

Impact Analysis Statement

Summary IAS

Details

Lead department	Department of Transport and Main Roads
Name of the proposal	Pilotage Fees Review
Submission type	Summary IAS
Title of related legislative or regulatory instrument	Transport Operations (Marine Safety) Regulation 2016
Date of issue	January 2026

What is the nature, size and scope of the problem? What are the objectives of government action?

Revenue received from pilotage service fees no longer fully recovers the cost of pilotage service delivery and regulation as is required under Queensland Treasury's *Principles for Fees and Charges*. Maritime Safety Queensland (MSQ) requires an increase to pilotage fees to fund pilotage service providers and regulation costs. The increasing gap between revenue and cost of service provision for pilotage, does not align with the user-pays and cost-recovery intention of the fee. The objective of this proposal is to re-align pilotage fees to fully recover pilotage costs.

In 2024-25, to address cost of living issues for Queenslanders, the Government Indexation Rate (GIR) for fees and charges that apply to individuals, households and businesses was set at 0%, leaving them unchanged. As pilotage fees indexation was linked to the GIR, they were inadvertently captured by the GIR freeze, despite the fees being charged to (largely) overseas ship owners and operators, not the community.

Table 1 on the following page outlines piloted movements, current revenue, and the estimated cost of pilotage service delivery (total) per annum for Queensland ports using the full-cost method specified in Queensland Treasury's *Principles for Fees and Charges*. Pilotage Revenue assumes no change and includes annual increases based on the known GIR for this financial year, and for the next two financial years.

The current model for pilotage fees was initially established in 2004. It was reviewed in FY2010-11, and fees have increased annually in line with GIR since. MSQ will start a comprehensive review of pilotage fees early in 2026 in accordance with Queensland Treasury's *Principles for Fees and Charges*. The Transport Operations (Marine Safety) Regulation 2016 (TOMSR) is undergoing a 10-year sunset review, and the results of the pilotage fee review may be included in this sunset review, if completed in time.

The cost of pilotage service provision has increased substantially since 2024-25 and the cost drivers are explained in detail later in this submission.

Table 1

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26 Estimate	2026-27 Estimate	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
Total Piloted Ship movements	17,126	16,140	15,311	15,346	16,219	16,555	15,959	16,412	16,412	16,412	16,412	16,412
Assumed Fee Increase (%)	3.50	3.50	2.25	1.80	1.70	3.40	0	3.40	3.40	3.40	3.40	3.40
Pilotage Revenue (\$m)	-102.46	-98.314	-94.532	-96.938	-104.74	-107.45	-108.981	-113.85	-117.43	-121.40	-125.53	-129.79
Total Cost of Pilotage Service Delivery and Regulation(\$m)	89.647	87.095	87.98	90.159	92.716	98.485	102.416	115.89	130.00	134.42	138.99	143.72
-Surplus/ Deficit (\$m)	-6.53	-4.936	-0.269	-0.496	-5.741	-2.682	-0.282	2.032	12.570	13.021	13.461	13.927

In Queensland, there are four government owned port corporations (GOCs), one privatised port and one private port operator. The four GOC Port Corporations (North Queensland Bulk Ports Corporation Ltd (NQBP), Gladstone Ports Corporation Ltd (GPC), Townsville Ports Corporation Ltd (POTL) and Far North Queensland Ports Corporation Ltd (Ports North) manage 19 government owned ports, comprising 14 trading ports, 2 community ports and 3 non-trading ports. The Port of Brisbane is managed and developed by the privately owned Port of Brisbane Pty Ltd under a 99-year lease from the Queensland Government. Rio Tinto Ltd owns, operates and manages the Chith Export Facility which services the Amrun bauxite mine.

Each of these ports has a Responsible Pilotage Entity (RPE), described in TOMSR. These RPEs must provide pilotage services – either directly, or under a formal contract arrangement. **Table 2** describes the relationships among RPEs and pilotage service providers in each compulsory pilotage area across Queensland.

