



IMPA's Position on Competition in Pilotage:

1. In a competitive pilotage environment levels of safety drop and no incentives for proper training exist. Limited term contracts do not encourage recruitment, training and succession. A large part of the safety benefit of a pilot on board is derived from his long-term experience, knowledge and skill. This is negated by the provision of pilotage services on a short term basis. In the vast majority of ports the training of pilots takes several years before the full benefits of experience are realized. There is no encouragement to invest in boats and safety equipment which have a capital life in excess of the contract period.
2. In economic efficiency terms, competing providers of pilotage will not cooperate in providing a port-wide service, if indeed a port is capable of supporting more than one supplier of pilotage. The economic gain of one shipping line in a competitive situation means certain sectors of port traffic will be neglected to the overall disadvantage of the port. Safe and efficient pilotage should be provided to all users on a non-discriminatory basis. Competitive pilotage is by its very nature discriminatory.
3. A single point failure in pilotage has catastrophic consequences for the marine environment, all port users, commerce, industry and the local community. The consequence of failure is not limited to management or the shipowner. A fully regulated single provider system with an in-built safety culture has proven to be the safest and therefore most cost effective answer.
4. Experiments with competition elsewhere in the world has shown that, in spite of regulation, the outcome will be longer hours and shorter rest periods with consequential fatigue-induced decrements in performance. Health, safety and the environment will all suffer in a competitive environment as evidenced in the experiences of Argentina and Australia. In Argentina legislation has been introduced to return to a regulated pilotage system and in Australia numerous reviews and studies are underway into competitive pilotage following accidents within the Great Barrier Reef. Pilots there now work longer hours, and take on part time work (outside pilotage) to supplement their income and there is not enough money to provide for training. One of the first responses to declining revenue is the winding back, and ultimate cessation of training. The resultant accidents are well documented.
5. Pilots exist to protect the interests of the state and community. In doing so the interests of the shipowners are also protected. The independent role of the pilot is critical in this regard.
6. If a pilot is dependent on securing and maintaining a contract with a shipowner for his continued existence, his loyalty will shift from the community to the shipowner. These interests often conflict.
7. Competition experiments in pilotage have provided an environment for corruption to flourish. Corruption occurs with the various private organizations siphoning off large percentages to place work with favoured suppliers to the detriment of safety and quality. Existing statistical data shows how the cost of

pilotage has increased to the shipowner/charterer by a significant factor under competition.

8. There is no evidence that competition has ever improved safety in pilotage. Indeed, attempts to cut costs of this essential safety service by introducing competition inevitably lead to increased costs and a detrimental effect on safety.