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Queensland Premier Seeks Tax on Trade

'The shipping industry would reject any proposal to increase the Protection of the Sea Levy to pay the difference between the limits available under the International Convention limiting claims for oil pollution to which Australia is a party because it clearly undermines the effect of the Convention' Llew Russell the Chief Executive Officer of Shipping Australia Limited said today.

'Swires and Shipping Australia met with the Premier on 22 July to discuss the clean-up costs arising from the accidental oil spill by the *Pacific Adventurer*. Swire offered a settlement well above the minimum available to try and resolve the matter but this was rejected outright by the Queensland Government. The Premier does not appreciate that this is an industry matter and is not purely a Swire's matter. It could have happened to any SAL member and the limitation Convention was constructed to deal with these types of accidents.

'It reduces the costs to Australian exporters and importers because insurance is much lower and is certainly available to meet obligations under the international Convention.

'If State or Federal Governments are going to ignore the impact of the Convention then future costs will increase substantially for Australian exporters and importers. Alternatively if a levy is applied and individual shipping lines decide to pass it on, then the costs will also increase for Australia's exporters and importers!' he said.

Mr Russell pointed out that all the international conventions that relate to spills of oil or hazardous products provide for strict liability on the part of the ship and cargo interests and all claims are directed to the ship, eliminating the need for an investigation as to which party is in fact responsible for the pollution. These provisions are designed to ensure that compensation is available without delay and regardless of fault.

‘The world takes for granted that the shipping industry will provide a seamless, efficient and effective delivery of goods across a multiplicity of countries and jurisdictions. Uniformity of law and regulations across the various jurisdictions is of fundamental importance to the shipping industry if it is to perform this service without disruption.’ He said.

Mr Russell pointed out that Swire had met all their legal responsibilities and in fact have gone further by making a good offer at the meeting with the Premier earlier this week which was initially considered to be a constructive meeting.

‘If the result of this pressure from State and Federal Governments is to increase the costs of doing business with Australia then our international competitiveness declines and our ability to withstand the effects of the global financial crisis becomes that much harder.

‘Shipping Australia was very hopeful that a future meeting between Swires and Minister Albanese will be able to resolve this matter in a way that ensures Australia’s international obligations and standing are maintained’ he said.

For further information:

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