



25th March 2019

Committee Secretary
Senate Standing Committees on Rural and Regional Affairs and Transport
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Sir/Madam

The Senate Rural and Regional Affairs and Transport Legislation Committee inquiry into the performance of the Australian Maritime Safety Authority under Standing Order 25 (2) (a).

Submission by the International Institute of Marine Surveying

Background

The International Institute of Marine Surveying (IIMS) is an independent, non-political organisation promoting the professionalism, recognition and training of marine surveyors worldwide.

IIMS is the professional body for marine surveyors and has a worldwide membership of around 1,000 individuals in over 100 countries.

It is the largest organisation of its kind and seeks to represent its industry to government and non-governmental organisations such as the International Marine Organisation (IMO), Coastguards, Regulators, insurance companies and ship owners.

The strong cohort of Australian Members work in a variety of sectors including the Domestic Commercial Vessel regulatory sector and represent some of the most senior, experienced maritime safety professionals in the region.

Submission

IIMS welcomes this Senate Inquiry and has directly and through its members worked for the past 15 years to set up the National System and support and promote AMSA as the single national Regulator for Domestic Commercial Vessels.

The stated aims of the reform process, the free movement of vessels and persons throughout the Commonwealth and the consistent application of nationally agreed safety standards align fully with

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the aims of the IIMS. We supported this reform in practical terms throughout its formulation and implementation and continue to support its spirit and the economic opportunities it represents.

Sadly, it is becoming all too clear that this reform process is faltering and that promises made before and during the transition as to the probable benefits are not likely to be realised unless significant cultural and leadership change occurs in the organisation that is charged with delivering the reformed AMSA, and a new direction forged.

IIMS concerns are focussed on a number of areas including:

Increased Red Tape and Centralisation

The reporting and paperwork requirements imposed by AMSA have increased massively since 1 July 2018 and the time and cost burden of doing so has fallen squarely on vessel owners and marine surveyors.

As an example, one of our members reports (and has proof) that over 70 pages of AMSA forms are now required to bring a standard new vessel into operation whereas before AMSA took over service delivery a dozen sufficed.

There appears to be little justification for this increased red tape bar a frequently repeated mantra that AMSA in Canberra has little sight of the vessel and needs this information for its database. Why the regulator needs to know how many seacocks are on a given vessel, or what the specification of a seating cushion is, is beyond the understanding of our surveyors. As a consequence, an increased financial burden is being placed on industry by the Regulator as a result of AMSA's desire to collect this obtuse data.

Basic information is being repeated on these forms suggesting that AMSA IT has not been configured appropriately. Given the amount of time AMSA had to prepare for the transition, this is truly baffling.

The AMSA CEO has repeatedly stated that data that has been received from the states and territories concerning existing vessels is patchy and poor. This is of great concern given that the system started on 1 July 2013 and one would expect a well-resourced agency to be able to capture and discipline this data over the 5-year period to their takeover on 1 July 2018. A customer of one of our members stated recently that AMSA rang them and asked for clarification of their fleet composition. The AMSA officer reportedly stated that the Regulator has no records for the 7,000 vessels they believe are in the fleet. Our members regularly come across vessels without AMSA Unique ID or AMSA survey paperwork as well as incorrect information on this paperwork. Some of it is critical to the operators being able to operate safely including such things as stability limitations and justification for physical variations in vessels.

The Regulator has increasingly centralised many simple decisions and therefore is seriously eroding the effectiveness of the **National Standard for Commercial Vessels (NSCV)** - an *outcomes based* rather than old fashioned *prescriptive* technical standard - the nationally agreed standard that was supposed to underpin the reform.

This centralisation and the work it creates, in our view, diverts precious technical talent away from revising and updating the standards and creates significant bottlenecks in the system as vessels are unable to operate until Canberra grants permission in the form of exemption, equivalences and determinations. It is highly questionable if any of these bureaucratic activities add any safety value

to the Australian fleet or if they further the aims of this reform in any manner whatsoever.

