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THE ROYAL INSTITUTION OF NAVAL
ARCHITECTS
Australian Division
present an open seminar on

**"THE PRIVATISATION OF NAVAL
ARCHITECTS"**

**Held at the
Institution of Engineers Australia
Auditorium: Eagle House, North Sydney**

on Monday, 13th September, 1993, at 6.00pm.

THE ROYAL INSTITUTION OF NAVAL ARCHITECTS

FOUNDED 1880 INCORPORATED BY ROYAL CHARTER 1910 & 1960

(AUSTRALIAN DIVISION)

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- BRIEF HISTORY for R I N A SEMINAR - Monday 13th September 1993

1. In September 1990, NSW Business Deregulation Unit issued "Review of Regulations & Policies Affecting Recreational & Commercial Boating in NSW", to which R I N A responded on 26 October 1990, emphasising that Public Safety could be at stake if passenger ship stability in the intact & damaged condition was not directly in the hands of qualified naval architects.

2. From 1991 until recently, numerous letters have been exchanged between the Minister for Transport, MSB WATERWAYS & RINA. Then in October 1992 RINA received a copy of Discussion Paper re above subject from NSW Department of Transport. This RINA answered in some depth on 9th February 1993.

3. A meeting with the MSB WATERWAYS was arranged for 2nd July 1993, which NSW Department of Transport also attended. Free exchange of views were expressed & RINA reps were given an advance copy of proposals for Accreditation of Naval Architects & indicated the eventual elimination of the Naval Architects Department in MSB WATERWAYS.

4. While RINA is not against "Privatisation", we do have difficulties in believing that the MSB WATERWAYS AUTHORITY will be able to completely shed its responsibility both for the safety of operators & the travelling public and we would welcome the views of others involved in this field.

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The Meeting opened at 1805 with some 55 members & Guests signing the attendance sheet.

Apologies were received from Messrs :- N McMILLAN, M RENILSON, L DOCTORS, E COLE, P R RUSSELL, J MCCOY & A STEBER.

The following is a transcription of the two tapes of the recorded proceedings at this Seminar.

A handwritten signature in dark ink, appearing to read 'A G Mitchell'.

A G MITCHELL

October 1993

Hon. Secretary / Treasurer.

Mr Brian Robson, Royal Institution of Naval Architects / Chairman:

Well, it looks as if we are all set ladies and gentlemen. I first of all want to welcome you to this seminar tonight. My name is Brian Robson and I will be your chairman and facilitator for tonight. I am in that capacity, the president of the Australian Division of the Royal Institution of Naval Architects. In real life, I'm a Naval Architect by profession, but my present position is the Assistant Director General of Naval Engineering Services with the Department of Defence in Canberra.

As you all may well realise, both the Federal and State Governments of Australia have policies in place to privatise or commercialise as many of their functions as possible, with the belief that privatisation leads to a more efficient performance of these functions. With this in mind, the Maritime Services Board of New South Wales has stated its intent to privatise the functions presently carried out by its Naval Architects with respect to hull plan approval and stability approval for vessels under their jurisdiction. However, for the present, it intends to retain the functions relating to plan approval for engineering and electrical systems and the survey of hull and machinery.

Although the Royal Institution of Naval Architects is basically a learned institution, many of its members will be effected by this changed way of doing business in the future. In a much broader sense, the Council of the Australian Division of R.I.N.A. saw these proposed changes as effecting the future viability of commercial vessel design, construction and operation in New South Wales. It also felt that since New South Wales was leading the push towards privatisation, other states will ultimately follow the example set by New South Wales.

At this stage, I would like to put the position of the Royal Institution of Naval Architects. It does not see itself as a body wishing to dictate to the M.S.B. Waterways Authority, how it should or should not conduct its business. It rather sees itself as a body able to offer advice or provide some assistance, based on its members many years of experience with the industry, to ensure that privatisation is made to work with the necessary checks and balances to the best advantage of the entire commercial vessel industry.

