



MARINE SAFETY CHARGES

BY ALAN MOORE



All commercial vessel operators will have received a communication from Maritime NZ about the proposed increase in marine safety charges. You will all understand the background to this so I will go into the history of how this came about and what the position is now.

In December '08, the MTA became aware of a proposal to increase the Marine Safety Charge. We were fortunate in finding out by default as Maritime NZ had gone through a consultative process but failed to make any contact with the MTA.

One would think this was a pretty basic error given that the MTA is the only national organisation in existence that MNZ can talk to in order to obtain a cross section of the views of the 3000 commercial vessels operating within NZ restricted limits.

We made serious representations to the director about the failure to consult and were given an extension of time and the opportunity to talk direct to the commercial manager of MNZ who was driving the process.

The motivation for the price rise was the obvious fact that the industry regulator was under resourced both in funds and people and had an increase in fees in the past 18 years. This had become clearly apparent to the newly appointed director and she was determined to do something about it.

An accounting consultant was appointed and, driven strictly by the need to make the books balance, came up with a concept to provide enough income to accommodate the dramatic rise in the costs of operating the authority at a level that was needed to undertake all the safety processes that made up their basic functions.

Fundamental changes were made to the revenue generating process mainly by altering the charging regime from one based on gross registered tonnage to one based on passenger capacity.

This resulted in outrage by the restricted limit ship sector for a number of reasons mainly due to an unprecedented increase in fees of up to 900 percent. Apart from this, the system was based on passenger capacity not actual numbers and this meant we would be paying for passengers we did not necessarily carry.

An example of the increase in charges was a major ferry operator who had previously paid an annual fee of \$15,000 was going to get a bill for \$104,000.

After a number of negotiating rounds MTA reached an agreement with Maritime NZ to keep the charging regime on the same basis as in the past, and restrict the increase in the first year to 45 percent of the previous year's charges. Furthermore MNZ agreed to limit the subsequent rises for the next three years to the annual CPI.

Given the circumstances of an inevitable increase we did very well to limit it to this level. I should add that MTA did this for the entire industry when only a relatively small part of it contributes to the cost of running MTA.

To put this bluntly every commercial operator in the country who runs a vessel up to 45 metres in length within restricted limits, and there is in excess of 3000 of these, has saved a massive amount of money on the MSC. These savings would pay for a subscription to the MTA for 10 years. Yet only a small proportion of the industry are members and contribute to the

running costs of the organisation.

Now to the point. On October 17, 2008 MNZ sent notices out to every commercial operator advising them of the gazetted increases in the Marine Safety Charge. The document containing the details of the charges listed seven different categories ranging from Foreign Ships to NZ passenger, non-passenger and fishing vessels. For some inexplicable reason, Category 7 referred to "any commercial ship not included in any other category".

Naturally any normal passenger vessel operator would look at this and assume that his ship came under category 5 "New Zealand Passenger ship".

When working out the rate of \$269 per passenger by the capacity of his ship (say 20) this comes to \$5380 per year. Last year the equivalent charge was \$250.00.

Clearly that is not the deal that the MTA negotiated. Any operator would be excused for assuming that MNZ had reneged on their promise. The end result is that almost every operator in the country is up in arms because he thinks that the MTA deal has not been honoured and they are going to be billed a huge fee for this year's Marine Safety Charge.

They all ring either Skipper Magazine, the MTA or MNZ to find out what is going on. Why MNZ put out such an ambiguous document is beyond comprehension.

The fact is that Category 5 does not include Restricted Limit Ships – they are classed in Category 7.

All RL ship operators will receive an account that has been calculated on the basis of the greater of \$18.75 per overall metre of length or \$5.83 per gross tonne (the new rate). This will be two calculations; one up to November 30, 2008 at the old rate and the other for the rest of the fiscal year at the new rate.

You will NOT get a bill calculated on passenger numbers.

When you get your bill and see that this is right and you make your payment, how about going to the MTA website at www.marinetransport.co.nz, downloading the membership application form and joining the association. This would be just reward for all the work that goes into the running of the organisation and show that you appreciate the financial savings that have been negotiated on your behalf.

