



# OPERATORS MUST VOICE THEIR VIEWS – OR LOSE

BY ALAN MOORE

The New Zealand Marine Transport Association held a fleet operators' seminar in Wellington in June, primarily to discuss issues surrounding Maritime Rules Part 19 and Part 44, which are designed to restructure the process of safe ship management.

The association was gathering the views of operators in order to be able to truly represent its members when it makes submissions to the rules. As a direct result of a request by the MTA, Maritime New Zealand has extended the closing date for submissions to July 30.

The extension was requested as Maritime NZ had delayed the introduction of the consultation process by one month. As it expressed a desire to consult as widely as possible, Maritime NZ agreed the original closing date of July 4 was restricting the fairness of that process.

Accordingly, the MTA is now soliciting your views over the issue. A document inserted in this issue outlines the proposal and includes a questionnaire so we can get your opinion on the way the future of our industry is to be controlled.

This is a very important issue and it is an opportunity for you to make your views known. Please do not waste the chance to have your say, as whatever comes out of the rule proposal will entirely depend on the response by our industry to the proposal.

If you do not want to be identified it is not essential for you to name yourself at the end of the questionnaire. But obviously it will add more credibility to the submission if evidence is provided to support your view. We intend to produce the results of this survey as evidence for the support or opposition to the rule change proposal and your input is vital.

A summary of the history of the rule change follows as background to the issue.

Maritime NZ is proposing to scrap safe ship management and replace it with a new system they have termed the marine operator safety system, or MOSS.

These changes are significant and will impact on the way you operate your vessel and have her surveyed in the future.

In 1993, safe ship management replaced the previous system of annual surveys. The intent was to change the focus of safety management so the owner, operator, skipper and crew took ownership of safety on their vessel, rather than rely on the annual survey. Maritime NZ has now stated in its consultation package that the system has serious weaknesses, in particular:

- it is confusing and unduly complex
- it does not provide Maritime NZ with an effective and efficient means for overseeing SSM organisations (as regulatory service providers) or commercial operators, and
- it is associated with a mediocre safety record.

The main change in the new system is that operators are no longer required to be a member of an SSM company and will be able to contract surveyors directly.

There will be nothing to prevent SSM companies from continuing to function under the new system and provide services to the industry as consultants, including survey services. At first this would appear right; however, there are other issues that should be thought through that will occur as a result of this proposed change.

The intent of the existing system is that there is control of the quality of surveys and surveyors. Under the new system there will be more surveyors and certainly more choice, as theoretically anyone can be a surveyor, provided they meet the requirements of Maritime NZ.

What is not clear is how Maritime NZ will control the quality with a greater number of individual surveyors competing for work. There is unease about knowledge transfer from existing surveyors who may or may not stay in the industry, training of new surveyors and sustainability of services.

As owners, operators and skippers, you take ultimate responsibility for the standard of your ship. You must rely on the conduct of surveys and need surveyors who conduct themselves in a professional manner.

There is no doubt that the new system, if introduced, will change how surveyor services will be provided in New Zealand. Safe ship management companies as we know them will change. Some may perhaps even exit the market, while others may change their role and pursue other activities.

Under the new system, Maritime NZ is proposing to take over auditing your Maritime Transport Operator Plan (basically your SSM manual). They have estimated the costs for this service to be \$297 per audit and will do this at least once every three years, which is roughly what happens now.

Maritime NZ intends to invoice for this service at the rate of \$150 per hour. It has indicated it will charge this rate for all the time involved in the inspection process, including travelling time and time writing up reports.

We have some unease that their estimates may be low, and the actual costs will be higher after they have recruited specialist staff for this service, travelling costs, mileage and their internal overheads are included. It should also be remembered under this new scenario of auditing that the element of competition will be removed, leaving Maritime NZ as a single service provider.

The MOSS system proposes that the safety management system be split into two distinct parts and be renamed the Maritime Transport Operators Plan.

The plan will comprise:

- details of all the vessels the plan covers, personnel details, training, safe operating procedures and management systems, including self-audit. It is envisioned that this will be held ashore, and
- shipboard procedures particular to each vessel. These procedures will be held on board.

To provide commercial maritime services, all individual operators will have to hold a Maritime Transport Operators Certificate (MTO Certificate) and this will be a maritime document. Any person holding such a document is responsible for the operation as a whole and must be a "fit and proper person" as defined under the Maritime Transport Act 1994.

The MTO Certificate will only be issued upon a successful audit of the MTO Plan and the operator is deemed to be a fit and proper person. The only certificate required to be held on board will be a certificate of survey issued after a successful survey.

Maritime NZ believes this system will be simpler than SSM is at the moment, as it will enable vessels to be moved between operators without SSM certificates being reissued. However,

any change of the MTOP operator details, vessel limits or type of operations (fishing, workboat, passenger) will require prior approval by the director of Maritime Safety before new operations can occur.

This also includes the maintenance schedule of each boat it covers and having the vessel presented for survey within the time frames prescribed in the rules.

The responsibility of the skipper is not highlighted in the new rule.

Maritime NZ has included in their consultation documents indicative costs that will apply under the new system. In their view, costs are likely to be very similar to those now charged under SSM. This appears highly unlikely. The MTA has considerable unease over this statement and has requested further supporting documents. There are additional costs to the operator for such things as provision for exemptions and applications for private use.

These provisions will incur an extra charge of \$12 for each private use application and \$110 per hour for exemption requests. Most safe ship management companies currently include this service in their annual fee.

At this stage SSM companies believe the costs estimated for changing from SSM to MOSS are understated, and if Maritime NZ undertakes the audit it is unlikely to be as competitive as the current system, whereas several competitors currently provide auditing in an open market. Or maybe it could – we just don't know.

It is possible that surveying costs may drop in the short term as other surveyors enter the market, but in the longer term we envisage costs will rise, as compliance costs for surveyors, such as insurance, training and professional association membership, will be paid by surveyors directly.

Furthermore, some surveyors who rely on auditing work to supplement their income will lose this work and inevitably increase their charge-out rates to compensate for this loss of income.

Is MOSS the right framework for the future? Maritime NZ has also taken a very strong stance in promoting MOSS as its "preferred model" for SSM. No alternative has been provided in this process for consideration or discussion by the maritime industry.


During the past 12 months there have been numerous requests to Maritime NZ from the SSM companies to pause in its rule development process and hold workshops with the industry so a full range of views may be voiced and listened to in considering what needed to be changed with SSM.

Maritime NZ has elected not to conduct such workshops and instead undertake consultation in isolation after developing a preferred position. It is now consulting over a significant change in maritime safety systems and we need to be confident we are addressing the issues that need to be improved and are not at risk of "throwing the baby out with the bath water".

What will come into place will be the safety management system for at least the next 10 years or so. It is unlikely that Maritime NZ will be prepared to revisit this unless there are serious breakdowns in safety. Increased costs to the industry, standards of surveying and other operational matters are unlikely to be considered important enough to revisit this again for some time. For this reason it is essential we "Get it right".

See [www.marinetransport.co.nz/submissions](http://www.marinetransport.co.nz/submissions) or contact the executive officer, Alan Moore, phone 021 942 850 or e-mail [alan.j.moore@callplus.net.nz](mailto:alan.j.moore@callplus.net.nz) 

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