

NZ MERCHANT SERVICE GUILD IUOW Inc

Feedback and comment on:

Maritime NZ Qualifications and Operational Limits Review – “Key Issues from the Community Engagement Programme” document

1 March 2010

As a participant of the community engagement phase of the review, we were assured by Maritime NZ that it has no intention for the review to become a vehicle for lowering of standards.

However, in light of subsequent dealings with Maritime NZ and the general tenor of MNZ updates on the review process, we no longer have any faith in this assurance, and therefore submit our concerns and comments on the review below.

Drivers for the review

We think there are some ‘first principles’ that should underpin the review in order to achieve the stated objectives. These first principles are:

- 1. That the exercise be seen as a long overdue opportunity to either entrench already high standards, or to raise existing lower standards, thereby ensuring New Zealand maritime qualifications are respected nationally and internationally.**

Compliance with international standards should be the primary motivation for the review. The purpose of the review should be to improve safety by insisting on high standards, rather than to “support” industry by making things more affordable for operators whose budget seemingly does not stretch to minimum compliance. If a particular operator complains to Maritime NZ about its inability to afford the *minimum* safety standards set by our maritime rules, then Maritime NZ must question whether that operator’s attitude to safety poses a danger to New Zealand’s safe seas. MNZ has a duty to exercise its authority and stand firm on the enforcement of its own standards. Instead it offers exemptions as one of its “services” [see MNZ annual report 2008/09 – 259 exemptions granted], until such time as it can amend the ‘offending’ rule to reflect the lowered goalposts. Then it uses its new slogan “*Profit and Safety*” to justify treating *minimum* standards as *maximum* standards.

It should come as no surprise to Maritime NZ that there is a high degree of cynicism about its rules review process, and that it, (Maritime NZ), is seen by many in the industry as a de facto “*soup kitchen*” for operators of apparently inadequate financial means. The QOL review is an opportunity to turn around such perceptions.

2. **That the primary motivation of the review should be the desire to redeem New Zealand's position on the world maritime stage.**

A "supermarket trolley" approach to exempting from standards set in the rules has characterised New Zealand's maritime transport regime for too long. Rules are set and then immediately lowered so that they become notional, or even *fictional*, and New Zealand's enforcement regime somewhat of a joke worldwide. The integrity and reputation of New Zealand has been seriously damaged over the years by the 'free for all' attitude to granting exemptions from maritime rules. A case in point is the huge number of current exemptions (reportedly over 100) expected to be no longer required on the entry into force of amended Part 90. Honouring the international standards that New Zealand has signed up to should be the primary and paramount objective of this review.

3. **That the "leader" of the review should be the maritime qualified person.**

We have received much comment on the lack of maritime background or qualifications of the Project Manager who appears to be leading the review rather than managing it [see e.g. *Safe Seas* June 09 p3]. With no intended criticism of Ms Carter's undoubted expertise and invaluable contribution to the project, there is a clear perception that Maritime NZ is handing over *leadership* of this very technical review to a person without maritime training or experience. We accept that this may be perception only and not the reality, but we are obliged to convey this feedback.

4. **Some facts about the "worldwide skills shortage"**

Review Objective: "To remove barriers to attracting and retaining skilled and experienced people in the commercial sector in the face of a worldwide skills shortage"

Maritime NZ must firstly understand that there is no worldwide shortage of ratings.

Secondly, the worldwide officer and engineer shortage is the result of a dramatic increase in the world fleet, coupled with decades of shipowners' neglect and failure in their responsibility to train enough officers and engineers to meet their own needs.

Please note that having high qualification standards is not a "barrier to attracting skilled and experienced people in the sector", and solutions offered by a safety regulator cannot properly be directed to opening the doors to a larger, cheaper labour supply with lower educational and training standards.

We hope that Maritime NZ will not allow the qualifications review to become a vehicle for shipowners and port companies to avoid taking responsibility for their actions. This would be contrary to the main objective of Maritime NZ's own statutory authority.

Avoiding safety compliance, training, and recruitment responsibilities maximises profit for operators but does nothing for shipping as a New Zealand industry employing New Zealand seafarers.

Maritime NZ should note that New Zealand's charter fishing industry employs not a single New Zealand seafarer on its fleet of over 20 vessels operating in New Zealand waters.

True barriers to attracting skilled people in the commercial sector:

- The nature of the job – the need to be away from home and family for extended periods;
- Working and living in difficult, arduous conditions;
- Criminalisation of officers;
- Lack of shore leave;
- Erosion of remuneration levels which previously compensated adequately for all the above and attracted people into the industry.

This officer union has identified an increasing shortage of training berths on vessels, a lack of opportunity for employment of junior officers, and an increasing age profile of the senior officers.

Also, it must be borne in mind that there are ameliorating factors to the worldwide officer/engineer shortage, including the cancellation of large numbers of new build contracts. The impact on shipyards has been dramatic in some cases (bankruptcy), and the impact on the world fleet and shortage needs to be factored in to any projections for future officer/engineer supply.

If Maritime NZ uses the worldwide skills shortage as an imperative for change, then all NZ Merchant Service Guild members will expect to have ongoing employment as a result of this review.

It is not Maritime NZ's job to solve the worldwide skills shortage problem by trying to create a new, lower qualified labour supply, but there are many ways in which it can truly help the situation [see below].