The R.I.N.A. sees the issues needing to be addressed on privatisation, as not necessarily being restricted to its members own sphere of activity, but rather across the entire industry. Based on this realisation, the Institution felt that it was appropriate to host and to facilitate this open seminar, where all concerned and involved parties had the opportunity of expressing their views on the subject. Of course, this would lead to an appropriate exchange of views and ideas that could be ultimately passed on to the M.S.B. for consideration during their own deliberations. Towards this end, the seminar has been structured around three (3) speakers, presenting their own views on privatisation, as they presently see the situation. This can form the basis for open discussion from the floor afterwards. The three (3) speakers will be myself, representing the Royal Institution of Naval Architects, Mr Ian Ford, representing the Charter Boat Vessels of New South Wales Incorporated, who is the Vice-President of that Organisation, Mr Noel Riley, representing the Consulting Naval Architects and I understand that Mr Michael Chapman, from the M.S.B. will have a few words to say afterwards. And we will ask Mr Alan Payne to address a couple of issues, that he has advised he would like to address from the floor.

Each speaker will speak for approximately fifteen to twenty (15-20) minutes, addressing those aspects of privatisation they believe need to be discussed at this seminar. Although

the M.S.B. Waterways was invited to provide a speaker, it declined initially, but I believe that as I said, Mr Chapman is prepared to say a few words afterwards. We are very pleased to have the representatives here from the Waterways Authority and hopefully, they will join in with the discussions. I would like to have the three (3) presentations made up front and then followed by the open forum, of which I will be the moderator or facilitator. During the open forum I will ask each speaker to provide his name and his association with the industry as the proceedings will be taped and a written report will be prepared afterwards. Having got those preliminaries off my chest I would now like to go into my very short presentation as representing the Royal Institution of Naval Architects.

From my background with the Department of Defence, I have learned from hard experience that privatisation of government functions is not a subject that can be taken lightly. The Department of Defence is currently implementing its own commercial support program, which is another way of saying privatisation. So privatisation or commercialisation is with us, at the direction of the government and it is up to us all here tonight I believe, to try and make it work to the best interest of the industry.

The Defence program has, in fact, had some setbacks, as well as its advances and its ultimate savings to the government has not, as yet, been realised. Many issues had to be well researched prior to the commercial support program being introduced and of course, many issues are still arising that require important, but very delicate consideration. I guess that is a lesson from the Department of Defence, that I would like to pass on to the M.S.B. tonight. It is with this background, and with the advice from the Council of the Institution, and after initial talks with the M.S.B., on the subject of accreditation of Naval Architects, that I address you tonight.

As I have mentioned previously, the Institution is neither for, nor against, privatisation of the proposed M.S.B. functions. Nor does it see itself as trying to influence the M.S.B. in running its own business. Rather, the Institution sees itself, through its membership, as offering up suggestions and identifying issues for open industry discussion, at such seminars as this, to ensure that appropriate industry involvement is applied to the process, that will ultimately affect us all, in the way we conduct our business in the future.

I should make it clear at this point that the Institution does not see membership of this Institution as being a prerequisite for Naval Architect accreditation for the M.S.B. So, we really have no vested interests as an Institution for membership.

The Institution offers up the following points for open discussion, noting that these only represent a small proportion of the issues that will need to be addressed ultimately. I have five (5) points here that I want to put to you:

The first one is the idea that split responsibility for ultimate acceptance by the M.S.B. can be fraught with danger; ie. "Who has the ultimate responsibility, should an accident occur, causing the loss of life?" - the M.S.B., the vessel designer, the accrediting Naval Architect or the operator or the surveyor? We see that the way things look to us at this point of time, that there are a number of participants in the whole field, all with different responsibilities, all with some overlapping responsibilities, that *could* cause some problems in the future.

"Why is the Naval Architecture function being singled out for privatisation and not other professional functions?" I guess that ties in again with this split responsibility aspect.

We ask the question, **"Who will be responsible for accrediting Naval Architects and by what means should this be done if, in fact, there are no Naval Architects employed by the M.S.B. or the Waterways Authority?"**

"Who will maintain and update rules and regulations for vessel constructions and stability?"