Table 2

<i>Responsible Pilotage Entity</i>	<i>Port/Compulsory Pilotage Area</i>	<i>Pilotage Service Provider</i>	<i>Pilotage Fees</i>
<i>Maritime Safety Queensland</i>	<i>Brisbane, Southport, Abbot Point</i>	<i>Contracts with Poseidon Sea Pilots (Brisbane and Southport) and Port of Townsville (Abbot Point)</i>	<i>Set and collected by MSQ</i>
<i>Gladstone Ports Corporation</i>	<i>Gladstone, Bundaberg, Rockhampton (Port Alma)</i>	<i>Gladstone Ports Corporation</i>	<i>Set and collected by MSQ</i>
<i>North Queensland Bulk Ports</i>	<i>Mackay, Hay Point</i>	<i>North Queensland Bulk Ports</i>	<i>Set and collected by MSQ</i>
<i>Port of Townsville Ltd</i>	<i>Townsville, Lucinda</i>	<i>Port of Townsville</i>	<i>Set and collected by MSQ</i>
<i>Far North Queensland Bulk Ports (Ports North)</i>	<i>Cairns, Mourilyan, Cape Flattery, Thursday Island, Karumba, Weipa, Skardon River</i>	<i>Ports North</i>	<i>Set and collected by MSQ</i>
<i>RTA Weipa</i>	<i>Amrun</i>	<i>Auriga (Private Company)</i>	<i>If Pilotage Fees are imposed, they are set and collected by RTA Weipa</i>

Pilotage fees

Pilotage fees are prescribed under TOMSR, except for the privately owned and operated Chith Export Facility (Amrun). Pilotage fees are based on length of the ship and the complexity of the port environs. The objective of the fee is to recover all operational costs (contracted pilotage services, pilot transfers, employee expenses, training, fuel, equipment and so on) and costs related to delivering, managing and regulating pilotage services.

Under the *Maritime Safety Queensland Act 2002* (MSQ Act), Pilotage fees are to be paid into the MSQ Fund. They are collected to fund the providers of pilotage services and to facilitate safe and efficient entry and exit for ships from Queensland’s ports to support trade for the State. MSQ uses this pilotage revenue to pay

- the four Queensland owned port corporations as Responsible Pilotage Entities for ports north of Brisbane (except Abbot Point);
- the contracted providers in Brisbane and Southport and Abbot Point;
- for the cost of regulation, monitoring, financial management (including invoicing); administration; and
- the indirect costs of providing and regulating pilotage services funded through an annual contribution to Queensland Treasury of \$6.283 million.

MSQ does not set fees or collect pilotage revenue for piloted movements from the Chith Export Facility. However, MSQ is the regulator for Chith Export Facility, and, as such, ensures the pilotage service provider complies with all MSQ policies and other requirements, through indirect funding arrangements.

The annual contribution to Queensland Treasury has been in place since the establishment of Maritime Safety Queensland under the MSQ Act. This has been a fixed amount and funds the Queensland Government’s indirect costs of provision, administration, monitoring and regulation of pilotage services.

Queensland recorded 9,257 trading vessel visits, over 15,900 piloted movements (ships over 50m length overall (LOA)) in Queensland’s trading ports in FY2024-25, with pilotage revenue received of \$108.98 million.

Since FY2011-12, pilotage fees have increased annually, in line with the Government Indexation Policy. Prior to that, pilotage fees increased as required to recover the cost of services.

As pilotage fees did not increase in FY2024-25, the cost-of-service provision and regulation of pilotage services across the state will exceed the revenue collected from FY2025-26.

Cost drivers

For the past few years, like most businesses, pilotage service providers have incurred increasing costs. The major cost drivers contributing to the increased service provision costs across all service providers include:

- the increased costs of employing pilots through negotiated enterprise agreements (average 4.5% increase in FY2023-24 and FY2024-25 and 3.5% FY2025-26 plus annual Cost of Living Adjustment);
- increased numbers of pilots employed to provide the services due to changes in shipping (more ships requiring the services of two pilots and longer transit times for ship movements) and changes in employment conditions (roster arrangements);
- significant increase in travel costs and accommodation costs (for ports remote from the home port, for example to Weipa or Thursday Island from Cairns; Bundaberg from Gladstone; Bowen from Townsville) approximately 50%;
- increased cost of training due to the change in shipping profiles of ships visiting Queensland ports (longer and wider ships with deeper draft);
- increased cost of fuel (pilot transfer by car and vessel);
- replacement of assets (pilot transfer vessels at minimum of \$2.5 million and other assets);
- introduction of mandatory use of portable positioning units for each pilotage movement in all ports as a result of risk assessments (capital investment of a minimum of \$25,000 per unit)
- significant increases in helicopter transfer arrangements (90% increase) – Hay Point, Gladstone and occasionally, Weipa;
- cost impacts of introducing fit for purpose regulatory standards and oversight, including implementing policy standards in Queensland as a safety critical service – for example, the introduction of a specific health standard for these safety critical workers and improvements in training requirements; and
- cost of vessel traffic services (VTS) – while generally funded through conservancy charges, additional enhancements to the service have been made as a result of risk assessments where VTS are actively monitoring all phases movements. This enhancement is partially funded through a contribution made to MSQ base.

