



Department for Planning
and Infrastructure

Discussion Paper on Delivery of Services by the Commercial Vessel Safety Branch

Report of Survey Outcomes
March 2004



1. Introduction:

The Commercial Vessels Safety Section (CVS) currently surveys vessels during construction, annually for safety equipment, and biennially for hull integrity. CVS also conducts engineering oral examinations for engineering Certificates of Competency.

In delivering the above services, there are various specific tasks that CVS surveyors undertake, that might be able to be quarantined from other duties and perhaps given to qualified personnel outside of the Department for Planning and Infrastructure (DPI) to do. This report summarises a project that began in October 2000 to investigate this proposal.

The conclusion of this initial stage of the project appears at item 7 "Conclusion" on page 7.

2. What the Law Requires:

The relevant legislation is:

- *Western Australian Marine Act 1982* – (the Act)
- *W.A. Marine (Surveys and Certificates of Survey) Regulations 1983* – (the Survey Regulations)
- *W.A. Marine (Life Saving Appliances, Fire Appliances and Miscellaneous Equipment) Regulations 1983*
- *W.A. Marine (Construction, Stability and Engineering) Regulations 1983*
- *W.A. Marine (Load Lines) Regulations 1983*
- *W.A. Marine (Hire and Drive Vessels) Regulations 1983*
- *W.A. Marine (Radiotelephony) Regulations 1981*
- *W.A. Marine (Adjustment of Compasses) Regulations 1983*
- *W.A. Marine (Certificates of Competency and Safety Manning) Regulations 1983*

In all of the above regulations and the Act, except the *W.A. Marine (Radiotelephony) Regulations 1981*, reference is made to the *Uniform Shipping Laws Code (USL Code)*. The Survey Regulations require surveys to be conducted "in full" by designated "surveyors". However, relevant parts of legislation touching upon whether or not a surveyor as defined in the Act must conduct surveys "in full", leave some scope for the surveyor to accept information provided by a person who is not a surveyor.

What the legislation does make very clear is that all inspections and reports are to be to the surveyor's satisfaction, and so ultimate responsibility for the report to the Chief Executive Officer of DPI concerning any matter that is regulated, lies with the surveyor.



3. What Surveyors Do:

It is unrealistic to expect that any professional can examine every aspect of a field as diverse as “commercial vessel surveys”. For example:

Surveyors will not attend testing of every life raft to assure themselves that the raft has been correctly serviced and packed. Instead, the surveyor will rely on a certificate from the life raft service agent.

Surveyors will not check the physical properties of a propeller shaft, but will rely upon a mill certificate for the shaft material, supplied by a builder.

Surveyors will not check that a particular radio is approved by the Australian Communications Authority, or that the wiring, earth plate, charging rates and power output of radio installations comply with the *W.A. Marine (Radiotelephony) Regulations 1981* when they are installed. Instead, the surveyor accepts the report of an accredited radio surveyor.

Surveyors will not check a proprietary fire system to ensure the detectors are compatible with the monitoring system, or that the extinguishing agent container meets the standards and is filled to the level required by the manufacturer. Rather, the surveyor relies upon a commissioning certificate from the installer.

The above instances of surveyors not surveying a vessel “in full” are practical and obvious examples where vessels:

- a) contain equipment of technical sophistication beyond the scope of a “non-specialist” to examine;
- b) are constructed of items of machinery and equipment, the production and servicing of which extends geographically and in time far beyond the vessel itself and cannot be reasonably examined.

The legislation does not formally recognise these instances of accepting statements from specialists, except with regard to radiotelephony, and compasses, and certain materials used in construction (such as resins and fibres used in FRP construction).

4. Aims of the Investigation:

This investigation has, as one of its aims, to formalise the process of accrediting persons or bodies (such as life raft service agents, fire system installers etc) to make statements upon which the surveyor relies. Given the increasing sophistication of commercial vessels and increasing workload on surveyors, this investigation is also looking at other aspects of survey and the conduct of oral examinations that may be provided by a specialist who is not a DPI employee.



