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Transport & Regional Services Committee
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Sir/Madam

ENQUIRY INTO MARITIME SALVAGE IN AUSTRALIAN WATERS

The Bunbury Port Authority notes and recognizes the importance of Australia being able to respond to ships in immediate danger at sea to protect lives, property and the environment.

Following are comments by the Bunbury Port Authority to the discussion paper;

Providing salvage capability can be addressed in a number of ways and the discussion paper identifies a number of the major issues, however it fails to address the critical differences between salvage and emergency response. The paper is also silent on critical differences between harbour towage and salvage capability. Other areas which the discussion paper needs to consider are as follows;

- Seagoing capacity of the harbour tug.
- The tugs capability to carry necessary salvage equipment on deck.
- The qualifications of seafarers, ie. some seafarers may only be accredited to operate in protected waters. This matter can be addressed.
- The commercial impact on the port and port users.
- The capacity of salvage vessels can in some instances lead to unsafe operations in a port if tugs are significantly mismatched.
- Location of incident and distance to salvage capability.
- Difference between salvage capability, towage and emergency response.

In relation to the Kirke incident, it is important to note that while the Wambiri from Fremantle was first on the scene, the actual salvage capability was provided by two of the “lady” rig tenders. The Wambiri, while it is classified as an ocean going tug with appropriately credentialed crew, was not suitable for ongoing salvage operations.

Difference between salvage/towage

To ensure provision of the right service it is important to differentiate between salvage capability to protect life, property and the environment, where there is an immediate danger, to where a vessel requires assistance due to loss of motive power, steering malfunction etc. where there is no immediate danger. In the latter instance assuming that there is no immediate danger only towage capability is required, which in most instances dependent on the location port tugs are capable of servicing.

It is important to recognize that it is not economically and operationally feasible for salvage vessels to be stationed in each port. The issue then arises if an incident occurs in say the North West of Western Australia as an example, while the salvage capable tug is stationed in Fremantle.

In this instance it may be more expedient for the salvage capability to be provided from Singapore or another close port.

The discussion paper makes reference to the fact that salvage capability can be provided by rig supply vessels. We strongly argue that these vessels are more suitable to provide the salvage capability, not only for the towage capacity of the vessels, but also for their carrying ability.

In most instances in a salvage situation considerable equipment such as pumps, generators etc. will be required. The supply vessels are the only vessels of sufficient capacity and size to carry this equipment.

Equally due to the size, a supply vessel is not suitable for harbour towage operations.

Pricing

The Bunbury Port Authority does not support increasing charges to meet salvage capacity. However if prices were increased in ports for this capacity, it would be fair to assume then that any salvage revenue would then be allocated back to the ports.

UK Comparative

The UK example is not relevant given the extent of coastline difference between the two countries and the nature of the Government responsibilities.

Salvage Alternatives

An option available to State and Federal Government is to enter into a Memorandum of Understanding or Agreement with companies servicing the offshore industry for the provision of standby salvage services, should the need arise.

It is my view that this arrangement will provide the optimum solution for the provision of salvage capability for Australia.

To date the focus has been mainly on harbour towage as a provider of salvage services and while the opportunity may be present for a particular harbour tug to meet the immediate requirement subject to all other issues being satisfied, the nature of the salvage operation is one, which in most instances is not suitable for the type of tug employed to do harbour work.

While recommendation 1 of the discussion paper is noted ie. that licenses etc. should state that a minimum size of tug should be provided in the port, commerciality will drive the process in that to increase ones chance of winning the tender, only the necessary minimum requirement will be tendered as this will in most instances provide the most competitive price. It is also incumbent on port authorities to not only provide the most efficient and effective service, but also to focus on the needs of the immediate port community.

I would hasten to add that in the event of a ship incident with the probable risk to person, property and the environment and no other options being available that most port authorities would subject to the tugs capability be prepared to assist.

Also most harbour tugs will have limited onboard fuel or storage and while alternate arrangements can be made should the harbour tug have travel capacity for state territorial waters only or extend to Australian's economic exclusion zone etc. The distance will impact on the tugs fuel carrying requirements and in turn the size of the tug.

Ministerial Direction

It is also important to note that under the Western Australian Port Authorities Act the Minister can direct a Port Authority. In this instance if an incident occurred and a port authority was not prepared to release a tug, the Minister has the power to direct the port authority to act in a certain manner.

The issue of salvage capability is one, which needs to look beyond harbour towage, to incorporate the entire maritime industry, which includes rig tender supply vessels.

I trust that the above comments are of some assistance and please contact me at your convenience if you wish to discuss the matter further.

Yours sincerely

D. Figliomeni
Chief Executive Officer

10 February, 2004