MSQ has worked closely with the pilotage service providers to understand both the cost increases and the options each pilotage service provider has considered through cost increase deliberations – for example, in procuring a new contract for helicopter transfer services, consideration was given to alternative transfer arrangements to determine the most cost-efficient outcome.

The profile of vessels moving through Queensland waters has changed, with the introduction of oversized container ships into Brisbane, larger cruise ships visiting Brisbane, Townsville and Cairns, larger coal carriers into both Hay and Abbot Point(s), and specialist cargo such as wind turbine components on specifically modified vessels through Queensland ports. These changes, driven by global supply chains, result in narrower safety margins and an increase in the complexity of the pilotage task for vessels visiting Queensland Ports. For example, in Port Alma, Queensland's primary explosive and fertiliser trading port, even a slightly longer vessel is more difficult to manoeuvre in such a constrained port. The port risk profile requires a tug now attends each of these longer vessels, resulting in additional training requirements for marine pilots, and additional time on board.

For some of the larger ships, two pilots are required to be on board for each movement. While the ship pays for two pilotage services, there is a flow-on effect for resourcing and training for these movements. Additionally, the separation between ships moving within the same channel needs to be increased to maintain safety margins (larger ships take longer to stop in the event of an emergency), resulting in longer transit times. There are also greater restrictions on where ships can pass within a channel (where ships are heading in different directions) for larger vessels to reduce possible interaction between the ships. This may mean a ship must slow during its transit to allow for safe passing.

The current fee model is based on the length of the vessel. The fee model has a minimum rate, plus per metre rate from 70-150; 150-200; 200-250 and over 250m. As the length increases, the rate per movement decreases however as ships become longer, manoeuvring and berthing the ship becomes more difficult, and more training is required for the pilots. This model will be reviewed in the upcoming fee review.

Where ships are striving to achieve a reduction in fuel emissions, and for tug and barge combinations (for wind turbine importation), the movement into the port may take significantly longer, resulting in longer pilot time on board (up to double the usual time), and consequently employment of additional pilots to provide services. The current fee model does not account for longer duration movements, which will be considered in the upcoming fee review.

Risk of not increasing pilotage fees

The key risks of not implementing the pilotage fees increase are as follows:

- Current fee levels are not recovering all direct and indirect costs of pilotage service delivery, meaning the GOCs are funding the cost shortfalls internally, impacting their financial performance and providing an unintended subsidy to multinational shipping companies (contrary to their commercial mandate and the *Principles for Fees and Charges*). This will also result in a reduced GOC dividend to the State.
- Alternatively, if MSQ were to fully fund pilotage services without a corresponding increase in revenue there may be impacts on other areas of MSQ or the wider department.
- The port corporations may reduce capacity to provide services to match available funding. This would result in decreased port efficiency, decreased throughput, and potential additional costs to the ship associated with extended loading/unloading timeframes. This would put at risk the efficiency and safety of Queensland's ports and could result in adverse economic impact to the State.

Who is impacted?

The vast majority of ships which will be impacted are foreign owned and operated.

Between January to November 2025 there were 3034 foreign owned ships that visited Queensland's 18 ports where pilotage is compulsory. Of these, 299 made more than 1 visit to a Queensland port more than once every 2 months. Of these, the most frequent visitors to Queensland ports were passenger cruise ships visiting Brisbane and Cairns on a weekly basis.

There are 100 ships greater than 50 m on the Australian Shipping Register - (<https://www.amsa.gov.au/vessels-operators/ship-registration/list-registered-ships>).

25 of these have a home port in Queensland and would generally be required to use pilotage services or seek exemption from using pilotage services. 22 of these ships have gained exemptions from using pilotage services by having the ship master assessed as a pilotage exempt master. These ships include smaller dredges operating in the ports or boat harbours; smaller cargo vessels which regularly trade between Cairns and the Torres Straits; passenger and car ferries operating in Moreton Bay and between Cairns and Thursday Island, and Townsville and Magnetic Island; smaller general cargo vessels operating from Cairns around Cape York; bunker barges operating in Brisbane; and tug and barge combinations operating in Karumba and Skardon River. An exemption certificate is valid for the master for a particular vessel and area of operations for a period of two years, at which time, the master is reassessed.