5. Justification of Investigation:

This investigation takes place with the following background and justification:

- Certain sectors of the maritime industry and some providers to that industry have expressed interest in having greater involvement of private providers in verifying compliance to standards and codes;
- quality management and robust quality control systems are becoming more commonplace, together with a greater awareness of duty of care;
- the national reform process, in developing a new national standard for commercial vessels, is placing more emphasis on performance based outcomes and duty of care;
- the increasing demands being placed on Commercial Vessel Safety by our customers require innovative solutions to maintain the current level of service delivery, especially in regional areas of WA; and,
- partially freeing up surveyors from their more traditional role will allow:
 - a shift in focus towards development of systems for continuous improvement;
 - better completion of duties that are currently performed and not subject to accreditation of industry providers; and,
 - a resultant improvement in the regulation and monitoring of existing and new service providers.

Objectives of an accreditation scheme for discreet survey functions:

- To provide a more flexible approach to the survey of commercial vessels throughout the State
- To increase the level of industry involvement in the application of safety codes and standards (and thus increase their accountability and acceptance of the standards)
- To better serve our customers in regional areas of the State
- To reduce the overall cost to the maritime sector of maintaining safety standards
- To more closely align the current survey and examination arrangements with national reform requirements



6. The Questionnaire:

Before embarking on a process to develop a system of formally accrediting specialist persons outside CVS for discreet functions relating to CVS responsibility, the persons who would be affected by this process ought to be consulted. With this in mind, a questionnaire was developed.

The questionnaire was titled “A Discussion Paper on Delivery of Service by The Commercial Vessel Safety Branch”. The discussion paper was developed to gauge the acceptance of this approach by industry, after consulting internally with surveyors and certificate of competency examiners (deck and engineering).

The discussion paper was designed to gauge the industry’s response to the accreditation of private providers in general, and more specifically, the provision of private providers for discreet vessel survey related services and oral examinations for certificates of competency. It also sought to assess the importance of independent audit of service providers, which would stimulate thought about issues such as independence and conflict of interest issues. Lastly, the discussion paper also asked about the responder’s perception of CVS services as they were then provided, as this might provide feedback as to the real importance of modifying how CVS delivers its services.

The questions asked are listed below, and tick boxes were provided with answers “Yes”, “No” and “N/A”, along with three lines for text comment:

Q1	Do you feel that the current arrangements in relation to the application of survey requirements for commercial vessels and the issuing of certificates of competency are satisfactory?
Q2	Do you consider an increased involvement of private providers in relation to the application of survey requirements for commercial vessels and the issuing of certificates of competency will be beneficial to the maritime industry?
Q3	Should appropriately qualified individuals involved in the maritime industry in regional centres be appointed by Transport to inspect minor modifications and repairs?
Q4	Should appropriately qualified individuals involved in the maritime industry in regional centres be appointed by Transport to carry out oral examinations for certificates of competency?
Q5	Are there any other functions not listed in this paper which you feel could be carried out by private providers, if so, please give details and reasons?
Q6	Do you believe that appointed private providers should be subject to regular audit to ensure standards and service delivery are not being compromised?



The discussion paper was sent to:

Commercial Organisations	Associations/User Groups	Other Agencies/Authorities	Other Interests
Boat Builders	RINA	All State/Territory Authorities	CVS Staff
Engineering Firms	CIA	WorkSafe WA	Director MS
Designers	WASA	Regional Service Unit	
Other Industry Providers	Tafe		
Classification Societies			

- 49 Boat Builders received a copy. → Eight of these builders were in regional areas.
- 11 Engineering companies received a copy. → Seven of these engineering facilities were in regional areas.
- 12 Designers / Naval Architects received a copy. → One of these designers was in a regional area.
- 30 Vessel Operating companies received a copy. → 18 of these operators were in regional areas. Larger operators employing a number of people (who might hold varying opinions) received 3 copies each.
- RINA and IMarE were sent (combined) approximately 50 copies.
- 5 TAFE colleges were sent copies. → Four colleges were in regional areas.
- 30 copies were sent to each Regional office of the then Department of Transport. → A total of approximately 330 copies were sent to these offices originally, supplemented later*.
- 20 copies were sent to each of WAFIC, the Composites Institute of Australia, the WA Ship Building Association, WorkSafe and other Australian marine jurisdictions.