Solutions to Officer/Engineer Shortage and Ratings Surplus – How Maritime NZ can help:

- The solution to the shortage does not lie in the deskilling of officers. Ratings should be encouraged to train to become officers. Maritime NZ can help ensure that any barriers to achieving this are removed. Maritime NZ should encourage cooperation to foster the advancement of ratings to officer positions by supporting and encouraging the development of appropriate training.
- Maritime NZ should ensure that government and shipowners seeking to resolve their manpower shortages do not do so by undermining the maritime profession.

- Notwithstanding the above, this officer union believes that, within the context of the STCW review, Maritime NZ should seek consensus on identifying how to enhance the “value added” to employers of ratings and contributing to the reduction of the workload of officers.
- In some countries there has been some success in increasing the numbers of trainees with the introduction of tonnage tax, but there remains an increasing shortage particularly of developed economy senior officers. The same shortage existed a decade ago but was relieved by the large surplus of well-trained officers made available from Eastern Europe, but there are no longer the same numbers being generated. There are also signs that the new security regime and the criminalisation of seafarers is leading to many officers reducing the time they are willing to spend at sea. This applies to developed and developing countries alike.
- The latest BIMCO manpower update recognised a surplus of ratings and an increasing deficit of officers. However, it was acknowledged that these numbers did not necessarily reflect the real situation as many of the ratings and officers may not be actively pursuing work at sea and the high age of many of the seafarers particularly from the developed economy countries, could indicate a much more urgent situation.
- *Improvement of pay and working conditions:* Maritime NZ’s assistance and support for the improvement of seafarers’ pay and conditions as a means of addressing recruitment and retention problems, will be very welcome.

- *Socio Economic Climate*

It is widely accepted that the economics of the shipping industry are fundamental to the retention of maritime skills, with short term economic considerations often taking precedence over longer term strategic considerations. The considerable lobbying power of shippers and the pressure for free (although not fair) trade have reduced, in real terms, the costs of maritime transportation. As many of the overall costs of running a ship are fixed, the seafarers have borne the brunt of these cost reductions. This takes the form of a reduction of relative terms and conditions of employment, reductions in manning levels, and looking into the future, changes in the employment relations, flagging out, and the employment of lower cost crews.

There is a major problem finding training berths or employment for junior officers and with an increasing age profile of many senior officers unless this is addressed urgently the dynamics of the industry will change dramatically in the coming years.

- *Training and careers paths*

The issue of seafarer training and career paths have been discussed for a number of years and the review of the IMO STCW Convention has intensified the debate [although we understand Maritime NZ was not present at these IMO meetings], including the issues related to alternative certification. The debate is likely to be influenced by the growing shortage of suitably qualified officers and the growing problems in retaining seafarers in sea going positions.

- *Cabotage*

Support from Maritime NZ for the reintroduction of cabotage as a means of restoring New Zealand's coastal shipping industry and removing unfair competition from flag of convenience ships will be warmly welcomed.

- *Other possible measures*

The retention of maritime skills in all maritime countries is important to all seafarers as often the Port State Control regime and the provision of pilot services are based on access to experienced national seafarers. If Maritime NZ is determined to introduce lower qualifications for pilots via its proposed amendments to Part 90, then it will be responsible for deterring another generation away from gaining foreign going qualifications, and probably the New Zealand Maritime College will no longer be training any New Zealanders whatsoever.

- *Image and reality of the shipping industry*

It is generally accepted, even by many shipowners, that the image of the industry and the position of seafarers needs to be improved in order to retain existing seafarers and to be able to recruit suitably qualified new entrants.

Summary

1. We request Maritime NZ to be guided by first principles [above] in progressing this review; and
2. We suggest ways [above] in which Maritime NZ can assist with the worldwide officer/engineer shortage; and
3. We consider the following amendments to the rules to be crucial to a successful review:

a) Operational Limits – Make it a clear and logical rule

Currently, New Zealand's "near coastal waters" extend to 200 nm, and Maritime NZ officials are taking the view that STCW empowers states to "do what they want" in their near coastal waters.

But STCW defines "Near coastal voyages" as voyages "*in the vicinity*" of the [country]. It also contains, in its guidance regarding near-coastal voyages, that states should bear in mind the effect of designation of near-coastal voyages on the safety of all ships and on the marine environment. It is noted that MNZ Annual Report 2008/09 states there were 800 foreign ship visits to New Zealand in that year.

STCW's guidance on "near-coastal" also says states should take into account various factors including:

- *The gross tonnage of the ship...;*
- *The maximum distance from a port of refuge;*
- *The adequacy of the coverage and accuracy of navigational position-fixing devices;*
- *The weather conditions normally prevailing in the near coastal voyage area; and*
- *The provision of shipboard and coastal communication facilities for search and rescue.*

200 nm is not in our view "in the vicinity" of the New Zealand coast and is used by shipowners, with Maritime NZ's blessing, as an excuse to operate against the principles of STCW.

- "Near coastal waters" must have a clear and logical definition. "Near" should mean "near" and not 200 nautical miles away. We think 20 to 30 nautical miles is a logical and reasonable definition of "near".

b) Removal of 45 meter criteria

We agree with Maritime NZ's Director and officials that this criteria is an historical anomaly which has no basis or relationship whatsoever to STCW. We therefore think it is vital that this anomaly be removed.

We think the impact of this change will be minimal as we understand only two ships to be exploiting the lower qualifications that this anomaly currently permits.

H McAra
GENERAL SECRETARY