Larger foreign owned dredges (up to 200m LOA) often seek exemption from the use of a pilot, when operating for extended periods in Queensland ports completing maintenance dredging or new channel dredging operations.

What options were considered?

Pilotage fees

The current pricing system, developed in FY2004-05, is a network approach with different fees in each port but based on a common methodology. This considers the complexity of the port environs, required pilotage manoeuvres. Considerations include passing restrictions, tidal constraints, wharf infrastructure and design, channel width and depth, and critical turns and whether a swing is required, frequency of operations, training and licensing requirements and duration of the pilotage transit.

MSQ intends to commence a review of pilotage fees from early 2026. This will consider:

- the current state-wide pilotage pricing model – is the basis of pricing still relevant? Are there any other variables to be captured in pricing?;
- changes to port infrastructure and environment (relevant to training requirements)
- changes to the normal duration of a piloted movement (relevant to resources required);

- what constitutes a piloted movement – if the ship stops at an anchorage in the pilotage area for any reason and recommences the movement – currently the second movement is considered to be part of the first movement;
- should the per metre rate *increase* as the length of the vessel increases?
- Is length the appropriate basis for the fees (compared to the gross registered tonnage in other states);
- Long duration piloted movements which are becoming more frequent to reduce carbon emissions through slower engine speeds, and a corresponding increase in the number of pilots employed to provide pilotage services;
- support for port efficiency for example:
 - Separate fee for pilot relocation costs for ports remote to the home port (to address costs of access to remote ports)
 - Cancellation fees – when these should apply and the rate that will apply (including relocation costs) – who is responsible for the fee if a ship can't complete a movement due to the actions of another ship? and
 - Booking change fee – to reduce the frequency of changes to shipping schedules due to inefficiency of ship planning by shipping companies and their agents.
- Exempt Master assessment fee (relevant to Australian owned ships); and
- Appropriate indexation – for example, GIR, Consumer Price Index, Wage related index or a combination.

Consultation will include the shipping agent peak bodies, who represent ship owners (for example, Shipping Australia Limited, Maritime Industry Australia Limited and cruise ship lines); port corporations (in their role as pilotage service providers) and other pilotage service providers to determine future cost drivers, and other efficiency requirements to determine pilotage fee options.

As this review will not be complete in the medium term, MSQ has considered two options to fully recover pilotage costs. Both Options consider an increase from 1 March 2026 and again in line with the GIR for FY2026-27 and FY2027-28. The one-off increase coupled with increases in line with GIR of 3.4% recovers the cost of pilotage service delivery until FY2029-30. MSQ anticipates the fee review would be complete and implemented before that time.

Do Nothing - No change

Pilotage Fees do not change. The annual increase by GIR of 3.4% in FY2025-26 came into effect on 1 July 2025. Without an additional fee increase, there will be a significant resultant financial loss to the department. No change continues the contribution to Queensland Treasury for the indirect costs of pilotage service delivery and regulation. The table (Table 3) on the following page shows predicted revenue, costs and anticipated deficit for this financial year and up to FY2029-30.

Option 1

Under Option 1, as well as the already implemented increase in line with GIR of 3.4% from 1 July 2025, all pilotage fees increase by 9% from 1 February 2026. This option continues the payment of the annual contribution by MSQ from pilotage revenue to the consolidated fund for the indirect costs of pilotage service delivery. Implementing this increase will result in an additional \$4.257 million in revenue, and result in a predicted surplus of \$2.225 million as a buffer (explained in more detail below).

Option 2

Under Option 2 as well as the already implemented increase in fees by GIR (3.4%) from 1 July 2025, all pilotage fees generally increase by 20% from 1 February 2026. This option continues to fund the contribution to Queensland Treasury for the indirect costs of pilotage service delivery and regulation. This option does not align with Queensland Treasury's *Principles for Fees and Charges* as this option over-recovers the costs of pilotage service delivery, resulting in a surplus of \$7.428 million in the first year rising significantly over the following 3 years.

Stakeholders are very likely to object to such a significant increase.