20 copies were sent to the Central West Coast Professional Fisherman's Association.

20 copies were sent to the Charter Boat Owners and Operator's Association.

Some weeks after the discussion paper was posted, *regional offices of Transport requested more copies, and approximately 200 more were posted, and copies were left at the front counter of CVS in Fremantle.

A total of approximately 500 discussion papers were mailed or otherwise found their way into various parts of the commercial vessel industry.

A total of 100 completed papers were received by the end of May 2002. This equates to a response rate of approximately 20 percent.



7. Conclusion:

Given the analysis that follows, the preponderance of comment seems to indicate a positive response to the proposals:

- a) to provide for some private involvement in the surveying of vessels for minor modifications and repairs; and,
- b) To provide for private involvement in the conducting of oral examinations leading to certificates of competency.

However, those who responded to this survey placed the very strong caveat on their responses that such private providers should be audited.

8. ANALYSIS OF RESULTS:

The following table is a summary of the text analysis that follows:

Index	Q1	Q2	Q3	Q4	Q5	Q6	%
8.1		Y					62
8.2			Y				87
8.3		Y	Y				60
8.4				Y			61
8.5		Y		Y			43
8.6						Y	85
8.7	Y	<> Y	<> Y	<> Y	<> Y		6
8.8		N	N	N	N		6
8.9		<> Y	<> Y	<> Y	<> Y		9
8.10		N	Y	Y			13
8.11		Y	Y	<> Y			17
8.12		<> Y		Y			18
8.13		Y	Y	Y			43
8.14		Y	<> N	<> N			47



8.1. Respondents who answered “Yes” to Question 2, are likely, without further interrogation, to be receptive to private providers being involved in commercial vessel survey or oral examinations.

62% of respondents conformed.

8.2. Respondents who answered “Yes” to Question 3, are likely, without further interrogation, to be receptive to private providers being involved in commercial vessel survey for minor repairs and modifications – to some level.

87% of respondents conformed.

8.3. Respondents who answered “Yes” to Question 2 and to Question 3, are very likely, without further interrogation, to be receptive to private providers being involved in commercial vessel survey for minor repairs and modifications.

60% of respondents conformed.

8.4. Respondents who answered “Yes” to Question 4, are likely, without further interrogation, to be receptive to private providers being involved in the delivery of oral examinations – at some level.

61% of respondents conformed.

8.5. Respondents who answered “Yes” to Question 2 and to Question 4 are likely, without further interrogation, to be receptive to private providers being involved in oral examinations.

43% of respondents conformed.

8.6. Respondents who answered “Yes” to Question 6 are likely, without further interrogation, to be cautious about private involvement in vessel survey and/or oral examinations, and would want audit regimes in place.

85% of respondents conformed.

8.7. If Question 1 is responded to in the affirmative (that persons are happy with the current arrangements), and none of questions 2 through 5 inclusive are answered “Yes”, then it is likely that these respondents are satisfied with the status quo, and do not indicate a preference to change:

6% of responses conformed.

These respondents made comments relating to concerns about:

- Corruption – 2 respondents
- Self-interest – 1 respondent
- Unable to maintain DPI expertise by outsourcing – 1 respondent



- Private providers have more limited liability insurance than DPI – 1 respondent
- Private providers will be exposed to commercial pressures – 1 respondent
- Standards may deteriorate – 1 respondent
- Minor repairs – the word “minor” should be defined – 2 respondents
- There will be lessening of consistency – 1 respondent

8.8. Respondents who answered “No” specifically, to Questions 2 through 5 inclusive, are very clearly not in favour of private providers being involved in any service. These respondents need not have been satisfied (or dissatisfied) with current arrangements as Question 1 was not interrogated.

6% of responses conformed (where 5% of total responses were the same 5% as reported above at 8.7 and so one can assume 7% of respondents favour that no private providers should be involved in vessel surveys or oral examinations).

