



Safety of life at Sea Inquiry
Submission No: 3

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BY: Gillian Gould

22 August 2003

Ms Gillian Gould
Committee Secretary
Joint Standing Committee on Treaties
Parliament House
Canberra ACT 2600

Re: Submission to the Review on Safety of Life At Sea Convention

Dear Ms Gould,

Further to your letter to Mr. Tim Blood dated 29 July 2003.

P&O Ports thanks the Joint Standing Committee on Treaties for this opportunity to submit a response to the review of the above amendments to the SOLAS Convention.

P&O Ports submit the following comments in reference to the *Regulation Impact Statement* (RIS) document dated 14 May 2003:

The industry expectation is that the Government will accept Option 1 presented in the RIS and accept the new security measures under Chapter XI-2 of SOLAS and the ISPS Code through the implementation of Commonwealth legislation.

Assuming this is the case, the timeframe to implement the requirements of the Maritime Transport Security Bill 2003 is very tight, given the Bill is not expected to be passed until late in 2003.

P&O believe there is a disconnect between the Bill and the ISPS Code in respect to terminology, definition and application.

The structure and nomenclature of the Bill varies from earlier material supplied by DOTARS and appears to be very similar to the Aviation Transport Security Act which does not easily transfer to the Maritime context.

The RIS states that the Bill will be a non-prescriptive regulatory model type and appropriate outcomes based security arrangements will be reflected in the Bill. P&O consider the Bill quite prescriptive and the detail of the outcomes is presumably contained in the Regulations which are currently not available, nor expected until after the Bill has been passed.

The RIS includes a table on the indicative breakdown of costs for port facilities. The criteria used by the consultant engaged by DOTARS is not stated and it would be very difficult to accurately forecast cost at this early stage. The cost for security in each port will be dependent on the outcome of the Security Risk Assessments and



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the required Risk Treatments to meet compliance with the Bill and the as yet unknown Regulations. Depending on the extent of the Regulations, the security costs are likely to be substantial across the industry and will dictate development of appropriate strategies for cost recovery.

Ports and certainly Port Facility Operators are not in a position to absorb these costs which will inevitably flow through our customers (the shipping lines) to their clients, Australian importers and exporters.

P&O are promoting a minimal cost approach and understand the Bill and Code to be focussed on vessel and facility security as opposed to cargo security, a much larger issue which may in future require cargo screening solutions at considerably more cost.

Areas of legal responsibility and exposure between Terminals, Port Authorities, Shipping Lines and other stakeholders are not clearly defined within the Bill. It is not appropriate to simply transfer risk to port operators who have no power to enforce the legislation.

The suggestion that mandatory security arrangements to provide border control in the national interest will provide benefits to the Port Facility Operator's business is highly debatable and certainly P&O is not convinced this is the case. P&O do not simply accept it is a "cost of doing business".

Given the understanding trade facilitation is one of the primary objectives of the Treaty action, P&O would sincerely trust industry initiatives over many years to enhance efficiency and improve cargo flow will not be compromised by the new requirements.

P&O would welcome further discussion on these topics.

Kind regards,

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