The projected outcomes of these options (do nothing, 1 and 2) for FY2025-30 are shown in the Table 3 on the following page.

Table 3

	FY 2025-26			FY 2026-27			FY 2027-28			2028-29			2029-30		
	Do Nothing - Fee increase GIR from 1 July 2025	Option 1 - 9% Fee Increase from 1 Feb 2026	Option 2 - 20% Fee increase from 1 Feb 2026	Do Nothing - Fee increase GIR from 1 July 2026	Option 1 - 9% Fee Increase from 1 Feb 2026 plus GIR from 1 July 2026	Option 2 - 20% Fee increase from 1 Feb 2026 plus GIR from 1 July 2026	Do Nothing - Fee increase GIR from 1 July 2027	Option 1 - 9% Fee Increase from 1 Feb 2026 plus GIR from 1 July 2027	Option 2 - 20% Fee increase from 1 Feb 2026 plus GIR from 1 July 2027	Do Nothing - Fee increase GIR from 1 July 2028	Option 1 - 9% Fee Increase from 1 Feb 2026 plus GIR from 1 July 2028	Option 2 - 20% Fee increase from 1 Feb 2026 plus GIR from 1 July 2028	Do Nothing - Fee increase GIR from 1 July 2029	Option 1 - 9% Fee Increase from 1 Feb 2026 plus GIR from 1 July 2029	Option 2 - 20% Fee increase from 1 Feb 2026 plus GIR from 1 July 2029
Total Piloted Ship movements	16,412	16,412	16,412	16,412	16,412	16,412	16,412	16,412	16,412	16,412	16,412	16,412	16,412	16,412	16,412
Fee Increase (%)	3.40	3.4% from 1 July 2025 and 9% from 1 Feb 2026 (part year)	3.4% from 1 July 2025 and 20% from 1 Feb 2026 (part year)	3.4 from 1 July 2026	3.4 from 1 July 2026	3.4 from 1 July 2026	3.4 from 1 July 2027	3.4 from 1 July 2027	3.4 from 1 July 2027	3.4 from 1 July 2028	3.4 from 1 July 2028	3.4 from 1 July 2028	3.4 from 1 July 2029	3.4 from 1 July 2029	3.4 from 1 July 2029
Pilotage Revenue (\$m)	-113.854	-113.854	-113.854	-117.430	-117.430	-117.430	-121.397	-121.397	-121.397	-125.530	-125.530	-125.530	-129.793	-129.790	-129.790
Additional Revenue assuming Option implemented on 1 Feb 2026		-4.257	-9.460		-13.153	-23.581		-13.626	-24.407		-14.089	-25.237		-14.568	-26.095
Total Revenue	-113.85	-118.111	-123.314	-117.430	-130.583	-141.011	-121.397	-135.023	-145.804	-125.530	-139.619	-150.767	-129.793	-144.358	-155.885
Total Direct Cost of Pilotage Service Delivery (\$m)	109.603	109.603	109.603	123.717	123.717	123.717	128.138	128.138	128.138	132.708	132.708	132.708	137.434	137.434	137.434
Indirect Cost of Pilotage Service Delivery (QT Annual Contribution) (\$m)	6.283	6.283	6.283	6.283	6.283	6.283	6.283	6.283	6.283	6.283	6.283	6.283	6.283	6.283	6.283
Total Direct and Indirect Cost of Pilotage Service Delivery) (\$m)	115.886	115.886	115.886	130.000	130.000	130.000	134.421	134.421	134.421	138.991	138.991	138.991	143.717	143.717	143.717
-Surplus/Deficit (\$m)	2.032	-2.225	-7.428	12.570	-0.583	-11.011	13.024	-0.602	-11.383	13.461	-0.628	-11.776	13.924	-0.641	-12.168

Alternative options not considered in detail

MSQ also considered implementing a series of smaller, incremental fee increases that would recover the additional costs of pilotage services at set intervals over a period of a few years. This option would require either MSQ or the port corporations to carry an accumulated debt into future years. It also does not provide any buffer against any possible future shipping downturns generated by global pandemics, extreme weather events or global conflicts.