Safety Standards are being seriously compromised

On 1 July 2018 AMSA, through revisions to Marine Order 503, massively reduced the frequency of formal surveys or inspections a vessel might be subject to throughout its working life. Many vessels formerly seen annually are now being inspected once every 5 years, or in some cases not at all. This change took no notice of a vessel's geographical location, nor were many of the factors that would have informed a risk assessment as to the likely deterioration and risk to a vessels crew, passengers or the environment.

IIMS is puzzled, concerned and perplexed that on one hand AMSA claims to have not received a full set of vessel data from the States and Territories, but on the other hand have been able to presumably risk assess the fleet and as a result of their findings massively reduce safety inspections as a result. In our view this simply doesn't stack up and whilst the short-term gain may be in dollars for vessel owners the longer-term risks to passengers and crews are evident and not pleasant. It is the primary role of our members and marine surveyors in general, using their skills and competency, to protect life at sea at all times. Our members are repeatedly finding sub standard vessels which need to be surveyed more frequently due to their operational nature, but there is no appetite within the regulator to research these matters and act as far as any of our members are able to determine.

IIMS submits that AMSA's use of Marine Order 503, an internally controlled legislative mechanism to unilaterally change these schedules without proper risk assessment, research, consideration and consultation has put seafarers lives at increased risk. Furthermore, the longer this ill-conceived schedule continues the more the fleet will physically deteriorate without the regulator having any oversight as it does.

Accidents and Incidents are not being properly investigated

The IIMS has evidence that there are many instances where potentially serious accidents and incidents are not being investigated or inquired into in any manner whatsoever. This means that AMSA cannot use data gathered to improve safety standards and therefore represents a major missed opportunity. It is the view of the IIMS that this well-resourced agency should re-focus its efforts away from processing paperwork to getting into the field and finding out what safety issues are extant and then working with industry to rectify any matters that arise. Reduction of bureaucracy is anathema to bureaucrats, so we submit that there needs to be a clear direction given from the legislators that sets this system into law for them to do so.

The AMSA Regulatory Plan does not include any significant work on the revision of technical standards, many of which are either incomplete, outdated or simply non-existent. The number of standing and ad-hoc exemptions issued to very worthy recipients in our view indicates clearly that the technical standards are out of step with the regulatory requirements of the National Law, and critically into the evolving needs of the domestic vessel fleet. AMSA has full responsibility for this suite of technical standards and whilst industry is evolving and innovating the regulatory settings are not, merely being band-aided.

AMSA Communications and Consultation is Not Genuine and is Not Working

The IIMS submits that its members have repeatedly expressed deep frustration that efforts to draw AMSA's attention to safety, red tape and other concerns through official channels are constantly rebuffed and rejected. In some cases, confidential reports have not been appropriately handled which is leading to a marked reluctance for the regulated to share with the Regulator.

In all responses and communication, the clear message that comes back is that AMSA knows best and is regulating efficiently and effectively with broad stakeholder support.

Messages from AMSA staff are contradictory and confusing and are spoken and written in quasi-legal language which is presumably intended to protect the individual officers and agency but which in fact frustrates and confuses.

This points in our view to a deep cultural malaise which has the very real potential to harm and which in our view needs serious and deep reform.

We would like to leave the inquiry with an example of the sort of thing AMSA is issuing daily. A recent certificate of survey which was issued to a member's client with the following legally binding Condition on it, which states that:

Conditions

- ANY CONDITIONS LISTED ON YOUR EXISTING CERTIFICATE OF SURVEY REMAIN IN FORCE EVEN THOUGH THEY ARE NOT LISTED ON THIS UPDATED CERTIFICATE.

This bizarre condition in our view encapsulates neatly AMSA's muddled thinking and illustrates the confused manner in which it is approaching their critical safety mission. IIMS is a UK appointed Maritime & Coastguard Agency Certifying Authority and has a wealth of experience in commercial vessel survey and regulation. Regrettably, we have to comment that the situation in Australia is well outside of international norms for this sector and task.

We respectfully submit that significant reform and change to the approach to domestic commercial vessel regulation and AMSA is urgently necessary and deeply appreciate the opportunity this Committee has afforded us to submit to this inquiry.

Yours faithfully

Mike Schwarz
Chief Executive Officer