

[REDACTED]

---

**From:** David Pratt - ISS Australia [REDACTED]  
**Sent:** Thursday, 31 May 2018 9:26 PM  
**To:** Batten, Elizabeth  
**Cc:** Bell, Simon  
**Subject:** Re: Exclusive License - Towage - Port of Gladstone [SEC=UNCLASSIFIED]

Elizabeth,

Understand that you are seeking feedback on Exclusive Licenses in regards to Towage operations, with immediate focus on Port of Gladstone and upcoming renewal for same. Would like to make the below comments no same.

In our role as a shipping agent, our focus on behalf of our principals is to ensure that vendors are

- Safe
- Financially sustainable
- Delivering Required Services
- Cost Effective - Value Adding
- Ethical and Professional
- Competitive to Market

Am aware that there is considerable focus to remove the exclusive license agreement from Gladstone and potentially other ports with focus on increasing competition.

As an agent I encourage competition in ports where the above can be met, however this needs to be reviewed both at a local and national level within Australia. Within Australia we are faced with a limited number of towage operators, with operators having significant variances in port coverage and asset availability within Australia.

It is recognised that Exclusive licenses can limit competition, however a change from existing structure requires consideration of position of potential vendors at a national level and whether the introduction of a nationally significant towage operator entering into this port, could potentially lead to an overall reduction in competition within the Australian market. If the introduction of any towage operator into a port would result in significant and clearly defined long term operational service and safety improvement over other operators, this would deserve appropriate consideration in the consideration.

Towage cost and limited vendor options in ports are already a key concern for overseas principals, and an exclusive license can, depending on selected towage operator, either protect competition or reduce competition at a national level.

Exclusive licences need to have strict parameters in terms of service provision, market competitive pricing and safe operation, this needs to be quantified and measured on ongoing basis by local port authority to ensure that an exclusive arrangement enables sustainable operation but with control on pricing. If those conditions are not delivered, then appropriate action needs to be taken to address, with potential withdrawal of Exclusive license.

To summarise the above personal viewpoint. Competition is a key requirement in Australia ports, which when reviewing Exclusive License award needs to be considered not at local level but nationally to ensure that we do not increase the risk of monopoly vendors across majority of ports. The exception being when the value and service levels from a national operator clearly out weigh the risk of decreasing competition.

Trust assists, any questions please don't hesitate to advise.

Best Regards  
David

**David Pratt**  
Vice President – Marine Services - Australasia

[Redacted]

T [Redacted]

M [Redacted]



[www.iss-shipping.com](http://www.iss-shipping.com)

Inchcape Shipping Services, Level 10, 54 Miller St, North Sydney, NSW 2060, Australia



*(As Agents Only)*

***Inchcape Shipping Services - A Smoother, Smarter Ocean***