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The Parliament of the Commonwealth of Australia

# **Ship salvage**

**Inquiry into Maritime Salvage in Australian Waters**

House of Representatives  
Standing Committee on Transport and Regional Services

June 2004  
Canberra

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## Foreword

Maritime salvage is an integral part of the safety of Australia's mariners and the maritime transport industry. This report follows *Ship Safe*, and *Ships of Shame* in a series of reports that the committee has carried out with the safety and efficiency of Australia's maritime transport sector in mind.

This report addresses issues relating to maritime salvage touched on by the Productivity Commission's report on the Economic Regulation of Harbour Towing and Related Services. Despite the Productivity Commission's belief that market forces will continue to provide the necessary salvage capability, evidence before the Committee indicated that this may not be the case for much longer. Two salvage capable tugs have already left Australian waters due to economic pressures.

This report focuses on Australia's salvage capability; a capability that Australia must have in order safeguard its national security, economic and environmental wellbeing. The Committee has made recommendations in this report relating to the assessment of strategic placement of salvage tugs, the revenue needed to support salvage capability, maintaining salvage standards, the development of a national salvage plan and the provision of salvage related training.

The men and women who work in this dangerous and difficult industry only get the recognition they deserve on those occasions when a major disaster makes the evening news. Australians need to be more proactive than that.

I would like to take this opportunity to thank all those who made submissions to the Committee and gave their time and hospitality as we went on our diverse inspection tours. The committee would especially like to thank those who participated in the round table.

Due to the fact that the ships coming into Australian waters are in better condition than they have ever been before salvage operations are becoming less frequent. The Committee takes some satisfaction in this outcome given that its 1992 report *Ships of Shame* made many seminal recommendations relating to improving the quality of ships in Australian waters. The committee compliments the former chair of the committee, the Hon Peter Morris, for his continuing involvement in this field.

This report also touched on three issues that the Committee believes need more detailed thought and long term planning. These are security, salvage personnel and places of refuge. The Committee is pleased to see that work is already being focussed on these issues and believes that this report will go a long way in helping to keep Australia's maritime transport industry safe and secure.

**Paul Neville MP**  
**Committee Chair**



## **Membership of the Committee**

Chair Mr Paul Neville MP

Deputy Chair Mr Steve Gibbons MP

Members Mr Peter Andren MP

Mr Stewart McArthur MP

Mr Barry Haase MP

Mr Frank Mossfield MP

Mrs Sussan Ley MP

Mr Alby Schultz MP

Ms Kirsten Livermore MP (from  
20/08/02 to 02/12/02)

Mr Patrick Secker MP

Ms Michelle O'Byrne MP (to  
20/08/02 and from 02/12/02)

## **Committee Secretariat**

Secretary Mr Ian Dundas

Inquiry Secretary Mr Tas Luttrell

Research Officer Mr Robert Little

Administrative Officers Mrs Marlene Dundas

Ms Jeannie Brooks







## **Terms of reference**

The committee will inquire into and report on the impact of the Productivity Commission Report on the Economic Regulation of Harbour Towing and Related Services in respect to the nation's ongoing capacity to provide a defined level of salvage capabilities and cover for all Australian Waters.

The report will have regard to:

1. The three tiers of government's responsibility to provide salvage infrastructure;
2. The inclusion of a defined level of salvage capability in harbour towing service agreements;
3. The provision of relief tugs when salvage tugs are engaged in a salvage operation;
4. Minimum standards of salvage tug safety, training and operational capability;
5. The need for public interest obligations to release tugs for marine emergencies.





## List of abbreviations

AAPMA	Association of Australian Ports and Marine Authorities
AMG	Australian Maritime Group
AMSA	Australian Maritime Safety Authority
BMA	BHP Billiton Mitsubishi Coal Alliance
DOTARS	Department of Transport and Regional Services
ETV	Emergency Towing Vessel
ISU	International Salvage Union
LOF	Lloyd's Open Form
MARSAR	Maritime Search and Rescue
OPPRC	International Convention on Oil Pollution Preparedness, Response and Co-operation
SCOPIC	Special Compensation Protection and Indemnity
SCOT	Standing Committee on Transport
SOLAS	Convention on Safety of Life at Sea
UNCLOS	United Nations Convention on the Law of the Sea





## List of recommendations

### Recommendation 1 .....20

The Committee recommends that the Australian Maritime Safety Authority, with industry consultation and input, make an assessment of Australian ports to determine the most strategic placements for salvage-capable tugs and their equipment.

### Recommendation 2 .....28

The Committee recommends that to support the continued provision of salvage capability in designated ports, the additional revenue should be raised by:

- an increase in either light dues or the shipping levy to raise one-third of the estimated revenue required;
- the Australian States and the Northern Territory to provide one-third; and
- the Australian Government to provide the remaining one-third.

### Recommendation 3 .....29

The Committee recommends that the subsidy for salvage capability be paid to a company which successfully tenders for the towage contract in a designated port, subject to an audit by AMSA to ensure that salvage capability is maintained at a satisfactory standard and the sum involved is an accurate reflection of the costs incurred.

### Recommendation 4 .....29

The Committee recommends that the tripartite funding arrangement proposed in recommendation 2, be reviewed every three years by the Australian Transport Council's Standing Committee on Transport.

**Recommendation 5 .....33**

The Committee recommends that Articles 9 and 11 of the International Convention on Salvage 1989, be enshrined in Australian law.

**Recommendation 6 .....37**

The committee recommends that AMSA, in consultation with state governments, industry and other interested parties, develop a national plan for emergency response/salvage operations. The plan should have regard to the following needs/issues:

- the ability for a salvor to negotiate with one authorised person/authority so as avoid the necessity of separate negotiations with a number of interest groups in an emergency situation; and
- legislative protection for port authorities and tug operators to allow the release of tugs to carry out emergency response operations.

**Recommendation 7 .....43**

The committee recommends that the Government subsidise the provision of training courses in Australia in subjects related to maritime salvage operations and that greater utilisation should be made of Australia's maritime training and education resources in this area.

**Recommendation 8 .....47**

The Committee recommends that, in determining the site to be used as a place of refuge, the person making the final decision must have an adequate level of maritime experience, understanding of maritime safety issues and appropriate maritime transport ministerial authority.