the security threats to the oil and gas sector have not increased in recent years and in some areas have decreased.

Specifically, for health and security, Vessel Operators are required to comply with the following international codes, as well as any other legislative and regulatory requirements. These are covered under the charter party agreement.

1. ISM International Ship Management
2. STCW 2010 (Including Manila amendments) – Standards of Training, Certification and Watch keeping , Requirements for hours of Work and Rest, Medical fitness standards for seafarers
3. ISPS – International Ship and Port Facility Security code

The security and health checks done on foreign vessels carrying fuel are consistent with the IMO code requirements and international petroleum company security and safety requirements for company operated vessels and for contractor/spot market vessels. These checks include:

#### Security measures

- International Ship Security Certificate and related security documents
- Performance of ship's security duties
- Access control
- Control of embarkation of persons / effects
- Control of restricted areas
- Control of deck areas and surrounding areas
- Supervision of cargo and stores loading
- Availability of security communication

#### Health measures

Seafarers are required to undergo medical examinations to reduce risks to other crew members and for the safe operation of the ship, as well as to safeguard their personal health and safety. The Maritime Labour Convention (MLC) 2006, and the Standards of Training, Certification and Watch Convention (STCW) 1978, as amended, require a seafarer to hold a medical certificate, detail the information to be recorded and indicate certain specific aspects of fitness that need to be assessed. These Guidelines apply to seafarers in accordance with the requirements of the MLC 2006, and the STCW Convention 1978, as amended. They revise and replace the Guidelines for Conducting Pre-sea and Periodic Medical Fitness Examinations for Seafarers, published by the ILO and WHO in 1997.

These Guidelines have been developed in order to reduce the differences in the application of medical requirements and examination procedures and to ensure that the medical certificates which are issued to seafarers are a valid indicator of their medical fitness for the duties they will perform.

These checks are similar to those undertaken for the only tanker holding an Australian Temporary General Licence.

## **Hansard p33: Detailed information previously provided concerning the future of refineries in Australia.**

### **AIP Response**

There are currently four operating oil refineries in Australia:

Lytton (Queensland) operated by Caltex  
Geelong (Victoria) operated by Viva Energy Australia  
Altona (Victoria) operated by Mobil Oil Australia  
Kwinana (Western Australia) operated by BP Australia

There have been numerous public statements, including submissions to the **Senate Rural and Regional Affairs and Transport References Committee** earlier this year, from all refining companies about their future refinery investment plans and the ongoing role of these facilities in meeting customer requirements and providing broader economic benefits. Decisions about the future of Australian refineries will reflect business assessments of commercial viability of individual refineries at the time based on the competitive pressures faced by each facility.

The details of that advice are to be found in the following submissions to the Committee's 2015 inquiry into Australia's transport energy resilience and sustainability:

Submission 26 – Caltex	see page 11
Submission 27 – Mobil Oil Australia	see page 5
Submission 30 – BP Australia	see BP statements below
Submission 34 – Viva Energy Australia	see page 9

Statements by Mr Andy Holmes, President, BP Australia

*“we believe the BP Kwinana refinery near Perth is advantaged in terms of the feedstock it can process and its ability to produce modern high octane fuel. Providing it continues to deliver best in class safety and reliability performance, and continues to improve its efficiency, we believe it has a future.” (Andy Holmes speech – 2 April 2014)*

*“BP remains committed to the future of the Kwinana Refinery” – press release 12 February 2015*