

# TOWNSVILLE SHIPPING AGENCIES

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7 August 2016

Adjudication Branch,  
Australian Competition & Consumer Commission,  
23 Marcus Clarke Street,  
CANBERRA ACT 2601

Dear Sir,

## **A91545 PORT OF TOWNSVILLE SUBMISSION**

In response to the invitation to provide a submission to the adjudication, we would comment as follows.


The Port of Townsville has operated with only one towage operator for many years – at least 18 years of which I am aware – and as ships' agents representing a large number of (mostly foreign) port users, we have not seen any deleterious effects on port services or costs through that arrangement. Indeed, through the last change of exclusive operator, to PB Towage (Australia) Pty. Ltd. (subsequently bought out by Smit Lamnalco Towage Australia Pty. Ltd.), the port users benefited from new, improved tugs and an improvement in the day-to-day operating practices of the towage services.

The fact is, in our opinion, that there is an insufficient volume of shipping movements in Townsville (and even less so in the ports of Lucinda, Mourilyan or Cairns) to operate competitive services with more than one towage operator with or without exclusive licensing. Even in busier ports we have seen that a short-term trade off of lower rates emanating from competition to an eventual withdrawal of one of the operators and a resultant monopoly of services anyway.

We feel that an extension of exclusive licensing to include the ports of Lucinda, Mourilyan and Cairns would also be beneficial to those ports by enabling the costs of providing newer towage vessels to those ports to be spread across a wider base, and upgrading tugs would furthermore potentially allow larger vessels to be handled at a port like Mourilyan.

Yours faithfully,

For Townsville Shipping Agencies Pty. Ltd.

  
STUART CHANDLER

