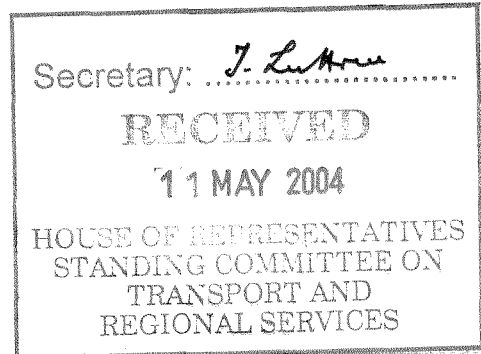


6 May 2004

Committee Secretary  
House of Representatives  
Standing Committee on Transport and Regional Services  
Parliament House  
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### **Inquiry into Maritime Salvage in Australian Waters**

I refer to our meeting on 20<sup>th</sup> April 2004 with members of the Standing Committee on Transport and Regional Services regarding the Inquiry into Maritime Salvage in Australian Waters and confirm the main points of our discussion as follows:

1. There is an important distinction between situations which constitute emergency towage and those which constitute salvage towage. The majority of situations fit into the definition of emergency towage where urgent towage, but not necessarily long term towage, is required to avoid potential environment and safety hazards. Salvage towage is usually required to be carried out over a greater length of time, sometimes many days.
2. Under national and international conventions, there are obligations to assist vessels in distress when able to do so, when lives or the environment are at risk.
3. Emergency response times is an issue which needs to be agreed. The same issue of urgency often does not arise for salvage. Also, salvage tugs have often been sourced from overseas rather than from Australia and on other occasions vessels which are not used for normal harbour towage have been used eg oil industry anchor handling vessels. Further, one could not force Australian based tugs to be made available for salvage.
4. Not all harbour tugs are technically suitable as ocean-going vessels for emergency towage or salvage, nor is it seen as justified to require all ports on the Australian coast to have ocean-going emergency towage capability, or for all tugs in that port to have that capacity. Furthermore, if emergency towage capacity is to be required to be strategically placed in selected ports, then it would put those ports and their users at a competitive disadvantage if they were required to fund the cost of that emergency response capability. It is submitted that the additional cost of providing ocean-going emergency towage capability (i.e. the cost over and above that of normal harbour towage provided on a cost-effective basis) should be funded as a taxpayer benefit. It would not be reasonable or equitable to expect customers of one or more ports to fund that additional cost given the competitive commercial pressures under which they operate. Moreover, to require all ports to provide emergency towage capability or to

provide dedicated emergency towage capacity would be very costly and potentially in excess of what might be required. A change in relative cost structures could be expected to impact on trade patterns between competing ports nationally and between Australian and international ports.

Kerry Sanderson  
**CHIEF EXECUTIVE OFFICER**