Buffer

Pilotage fee revenue is based on estimated movements per year, considering movement trends (including seasonal), port expansion projects underway, potential port closures (Weipa and Karumba). The impact of extreme weather events cannot be predicted (if an extreme weather event occurs at all) as ports may be closed for short periods (duration of the extreme weather event) or extended periods (infrastructure damage). Generally, pilotage service providers have annual costs primarily fixed (employees, capital equipment, transfer contracts (annual retainer), maintenance and so on) with some variable costs – fuel, travel, variable transfer costs).

Investment in recruiting and training marine pilots is significant – from gaining initial licenses and progressing through pilot levels to be able to deliver services to all vessels. It will generally take a marine pilot several years to attain the highest licence level in a compulsory pilotage area. Pilots are not quickly replaceable, so pilotage service providers would be loath to reduce resourcing levels unless a port facility permanently closes.

The buffer is either used in the financial year, or carried forward from this financial year. Any accumulated surplus will be taken into account when determining the appropriate fees through the upcoming review.

What are the impacts?

Pilotage fees

Who would be impacted?

As detailed above, approximately 16,000 piloted movements occur each year in Queensland's compulsory pilotage areas (trading ports).

Average Cost Impact

The Australian Government, Department of Infrastructure, Transport, Regional Development, Communications and the Arts publishes quarterly comparisons of port interface costs between major Australian container ports. The latest available report (Attachment 1) estimates pilotage fees make up 0.97% of the port call costs (which includes ship-based charges such as conservancy, tonnage, towage, mooring and pilotage fees), cargo based charges, and other charges. Total ship based charges for a large container ship are estimated at \$75,4524 per ship visit or \$1,021 per imported container. Pilotage fees are estimated to be \$10 per imported container. The average pilotage component is \$8,323. An increase of 9% would be a \$749 increase. However, this report only considers port charges, not the overall voyage fees including chartering costs and operational costs such as crew wages, food and fuel. These blue water costs are interpreted from a study commissioned by Ports Australia (Attachment 2) and are based on the average freight cost per container for a mid to large container vessel travelling from China to Brisbane and are estimated at \$5,000,000 per voyage based on the post-COVID blue water costs at \$896 per container. For a large container vessel carrying 6000 containers the blue water costs would be \$5.376 million.

Table 4 below compares the maximum pilotage fee currently charged in Queensland ports with the maximum cost of pilotage fees in other states as a percentage of average voyage costs.

Table 4

Average Voyage Cost Based on the Synergies Economic Consulting Paper - Analysis of International Import Supply Chain Costs (Attachment 3), (2022 data - Figure 4))	\$5,000,000
Maximum cost (QLD)	\$14,492.31
Pilotage fee based on average maximum cost (QLD)	0.29%
Maximum cost (Other States)	\$30,565.04
Pilotage fee based on average maximum cost (Other States)	0.61%

Cost Impact for regular visitors

In the 11 months, January to November 2025, 3034 foreign owned ships that visited Queensland's 18 ports where pilotage is compulsory completing 14,380 piloted movements. Of these 50 visited on average more than once per month and 22 of these were completing movements to gain pilotage exemption certificates.

Cruise ships are the most regular visitors to Queensland's ports, generally operating between Brisbane and Cairns, and so would be impacted the most by this increase. The table on the following page shows the impact of the increase in dollars, and per relevant unit for a range of vessels that visit Queensland's ports on a more frequent basis.

Table 5 on the following page shows the impact of the proposed fee increase on a range of ships visiting Queensland ports on a regular basis.

Table 5

Vessel Type	Vessel Name	Comments	Visits per year	LOA	GT	Pilotage Fee (\$)	Increase (\$)	Units	Average Unit Rate (\$)	Capacity	Cargo Value Estimate (\$M)	\$ per unit	Increase \$ per unit	\$ per unit per year	Increase \$ per unit per year
Car Carrier	Salome	Large car carrier	4	265	75251	12,691.20	1,047.90	Cars	25,000	9000	225	1.41	0.12	5.64	0.47
Car Carrier	Trans Future 7	Smaller car carrier	12	199.89	76420	9,873.28	815.22	Cars	25,000	6000	150	1.65	0.14	19.75	1.63
Tanker	Siena	Equivalent to between 345,000 and 615,000 barrels of crude oil	4	249.98	64459	12,100.95	999.16	Barrels	60.00	480000	28.80	0.025	0.002	0.10	0.01
Tanker	Gaschem Iliad	Equivalent to between 70000 and 190000 barrels of crude oil	54	99.9	5494	4,006.99	330.85	Barrels	60.00	130000	7.80	0.031	0.003	1.66	0.14
Cruise	Carnival Encounter	Brisbane to Cairns	116	289.51	108977	13,648.38	966.06	Passengers		2596		5.26	0.37	609.87	43.17
Cruise	Coral Discoverer	Brisbane to Cairns	12	63.1	1779	2,785.75	314.05	Passengers		72		38.69	4.36	464.29	52.34
Container	ANL Tasman Trader	Trades between Brisbane and New Zealand	48	141.93	9587	3,281.00	270.91	Container (TEU)		1096		2.99	0.25	143.69	11.86
Container	CMA CGM Baikal	Trades between Brisbane and China	24	240.47	60284	11,680.07	964.41	Container (TEU)		6014		1.94	0.16	46.61	3.85
Cement Carrier	Akuna	Trades between Townsville and Gladstone	24	169.37	17874	6,874.20	567.59	Tonnes	488	29811	14.55	0.23	0.02	5.53	0.46