I guess a factor which will effect a lot of us here tonight is, **"What will be the extra cost to industry, due to this privatisation?"**

The last point that I wanted to address was: Floating structures are more prone to accidents than to fixed land structures, due to the operating environment in which they are operating. Land structure certification should not therefore be taken as a model. Maybe lessons can be learnt from the aircraft certification as being a more appropriate model.

I leave these questions to you gentlemen and hope that, following the speakers and resulting discussions, many may be able to provide some answers and guidance, or even some assurances, maybe given from the M.S.B., that privatisation *can* be made to work and many of these, if not all of these issues have, in fact, been addressed. And that the future arrangements can work to the best interests of the industry as well. They are my few words gentlemen.

I would now like to pass on to Mr Ian Ford from the Charter Vessels of New South Wales Incorporated, who as I said before, is the Vice-Chairman, just to put the points across as it effects his part of the industry.

Mr Ian Ford, Charter Vessels of New South Wales Incorporated:

Thank you very much Mr Chairman and moderator. We in the Charter Vessel Association have the operating views on this matter. We come here tonight, without perhaps consensus within the Charter Vessel Association, but speaking from a number of discussions that we have had, through the people who have had, in the past, vessels designed and constructed in many parts of Australia, we all have reached the same conclusion; that something is not right in the vessel construction industry in Australia.

It seems that we operate under the auspices of the U.S.L. Code, which is supposed to be a uniform shipping law throughout Australia, but it doesn't seem to operate that way when you go from various states, because one vessel built in Western Australia does not comply with New South Wales and vessels built under the same rules in Queensland do not comply in the other states. So you finish up as an end user, wondering what the system, or how the system, can be best rationalised.

We also, of course, have a problem with the construction of vessels, in that we define a set of parameters and ask a Naval Architect to design the vessel, to fit within those parameters within the area of operation, and within the various codings that are required. Yet it seems

that there are interminable delays, and the construction dates are pushed back, and the eventual operation date and targets are very difficult to reach. This seems to be very much a problem with the design and the certification section under the way that it is set up at the moment. Now, whether that is because the certification or the design and certification system, at the moment, is suffering because of the lack of funds and the lack of staff, or whether it is the lack of goodwill from the government, or whether there is a better way, is very difficult to understand. We look at it as if, "What are the advantages of deregulation", and it would appear to us, being the end users, that you would speed up the design and approval and construction times. If the whole of the industry, from the Naval Architects down to the various accrediting bodies, was streamlined down, so that one person would sign off their work and say; "This vessel complies with IE for one hundred passengers in New South Wales coastal waters." Bang-stop-go and build it. Thank you very much, we will be ready on such and such a date, and we can book passengers and start work.

The other advantage would appear to be, if there is a problem with the design, there is only one person that you would have to refer to, and that would be the designing architect.

The other advantage that I *could* see, is that maybe, as pointed out, that if this was the deregulation and New South Wales was going to be, in fact, the leader, we may at last get an Australian-wide recognition of the systems of U.S.L. codes, so that boats built and designed in other states could be truly Australian boats/vessels/ships, rather than being as they are now, an object of virtual contempt, when they are presented for survey in other states.

The other advantage, I would imagine, from the deregulation as proposed, is that the cost, whether it is up or not, would be known up front. You would expect to get a quotation and a fixed contract and a complete realisation of their requirements and also, of whose responsibility it was for the entire structure of the vessel.

So that as we see, are some of the arguments for the proposed deregulation, which we understood was to be put forward as, the Naval Architects would be responsible and sign off the design. It would then be audited by an outside Naval Architect. Now we were not too sure what this auditing was, and I think that is probably one of the grey areas that do worry us, because auditing means, do you just count up their numbers and see if they have done that, or do you actually sign off as the audit, such as in the accounting profession, and then become responsible. This is the grey area that *does* worry us, because it still requires a degree of checking and also that would mean once again, delay and therefore, probably extra cost.

Now, if we then look at the disadvantages of the system, as we see it, probably the answer comes back, "Why fix it if it ain't broke?" At this stage, the status quo for passenger vessels (we are talking about passenger vessels generally in the charter boat industry)-why upset the status quo, when for a number of years it has been developed, and we believe, it has been producing quite adequate and very good changes in the safety standards and the operational standards of the passenger industry. As a result of that, we see that probably the system that is currently working - where there are a number of checks and balances - as being the reasonable way, of producing the passenger vessels required for the operations in this country and in this state.

