

Australian oil tanker fleet - a short history

In 1961 there was no Australia flag tanker fleet. 50 years later, at the end of 2011 there was once again no Australian flag tanker ship.

The wheel has turned full circle.

Hubert Opperman was the Minister for Shipping and Transport in the early 1960s. In this position he caused to be published the statistics of the then vibrant Australian coastal shipping industry. Those statistics were reproduced by AIMPE in the On Watch. In 1962 Australian flag fleet comprised of 111 interstate vessels registered in Australia and 21 intrastate vessels [13 trading on the NSW coast, 5 in SA waters and 3 on the Qld coast]. There was a total of 132 Coastal Trading Vessels in the Australian fleet.

None of these vessels carried crude oil and none of them carried refined petroleum products.

There were in addition 16 vessels which were classified as Overseas Trading Vessels. Of these 6 flew the Australian flag, the Red Ensign, and 10 were Australian owned but foreign flag. So in total the Australian Trading Vessel fleet comprised 148 ships.

The boom in motor vehicles was powered by refined product imported in foreign flag tankers and by crude that was imported from overseas oil fields. The Australian oil company Ampol used two UK flag tankers to import crude oil from Sumatra to Kurnell – the Lesley J Thompson and the William G Walkley.

The refined product produced at the Kurnell refinery was distributed around the coast by foreign flag tankers.

Australian Oil Refining Ltd operated 11 foreign flag tankers on a rotational basis to distribute the refined product. There were 4 of these tankers which were motorships :

- Caltex Calcutta
- Caltex Delhi
- Caltex Kenya
- Caltex Tanganyika

The other 7 tankers used by AOR were steamships (oil-fired):

- Caltex Bahrain
- Caltex Canberra
- Caltex Edinburgh
- Caltex Liverpool
- Caltex Manchester
- Caltex Newcastle
- Caltex Perth

AOR rotated these vessels in and out of Australia using extended permits issued by the Department of Shipping and Transport under section 286 of the Navigation Act.

Everything old is new again.

AIMPE's official history, "Steady Revolutions" records that there was a reaction to this foreign exploitation:

"Threats to maritime employment and the ultimate future of the Australian merchant navy were multiplied by the increase of foreign shipping on the Australian coast in the mid-1960s. This was most evident in the oil industry where, in 1963, R.W. Miller's Miller's Canopus became the first Australian-owned and manned oil tanker

to ply the Australian coast, only after vigorous SUA protests against foreign oil monopolies.”

In May of 1964 AIMPE's On Watch magazine carried a major article under the heading 'Australian Flag Oil Tankers' with the following introduction:

“The year 1963 has been one of the most significant years in Australia's Maritime History. Claimed to be for the first time ever, an oil tanker was operated on the Australian coast under the Australian flag and was manned by Australians under Australian Awards and conditions. It is to be hoped that the 'Millers Canopus' will be rightfully accorded its important place in our Country's History.”

Subsequently the On Watch of March 1965 recorded that:

“R.W. Miller & Co. Pty. Ltd., of Sydney, recently decided to import three tankers and to operate them under the Australian flag. By taking advantage of the provisions of the Australian Navigation Act, the company has been able to obtain a priority in the carriage of oil cargoes around the Australian coast.

Six of the major oil companies – Shell, Esso, BP, Caltex, Ampol and Mobil – have announced that they also will import or convert overseas tankers for transfer to the Australian register. They will employ them in the coastal transportation of petroleum products pending the construction of new tankers for this purpose in Australian shipyards.

The Australian Government has already declared that its ultimate objective is to have oil in the coastal trade carried in Australian-built and Australian-manned vessels.”

In the following year it appeared as though Millers might be squeezed out – as Steady Revolutions records:

“When this short-lived victory was threatened again in 1966, the Institute joined the protesters, threatening a twenty-four hour stoppage from midnight on 6 November to censure the federal government for allowing the oil cartels to exclude Miller from the coastal trade.”