These respondents (5 out of the 6 respondents here at 8.8 are the same respondents as at 8.7, with one different respondent) made comments relating to concerns about those issues mentioned above, but the additional respondent held concerns relating to:

- Corruption – particularly about corruption with oral examinations.
- Another concern regarding consistency.

8.9. Respondents who did not answer “Yes” to Questions 2 through 5 inclusive do not actively support private providers being involved in any service. These respondents need not have been satisfied (or dissatisfied) with current arrangements as Question 1 was not interrogated, and could have had any opinion regarding auditing, as Question 6 was also not interrogated.

9% of respondents conformed.

8.10. Question 2 refers specifically to private providers. Questions 3 and 4 refer to services (vessel survey and oral examination related, respectively). It is likely that a respondent answering “No” to Question 2, but “Yes” to Questions 3 and 4 may oppose private provider involvement in the commercial survey and examination industry, but wish to see improvements in regional provision of services.

13% of respondents conformed

These respondents made comments relating to concerns about:

- Increased costs – 2 respondents
- Lowering of construction standards – 2 respondents
- Conflict of interest – 1 respondent



8.11. Respondents who answered “Yes” specifically to Question 2 (involvement of private providers generally) and “Yes” to Question 3 (private providers for vessel surveying services), but who also did not answer Question 4 (private providers for oral examinations) with “Yes” are likely to have some concern about oral examinations having private provider involvement.

17% of respondents conformed

8.12. Respondents who did not answer “Yes” specifically to Question 2 (involvement of private providers generally), but who also answered “Yes” to Question 4 (private providers for oral examinations) are likely to have specific concerns with the current means of providing oral examination services that override their concerns about private providers.

18% of respondents conformed

8.13. Respondents who answered “Yes” specifically to Questions 2 through 4 inclusive are likely to support the involvement of private providers for both vessel surveying services for minor repairs and modifications, and oral examination services.

43% of respondents conformed

Of the 43% of conforming respondents, 95% of these confirmed that regular audits should be conducted on the providers. Also, 16% of the conforming respondents held concerns regarding impartiality or conflict of interest.

Lastly, it is instructive to note that 33% of conforming respondents specified some concern that the present system does not cater particularly well for regional centres remote from Fremantle or Geraldton.

8.14. If Question 2 relating to private providers generally, is answered in the affirmative and neither Questions 3 nor 4 (specific questions) are answered categorically with a “No” response, then it is likely that these respondents wish for involvement of private providers of some sort, or are generally not opposed to the idea.

47% of respondents conformed

These respondents made comments relating to concerns about a number of issues, but the following pertinent comments are included here for a snapshot of the depth to which some respondents addressed the questionnaire:

- Familiarity with local providers might create problems – 1 respondent
- Familiarity with local providers might create rapport with customers – 1 respondent
- Government will lose its expertise – 2 respondents
- Providers should be adequately qualified – 5 respondents



- Auditing may require more effort than surveying – 1 respondent
- Providers to be available when the season requires them – 1 respondent
- Private providers only if CVS is not available – 1 respondent
- Private providers only advisory – 1 respondent
- Skilled people in industry – could result in synergies – 1 respondent
- Would reduce costs – 6 respondents
- Would increase costs – 1 respondent
- Will WA certificates be accepted by other jurisdictions – 1 respondent

8.15. When all the text in every response is searched for the following words and checked for meaning, the following is evident:

Independence: 5 respondents were concerned about survey independence.

Conflict: 5 respondents were concerned about conflict of interest, one of whom was also identified above as being concerned about independence.

Corruption: 3 respondents were concerned about corruption, one of whom was also identified above as being concerned about independence.

Mate: 2 respondents were concerned about “favours for mates”

Local: 2 respondents mentioned locally provided survey services as being a positive thing in terms of timely service, while 1 respondent identified it as a source of conflict. Yet another respondent was concerned that local providers would raise the cost of survey, while another speculated that costs would drop because of local providers.

Broome: 4 respondents specifically mentioned Broome.