The disadvantages: We see that the cost, if it was to be privatised, (obviously somebody has to bear the insurance or bear the responsibility and insurances are going to have to be taken out). We then imagine that notwithstanding all else, possibly insurance companies would then wish to get in on the act, and possibly take up, once again, and put the clock back a couple of hundred years where you have the insurance companies actually doing the standard and certification of the vessels. Is this the way that we wish it to go in the long term? Because in the long term, as the question was asked by our moderator, "Who is responsible?" In his little list of people who are responsible, he has glossed over the owner, and the master, and got straight to the Naval Architect, who are reasonably well down the line, and this is the position from which we speak. The master and the owner is initially responsible, for all the problems that occur on vessels during the course of some unforeseen or accidents which *do* happen. As a result, the backstop, we have a great responsibility to know that our vessels *are* being designed and also accredited in their design, to do the job for which they have had the money paid and been built.

The other question, and the disadvantages I have mentioned before and finishing on this note is, "If we do deregulate and have the Naval Architects signing off, and then have this outside balance, through the officialdom of saying: "Okay, he is an accredited architect so that is an accredited boat". How do we actually marry that accreditation into the system, so that the Maritime Surveyors, (and we have put this to the Waterways and had it agreed), that for passenger vessels, we still consider that there is a need for them to undergo yearly survey. That has been agreed and as a result, we have a fine body of surveyors who come out and maintain the checks and balances which are required in the industry. Now, do we then upgrade the surveyors, so that we increase their skills, so that they are able to spot, or change, or make adjustments to the surveyed vessel, after it has come from the Naval Architect for local areas? Obviously, within the U.S.L. Code, every area and every circumstance has not been foreseen. Are we going to make it that if we *do* regulate and put it down, are these gentlemen going to be where the buck-up ultimately stops?

I think that those questions have not exactly been answered in our minds yet. But on the whole, we see that there *is* need for some rationalisation of the system, because at this moment in New South Wales, we have reached the stage where vessels just cannot be built in reasonable economic times. As a result, you see that there is not much happening probably in vessel construction in this state. In general, they have gone to other states where they seem to be able to have the problems either solved on a local basis, or they do not look at them. But we *do* know that in Queensland, and probably in Western Australia, 'one compartment flooding' does not worry them. They get it away quite nicely and vessels are signed off and in operation in no time. That seems to be the operational area that we are looking at. Speaking strictly from the end consumer, it would seem that there are good points in the deregulation. But there are a number of questions we would like to ask; as to just *how* you marry and what *emphasis* is put on the checks and balances down at the working end, on the water. Thank you.

Chairman:

Thank you very much Ian. As I said before, rather than going into open discussion on Ian's presentation, I will move onto Mr Noel Riley's presentation, who is here tonight representing the consulting Naval Architects. Thanks.

Mr Noel Riley, Consulting Naval Architect:

Thank you Mr Chairman. It is a real privilege, being one of the younger consultants, to be able to address this august body. Ladies and gentlemen, before I start addressing this matter, I want to read to you the significant parts of the minutes of a meeting of the Commercial Vessels Advisory Committee of 9th October, 1992. This is said to be the only document on M.S.B. files, that is available under the F.O.I. Act, which relates to the matter we are discussing this evening, that is available. I will be referring to this document later. It is only four (4) paragraphs. I want to read it out because I do not want to be accused of quoting out of context later on.