By 1967 the Department of Shipping and Transport Australian Shipping and Shipbuilding Statistics reported that there were 12 Australian flag tankers in the interstate trades:

Australian Progress	Mobil Shipping Co Ltd
B.P. Enterprise	B.P. Tanker Co. Ltd
B.P. Explorer	B.P. Tanker Co. Ltd
Caltex Liverpool	Overseas Tankship (UK) Ltd
Caltex Manchester	Overseas Tankship (UK) Ltd
Esso Macquarie	Esso Standard Eastern Tankers Ltd
Hemiglypta	Shell Bermuda (Overseas) Ltd
Hemiplecta	Shell Bermuda (Overseas) Ltd
Millers McArthur	Hong Kong Tanker & Traders Ltd
P.J. Adams	Ampol Petroleum Ltd
R.W. Miller	Hong Kong Tanker & Traders Ltd
William G. Walkley	Ampol Petroleum (Q'land) P/L

The P.J. Adams was licensed for the coasting trade but actually spent most of its time bringing crude to Brisbane from Sumatra. Ampol's other tanker Lesley J Thompson brought crude from Sumatra to Kurnell.

The 1970s saw many changes in the Australian oil and petroleum tanker fleet. By 1978 the fleet comprised 13 vessels:

Amanda Miller	R.W. Miller & Co P/L
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Arthur Phillip	Botany Bay Tanker Co (Australia) P/L
B.P. Endeavour	BP Tanker Co. Ltd
B.P. Enterprise	BP Tanker Co. Ltd
Cellana	Shell International Marine Ltd
Esso Gippsland	Esso Standard Eastern Tankers Ltd
Express	Howard Smith Industries P/L
Howard Smith	Howard Smith Industries P/L
John Hunter	Botany Bay Tanker Co (Australia) P/L
Mobil Australis	Mobil Oil Australia Ltd
Nancy Heath	Howard Smith Industries P/L
P.J. Adams	Ampol Petroleum Ltd
Robert Miller	R.W. Miller & Co P/L
W.M Leonard	Ampol Petroleum Ltd

The W.M. Leonard was licensed for interstate trade but was mainly engaged in the Queensland coastal trade. In addition there were two chemical tankers the Silverhawk and the Silverharrier carrying caustic soda, molasses and sulphuric acid.

Another decade on in 1987 the coastal tanker fleet was slightly reduced in numbers but was of equivalent capacity:

Ampol Sarel	Ampol Petroleum (Q'land) P/L
Arthur Phillip	Caltex Tanker CO
Australian Spirit	BP Australia
BP Enterprise	BP Australia
Canopus	Howard Smith Industries
Conus	Shell Co. Of Australia
Era	Howard Smith industries
Esso Gippsland	Esso Australia Ltd
John Hunter	Caltex Tanker Co
Mobil Australis	Mobil Oil Australia
W.M. Leonard	Ampol Petroleum (Q'land) P/L

In addition there were four overseas trading tankers mainly engaged in bringing crude oil to the Australian refineries:

Australia Star	Caltex Tanker Co. (Aust)
BP Achiever	BP Australia
Mobil Flinders	Mobil Oil Australia
Nivosa	Shell Co. Of Australia

As well as the oil and petroleum tankers, there were two LPG tankers Island Gas and Wiltshire and one chemical tanker Stolt Australia. From 1989 the fleet also saw the addition of the LNG tankers in the international trades – Northwest Sanderling, Northwest Sandpiper, Northwest Snipe and Northwest Stormpetrel. By 1994 the Australian tanker fleet included 15 oil tankers plus additional LPG carrier [Kelvin – which replaced the Wiltshire] and chemical tanker [Stolt Australia].

