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Rise in protection of the sea levy of great concern

“Whilst it was not unexpected, member lines of Shipping Australia were nevertheless very disappointed at the recent announcement of a proposed tax on the international shipping industry to contribute to the clean up costs of the *Pacific Adventurer* oil spill off the Queensland coast last March.

“The 26.7% increase in the existing levy is not only unwarranted but it is exactly the case which the Convention on the Limitation of Liability for maritime claims was meant to cover” Llew Russell, Chief Executive Officer of Shipping Australia said today.

Mr Russell pointed out this tax on shipping could take up to five years to recover.

“The maximum liability of \$17.5 million under the Convention will be paid and in addition the operator of the *Pacific Adventurer* has offered to pay a further \$7.5 million as a donation. Nevertheless, the Government is still seeking to penalise the rest of the international shipping industry for the remainder of the clean up costs which are estimated to be \$31 million and in addition it is expected that there will be private claims for compensation” he said.

Shipping Australia has long objected to the complete dismissal of an international Convention to which Australia is a party in the circumstances which the international Convention was meant to address. The Convention provides certainty and therefore provides for lower insurance premiums than would otherwise apply.

Shipping Australia urged the Government to approach IMO if they were unhappy with the limits provided for under the Convention which the Government has subsequently done but it has also imposed this tax.

Shipping Australia will be seeking to be closely involved in monitoring the payment of these amounts but find it particularly galling that both the Federal and State Governments have refused to accept SAL membership on the National Plan Management Committee which exists to monitor costs under the Protection of the Sea Levy.

“Shipping Australia members pay or are involved with vessels that pay this levy but our request for membership of the management committee, so far, has been rejected although we believe we could make a significant contribution to deliberations of that committee and it would also facilitate monitoring of the repayment of this levy.”

“Our members are frustrated by the lack of accountability for expenditure from this fund and there is a concern that the Government may view the shipping industry as having very deep pockets. The shipping industry worldwide is struggling financially but this simply goes unrecognised” Mr Russell said.

SAL in paying this levy over the years has accepted payment by the potential polluter but to then impose an extra levy on the whole industry because of this serious accident goes well beyond the principle of the potential polluter pays.

“It would be interesting to extend this principle to the whole Australian community and clearly that would never be contemplated but yet the Government believes the shipping industry should simply ‘cope it sweet’”.

Editor's note

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