Jurisdictional comparison

Each jurisdiction in Australia has a different service delivery model and charging regime for pilotage fees, for example, some charge a fixed amount regardless of ship type, some base the charge on the Gross Registered Tonnage (GRT) of the vessel.

In NSW pilotage fees are based on the GRT of the vessel and include a separate fee for pilot boarding depending on the location of the pilot boarding ground. Each NSW port charges a different rate per GRT and a separate port-specific pilot transfer/boarding fee. In addition, NSW applies a multiplier to the pilotage fee depending on where the ship is berthing within the port. Pilotage in NSW is undertaken wholly by the Port Authority of NSW, which is a State-owned Corporation overseen and regulated by Transport for NSW.

Victoria has a competitive model for pilotage service delivery, and pilotage rates charged are determined by the three pilot service providers. These rates are not published by Ports Victoria or the individual providers' websites. For comparison purposes, the 2023 rates are used in the table below as these are the last figures publicly available. The pilot providers typically base fees on GRT, with an additional charge for pilot transfer. Victoria largely relies on pilotage service providers to self-administer risk and standards, all within a competitive service model.

South Australia – Flinders Port is a private company and charges a fixed pilotage fee. In addition, a mobilisation and pilot transfer fee is charged, depending on which port the ship is visiting. The state has very little oversight of standards and regulatory controls and relies on Flinders ports to undertake these functions.

In Western Australia, different models of pilotage service delivery exist with differing pricing arrangements. Again, for some ports, the fee charged will depend on the destination berth. Some of the ports also charge an access fee for calculation of the under-keel clearance, and for some ports, a separate, variable pilot transfer fee. As is the case in Victoria, pilotage services are delivered by private companies for two of the Western Australian ports - Port of Ashburton and Port of Dampier. Vessels visiting these ports are charged directly by the provider, and schedules of fees are not publicly available.

In Tasmania, pilotage fees include a fixed charge and variable charge based on the GRT of the vessel, plus a separate pilot transfer fee. Pilotage services are compulsory for vessels over 35m LOA. For passenger cruise ships, a separate charge is applied where a pilot attends a vessel for more than 4 hours. A mobilisation fee also applies of between \$400 and \$9,470 depending on which port the vessel is visiting.

In the Darwin Port in the Northern Territory, pilotage fees include a fixed charge and variable charge based on the GRT of the vessel, plus a channel levy (also based on the GRT of the ship).

Examples of pilotage fees across a range of vessels and ports

Table 6 shows the average comparable pilotage rates for typical ship-types visiting selected Australian ports. These fees have been calculated using published pilotage services information, and, in the case of Victoria, the assumed rate has been included based on 2023 available information:

Table 6

State	General Cargo Vessel	Oil Tanker (Small)	Oil Tanker	Container	Large Bulk Carrier	Large Passenger Cruise
	86.4m LOA 3650 GRT	170.7m LOA 28799 GRT	258.9m LOA 80914 GRT	292.08m LOA 50698 GRT	299.94m LOA 107598 GRT	311.12m LOA 137276 GRT
	Pilotage Fee	Pilotage Fee	Pilotage Fee	Pilotage Fee	Pilotage Fee	Pilotage Fee
QLD - Brisbane - current fees	\$2,916.07	\$7,557.39	\$11,424.75	\$12,613.53	\$12,895.14	\$13,295.70
QLD - Brisbane - Option 1	\$3,178.51	\$8,237.55	\$12,452.98	\$13,748.75	\$14,055.70	\$14,492.31

