Fact sheet

Governance framework & pricing and transparency

Reallocation of regulatory functions

Current arrangements involve delegated regulatory functions being performed by commercial entities, creating potential conflicts, liability uncertainty and limited transparency. This includes functions of the Harbour Master who is responsible for overseeing navigational safety in ports, and Vessel Traffic Services (VTS) that monitor and manage vessel movements in ports to support the safe and efficient movement of vessels. The proposed governance framework would separate these regulatory functions from the commercial functions. **The proposed arrangements are set out below:**

Harbour Master and Vessel Traffic Services (VTS)

MAST would directly hold and exercise Harbour Master functions and oversight of VTS. Harbour Master directions and technical instruments (e.g., the Ports Procedures Manual, pilotage and towage standards) would be set independently of commercial operations. VTS would remain an AMSA-authorised safety function with statutory authority and ability to issue directions resting with MAST.

Marine Pollution and Emergency Response

The Tasmanian Marine Oil Spill Contingency Plan (TasPlan) outlines the response and arrangements in place in the event of a spill in the marine environment.

Environment Protection Authority (EPA) would retain responsibility as Control Agency for marine pollution in State waters, including major incidents. Licensed Port Operators would maintain capability for Level 1 incidents within port pilotage areas and support higher-level responses as directed through TasPlan, with appropriate representation from the Harbour Master and use of VTS as necessary. Contractual instruments may be used between EPA and service providers to address immunities and cost recovery.

Licensing Framework

Port Operator Licence

The Port Operator Licence clarifies waterside responsibilities and outcomes within each port pilotage area, including:

- commercial ship scheduling interfaces;
- maintenance of non-regulatory infrastructure (e.g., channels/berth pockets where applicable);
- provision of towage berths;
- emergency planning and response roles (including ensuring adequate emergency towage).

A Port Operator Licence would initially apply to Tasmania's primary commercial ports. The licence would be administered by MAST on a transparent cost-recovery basis, with a proposed five-year term and a review of the licensing framework no later than four years after commencement.

Terminal Operator Licence (where applicable)

A Terminal Operator Licence would be used in multi-user ports to allocate a subset of waterside functions to terminal owners (e.g., berth-pocket dredging, additional emergency preparedness associated with specific operations). A Terminal Operator may apply for a licence, or MAST may require a licence if necessary to meet safety outcomes.

Pilotage Provider Licence (statewide)

A Pilotage Provider Licence would be a single statewide licence to provide pilotage services for meeting commercial and emergency pilotage needs across Tasmania. The licence formalises requirements for safety, training and fatigue management, employment standards, minimum service levels, and integration with Tasmanian Marine Oil Spill Contingency Plan (TasPlan). This model prioritises reliability and resilience in a small, geographically dispersed market.

Towage

Towage services assist vessels to manoeuvre safely within ports and provide emergency response capability. Markets for towage services may be port-specific, regional or statewide. Under the preferred model, each Licensed Port Operator is responsible for ensuring adequate commercial and emergency towage to meet its port's needs, with flexibility to procure services (including competitive tendering) appropriate to the port.

Towage – Models Considered

The Review considered (a) an open market, (b) a regulated monopoly with direct price control, and (c) port-operator determination under a licensing framework. Given the scale of Tasmania's markets and the geography of its ports, full competition is unlikely to ensure reliability in all ports, while a fully regulated monopoly would introduce additional costs and may be less flexible. The preferred approach uses Licensed Port Operators to tailor solutions per port, supported by transparency and oversight through licensing.

Pilotage

Pilotage is a highly specialised, safety-critical service. Pilots are licensed by port and require substantial local training and experience. Disruptions to pilotage can halt port operations. The Review assessed port-by-port markets, open competition and a single statewide provider. A single statewide licensed provider model is preferred to maximise resilience, optimise resource allocation across ports, and minimise risk of service failure. Pricing decisions by the licenced provider would have a transparency requirement and be reviewable by government.

Pricing, Transparency and Review

Under the preferred framework, economic regulation would not be the primary control mechanism. It is proposed that the framework emphasise competitive tension where feasible, efficient and transparent pricing by licensed providers, and the option for independent prices oversight. Service level requirements would be specified through licences and technical standards that are administered and managed by MAST (and EPA where relevant). The aim would be to balance transparency and price discipline with adaptability and resilience.