9. Other Observations:

The respondents also made comments regarding other specific survey matters that could be subject to private provider involvement, at Question 5. Some respondents displayed considerable insight into the potential problems and benefits of private involvement, and listed briefly below are some of the comments at Question 5, not necessarily as they were written:

- Investigations in regional areas (presumably the technical gathering of data)
- Hold boards of inquiry in regional areas (presumably where an incident occurs)
- Construction supervision
- Annual surveys
- Random safety checks and do away with annual survey, government takes penal action instead



- New and old shaft surveys, fire systems, fuel tanks.
- Load Lines
- Stability
- Safety issues (suspect this relates to WorkSafe issues)
- Plan approval
- TAFE already does written exams – small matter to do orals
- Hull surveys because slipping facilities are scarce
- Electrical surveys
- Suitability of vessels to work in particular regions
- Suitability of crews to carry out certain activities

Other general comments not necessarily at Question 5 include:

- Private providers give more flexibility
- Private providers will save time
- Private involvement will make operators more responsible
- Have workshops to keep everyone updated
- WA operating areas are growing and this is the only reasonable alternative.
- Providers to be Quality Accredited
- Certificates of Survey should have validity periods +/- 1 month
- Private (local) providers will keep money in the region
- Local providers will develop expertise in regions
- What is the insurance liability of providers?
- Private providers' fees to be regulated
- National approach required
- Promote Safety Management Systems and avoid periodic survey
- Database vessels to providers, to ensure bad providers are identified
- Private providers – cannot remove their accreditation because of livelihood
- DPI will lose expertise to control (presumably local knowledge as well as technical)
- Oral examinations are the last line of defence after exams before the vessel is operated

11. Thank you: to all those persons who committed time and effort to think about this important issue and submitted their carefully considered responses.



12. The Next Step:

The first discreet function of CVS that would be examined for involvement of private providers is the conduct of oral examinations for engineering certificates of competency. This is because the conduct of oral examinations is a function of CVS that has the fewest links to other aspects of CVS services, and is therefore the most discreet function that can be isolated.

As the oral examinations function is such a discreet area of CVS service delivery, the involvement of private providers can be put on trial and assessed without impacting heavily on other areas of CVS services. This trial will give valuable feedback as to how industry responds, and how important the adverse and positive effects of involving private providers might be. The trial might also bring to light problems or benefits that no one has yet predicted.

Other benefits of subjecting to trial the accreditation of private providers with the oral examinations function of CVS include that there are many potential providers in the regions, and many customers have commented on the negative impact that not having local providers has been causing them.

The next steps will involve designing a system of accreditation and audit that complies with the law, that will have (as far as can be predicted) a positive impact on the industry and on CVS, and that addresses those concerns held by CVS and those concerns raised by the respondents to this survey.

CVS proposes that irregular but timely updates of this investigation and trial will be placed on our website at http://www.dpi.wa.gov.au/imarine/comm_vessels/index.html.

END OF REPORT

Attached see over:

Attached:

- Overview – Summation of Responses 1 page
- Search for responses for 8.7 – Respondents satisfied with the status quo 3 pages
- Search for responses for 8.8 – Respondents clearly not in favour of private providers 3 pages
- Search for responses for 8.9 – Respondents who do not actively support private providers 4 pages
- Search for responses for 8.10 – Respondents who may want improved regional services 7 pages
- Search for responses for 8.11 – Respondents who may have particular concerns with private providers for oral examinations 6 pages
- Search for responses for 8.12 – Respondents who might have concerns with current means of providing oral examination services that override their concerns about private providers. 8 pages
- Search for responses for 8.13 – Respondents who support private providers for minor vessel repairs and maintenance, and oral examinations. 16 pages
- Search for responses for 8.14 – Respondents who either support, or do not oppose, private providers for minor vessel repairs and maintenance, and oral examinations. 17 pages
- Discreet searches for comments containing text referring to independence (3 pages), corruption (2 pages), conflict of interest (2 pages), jobs for mates (5 pages), local services (3 pages) and Broome local services (2 pages). 17 pages
- Comments received at Question 1 3 pages
- Comments received at Question 2 3 pages
- Comments received at Question 3 3 pages
- Comments received at Question 4 3 pages
- Comments received at Question 5 2 pages



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- Comments received at Question 6 3 pages
 - **Total attachments:** **99 pages**

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