QLD - Brisbane - Option 2	\$3,499.28	\$9,068.86	\$13,709.70	\$15,136.24	\$15,474.17	\$15,954.84
VIC - Port of Melbourne	\$14,531.00	\$14,531.00	\$14,531.00	\$14,531.00	\$14,531.00	\$14,531.00
SA - Flinders Port	\$14,951.71	\$14,951.71	\$14,951.71	\$14,951.71	\$14,951.71	
TAS - Devonport	\$3,111.35	\$7,425.94	\$16,024.91	\$11,039.27	20427.77	\$30,565.04
NSW - Sydney	\$3,934.17	\$8,522.48	25,371.84	\$9,395.85	\$25,647.76	\$25,954.63
WA - Port Hedland	\$8,841.37	\$17,460.28	\$25,307.55	\$22,239.29	\$25,307.55	\$25,307.55

Who was consulted?

At this stage, shipping agents and peak shipping bodies have not been consulted. The proposed increase is considered minimal.

In the case of the additional increase proposed for Hay Point and Gladstone, both NQBP and GPC have provided advice that they have consulted their port users, and that the port users understand the importance of pilotage service delivery and the costs associated with this service.

Queensland Treasury and the Department of the Premier and Cabinet have also provided feedback on the intended approach and are, in-principle, supportive of the preferred approach.

What is the recommended option and why?

The recommended option is Option 1 because this will return revenue to full cost recovery for 2025-26 and 2026-27, by which time, MSQ will have completed its review of fees and charges. Implementing this option will also provide a small buffer to offset any decrease in shipping from extreme weather events or other global influences. The buffer is either used in the financial year or carried forward from this financial year. Any accumulated surplus will be taken into account when determining the appropriate fees through the upcoming review. Queensland's pilotage fees would still be extremely competitive compared to other states and territories. Where fee increases are proposed, the analysis assumes the fees will commence from 1 February 2026.

Impact assessment

MSQ considers the increase in pilotage fees is appropriate as it aligns with Queensland Treasury's Principles for Fees and Charges, ensuring full cost recovery for pilotage service delivery and regulation. Currently, revenue from these fees falls short of covering the rising costs, creating a gap that contradicts user-pays principles, especially since the fees are predominantly charged to overseas ship operators rather than the local community. The proposed fee adjustments address this disparity, enabling MSQ to achieve financial sustainability while maintaining safe and efficient pilotage services. Although the financial impacts may initially seem significant, MSQ's analysis concludes that they are manageable and necessary to sustain service delivery without burdening stakeholders. Furthermore, Queensland's pilotage fees will remain competitive nationally, supporting the state's attractiveness to international shipping operators and ensuring the ongoing safe movement of vessels through its ports.

The combined increased pilotage fees will fund the increased cost of pilotage service delivery and pilotage regulation for 2025-26 and 2026-28, by which time the results of the MSQ Pilotage Fee review will be known. This will result in the ongoing safe movement of shipping through Queensland ports, supported by sustainable pilotage service delivery, with increased levels of assurance, management of service delivery agreements and contracts.

While it is anticipated that any increased costs would be passed on to consumers, the fee increase would represent a very small percentage cost of overall ship voyage costs (0.0.3%) as shown in **Table 7**.

Table 7

Average Voyage Cost Based on the Synergies Economic Consulting Paper - Analysis of International Import Supply Chain Costs (Attachment 3), (2022 data - Figure 4)	\$5,000,000
Maximum cost (QLD)	\$14,492.31
Pilotage fee based on average maximum cost (QLD) as a % of Average Voyage Cost	0.29%
Proposed Increase (\$)	\$1,304.31
Proposed Increased Pilotage fee based on average maximum cost (QLD) as a % of Average Voyage Cost	0.32%
Maximum cost (Other States)	\$30,565.04
Pilotage fee based on average maximum cost (Other States)	0.61%

	First full year	First 10 years
Direct costs – Compliance costs	nil	nil
Direct costs – Government costs This is paid by MSQ to pilotage service providers (except for Amrun)	\$130.000 million	\$1,442.87 million

Signed



Sally Stannard
Director-General
Department of Transport and Main Roads



Brent Mickelberg MP
Minister for Transport and Main Roads

Date: 19 / 1 / 2026

Date: 22 / 1 / 2026