The NZ Shipping Federation, which represents the inter island ferries, has not been so lucky. It appears that those vessels are classed as Category 5 ships and their charges have gone up 400 percent. Rumour has it that they also were not consulted and did not find out about the proposal until after it had been approved by Cabinet at which time it was too late to change.

TRAINING

I was at an industry training strategy workshop organised by Competenz recently. The purpose of this meeting was to determine which direction Competenz, our industry training organisation, should head in respect of training of the skippers and crew we all need to run our vessels.

From my point of view it was a very valuable meeting, because it shed a lot of light on some of the fundamental training, skills and recruitment problems the maritime industry faces and reinforced my concerns about the qualifications regime.

What became very apparent during discussions, and was a

major concern of everybody around the table (including reps from the NZ Shipping Federation, maritime schools, Competenz, KiwiRail, Industry, Training Education Commission, plus others), is that we essentially have two parallel and disconnected training regimes – a qualifications licensing regime driven by the regulator, MNZ, and a qualifications skills and competencies programme created by the NZ Qualifications Authority and administered by Competenz.

Unfortunately, the NZQA system has been underdeveloped because no one can operate a commercial vessel without obtaining a certificate from MNZ and candidates do not need both qualifications.

This is causing significant problems in terms of duplication and cost, the complexity of requirements, lack of clear pathways, lack of competency/skills based training, lack of alignment to NZQA system and the inability of the industry to access subsidy funds.

It seems our industry has no incentive to head down a QA path as ultimately, the regulatory requirement is an MNZ Certificate of Competency. Further, it seems MNZ is adamant it will remain the examining body and apply an experience based focus rather than the competence based approach used by NZQA.

The complexity, inflexibility and regulator-driven nature of the training regime is remarkable.

Everyone at the meeting agreed that there was a need for an alignment of the dual systems. This does not simply mean developing competencies to fit the existing MNZ requirements, but there is a need to ensure MNZ's requirements take into account industry needs in terms of skills and competencies.

I am aware that MNZ is in the process of reviewing the seafarer qualifications regime, and therefore it seems to be a very opportune time to try and sort this out.

We cannot continue to run against the NZQA Unit Standards System just to satisfy MNZ's desire to keep control of their licensing system. Nor should the regulator determine and dictate what Industry needs in respect of our people manning their ships.

If we continue to remain shackled by the existing system we run a severe risk of running out of skippers in five years time. We have a reducing pool of competent masters and if we do not attract some young people into the industry this is a real possibility.

It is proposed to have MNZ take a new look at the terms of reference of their review to make sure it is not merely a narrow evaluation of specific licence requirements but a more fundamental assessment of the structure of the qualifications regime, the need for greater emphasis on skills/competencies and the need to align the two systems.

While it is understood that the requirements of IMO is a complicating factor when it comes to qualifications, and that to some extent that MNZ will always be more involved in shaping marine training regimes than in other sectors, I believe there is a strong need to solicit the views of all of the stakeholders to ensure that the review addresses all of the issues. As a comparison, the rail sector's qualifications regime is almost entirely industry driven and skills focused and as a result there is no lack of candidates applying for jobs in that sector of the transport industry.

NEW MEMBERSHIP CATEGORY

At the MTA Annual General Meeting in September, a motion to expand the membership to include skippers and engineers was unanimously passed.

The category is called Maritime Professional and is open to anyone who qualifies.

This will allow these categories of crew to become involved in their Industry Association, have an input to the issues that the association deals with and influence the rules and regulations that control our activities.

Membership is available to any person who holds a Maritime NZ Certificate of Competency and the cost is \$112.50 including GST per year.


All members become eligible for the benefits of being a member of MTA which include the Caltex Star Card account, subscriptions to *Professional Skipper* magazine and *NZ Fishing News* and deals on Vodafone, Millenium Hotels, Southern Cross Medical Care, and numerous marine suppliers.

Just the magazines news stand annual price alone is more than the subscription charge and when you add to that a discount of seven

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cents per litre off the regional price for petrol, 12 cents per litre off diesel and a cell phone charge of \$35.00 per month and \$0.35 cents per minute there is a huge benefit for anyone who joins.

The subscription runs for a year from joining and we look forward to welcoming all who are interested.

If you have any comment to make about any of these matters please contact Alan Moore, Marine Transport Association alan@marinetransport.co.nz, phone 021 942 850. 

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