However in the decade of the 1990s, and specifically in the period from 1996 onwards, the decline of the Australian tanker fleet set in. The political policy settings from the Federal Government were fundamentally altered. Support for Australian flag shipping was withdrawn. The permit issuing process which had effectively been stopped by R. W. Miller's actions in 1963 took off again. By 2000, when Australia was basking in the glory of the Sydney Olympics, the coastal tanker fleet had shrunken drastically to 7 ships:

Australian Pride
Barrington
Broadwater
Helix
Palmerston
Samar Spirit
Tasman

The overseas tankers that remained in the year 2000, apart from the four LNG tankers, were:

Flinders
Nivosa

By 2008 there were 8 Australian operated tanker ships servicing the petroleum market:

1. Barrington Teekay operated for Caltex
2. Basker Spirit Teekay operated
3. British Fidelity ASP operated for BP
4. British Loyalty ASP operated for BP
5. Helix ASP operated for Shell
6. Jasmine ASP operated for BP
7. Palmerston Teekay operated for Caltex
8. Samar Spirit ASP operated for Shell

In 2010 the composition had changed slightly but there were still 8 tanker ships:

1. Alexander Spirit Teekay operated for Caltex
2. Barrington Teekay operated for Caltex
3. Basker Spirit Teekay operated
4. British Fidelity ASP operated for BP
5. British Loyalty ASP operated for BP
6. Helix ASP operated for Shell
7. Helcion ASP operated for Shell
8. Palmerston Teekay operated for Caltex

In early 2011 the fleet had reduced to 7 Australian licenced tankers:

1. Alexander Spirit Teekay operated for Caltex
2. Basker Spirit Teekay operated
3. British Fidelity ASP operated for BP
4. British Loyalty ASP operated for BP
5. Helix ASP operated for Shell
6. Helcion ASP operated for Shell
7. Hugli Spirit Teekay operated for Caltex

By end 2011 the fleet was 6 Australian licenced tankers:

1. Alexander Spirit Teekay operated for Caltex
2. Araluen Spirit ASP operated for Shell
3. British Fidelity ASP operated for BP
4. British Loyalty ASP operated for BP

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| 5. Hugli Spirit | Teekay operated for Caltex |
| 6. Tandara Spirit | ASP operated for Shell |

In early 2012 there were only 5 tankers with Australian licences:

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|---------------------|----------------------------|
| 1. Alexander Spirit | Teekay operated for Caltex |
| 2. British Fidelity | ASP operated for BP |
| 3. British Loyalty | ASP operated for BP |
| 4. Hugli Spirit | Teekay operated for Caltex |
| 5. Tandara Spirit | ASP operated for Shell |

When the Coastal Trading (Revitalising Australian Shipping) Act 2012 came into force those 5 tankers were granted Transitional General Licences – because they were all foreign flag ships and not entitled to hold an Australian General licence.

Since 1 July 2012 all five of these tankers have been withdrawn from service:

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| Tandara Spirit | Viva Energy notified withdrawal in November 2014 – vessel sent to Singapore |
| Hugli Spirit | Caltex notified in January 2015 that the ship would be re-delivered |
| British Loyalty | BP gave notice in March 2015 of the end of the vessels charter |
| Alexander Spirit | Caltex notified in July 2015 that the ship would be re-crewed i.e. foreign crew |
| British Fidelity | BP gave notice in March 2016 of the withdrawal of the ship |

Note that each of the three companies mentioned – Viva, Caltex and BP – made submissions to the 2014 Inquiry in to Fuel Security to the effect that Australia has no fuel security problem. They subsequently removed the last remaining Australian operated tanker shipping capacity leaving Australia without a single tanker ship in our merchant navy.

So how is petroleum now being moved around the Australian coast?

The answer is simple – it is being moved by foreign flag ships with foreign crews utilising “Temporary” Licences. There is a 12 month time limit on these “Temporary” Licences but there is no limit on the number of times a ship can be granted repeat “Temporary” Licences. Some ships which were operating under the old legislation using repeat “Single Voyage Permits” have simply adapted to the “Temporary” Licence system and operated continuously for the whole period since the 2012 enactment.

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March 2016