The agenda item was item five (5): '*Privatisation of Surveyor's Activities*'. "The chairman asked members if they considered that the private sector could provide the service economically. He said one of the issues was that of Naval Architects, with consideration being given to the work currently carried out by Waterways N.A.'s, being carried out by qualified and accredited private architects, who would accept full responsibility and full liability for the plans they approved. He said the Act would have to be changed before there would be any changes in current procedures. J.H. indicated in only an initial survey, not-periodic, was being considered. General discussion took place during which it was emphasised that Waterways surveyors will still inspect all new constructions and that the only changes being considered were to the Naval Architects duties. J.H. indicated that Waterways will *always* retain the ability to police the situation, and take any necessary action, and will retain those skills necessary to check plans, *if required*; eg: in an accident investigation. However, the proposal, if adopted, would result in lower fees to owners and a time saving of twelve (12) weeks during the plan approval stage. There was general agreement to the privatisation proposal of Naval Architects. The chairman then asked for an opinion on the second part of the matter: "Would members accept private surveyors for periodic surveys?" The answer was a unanimous "No", and that the committee members did not wish to lose the services or skill of surveyors engaged in periodic survey work, which was of very high standard and unique to the industry. The chairman then asked whether the single multi-skilled Waterways Surveyor would be acceptable for surveys on non-passenger vessels. This was agreed with the proviso that if the particular vessel required expertise in either ship-right or engineering aspects, then the appropriate multi-skilled surveyor would be used." - End of quote -.

Now looking around, I see there are a number of Naval Architects present here tonight, who are fairly senior, who are still actively involved in the nuts and bolts of our profession. I think I fit into that category and if I never have another job approved by the M.S.B., I don't think I will starve. I am just about able to get the pension. On this basis then, I can afford to look at the subject of Privatisation of Naval Architectural functions of M.S.B. objectively. And what follows, I trust, will be taken in that manner. While I do not necessarily support the view that 'the only good public servant is a dead public servant, and that if you find a good one, shoot him before he/her cannot afford to be sexist. Don't shoot them before they go bad'. I *do* support the view that government should let the private sector do what it does best. This fits in with the philosophy of user pays, and the concomitant myth of cheaper government. However, I am not yet convinced that privatisation of vessel safety is the best way to go.

On this basis, it occurs to me that privatisation of Naval Architect's functions of M.S.B., should be looked at from two (2) standpoints: One is the safety of the public who use the vessels concerned, and the other is the costs of the consumer, the boat owner.

Let us look first at the safety aspects. There are a number of us who are aware of the disastrous capsizing of the 'RODNEY', just before the end of the Second World War, nearly fifty-Five (55) years ago. Since that accident, I do not know of any commercial passenger vessel under M.S.B. survey which has capsized or sunk with loss of life. This impressive record is due in no small way to the involvement of the M.S.B., in providing adequate regulations and in providing the rigorous administration of those regulations. Having said that, but recognising that privatisation is a reality, let us spend a little time considering the effect of privatisation of the Naval Architect's functions of M.S.B.

In a statement to the Commercial Vessels Advisory Committee Meeting, which I just read, manager commercial vessels of M.S.B. authorities, stated in respect to privatisation inter alia, that "initial survey and not periodic survey was being considered". He went on to add, "Waterways will always retain the ability to police the situation and take any necessary action to check plans if required; eg: in an accident investigation. However, the proposal, if adopted, would result in lower fees to owners and a time-saving period of twelve (12) weeks, during the plan approval stage". If we look at the first part of that statement then, M.S.B. would have the ability to check plans if required, as the result of an accident. This is tantamount to closing the door after the horse has bolted. Perhaps if approvals were left as a function of M.S.B., then no accident, in all probability, would have occurred. In passing, the latter point of that statement, in respect of cost of time saving, seems to have little bearing on reality. If we consider the cost factor first, then it must be apparent that someone will have to do the checking, and an examination of some comparative costs may be an order of this juncture. The Australian Maritime Safety Authority charges one hundred and thirty dollars (\$132.00) an hour for the services of its Naval Architects. Lloyd's Register of Shipping, on a recent project on which I was involved, charged just about a total of six thousand dollars (\$6000.00) to check the stability of two (2) *exactly similar* vessels.

On this basis then, its not unreasonable to expect that with privatisation of Naval Architect's functions and M.S.B., who I believe currently charge eighty dollars (\$80.00) an hour, then the cost of approval of documentation, previously handled by M.S.B., will in all probability rise. While on the subject of costs; I was approached earlier this year to assist in providing services normally carried out in the Naval Architect section. I quoted considerably less than the rate charged by A.M.S.A., but my proposal was not accepted. In the reply to my proposal, it was stated, and I quote from the letter, "The general rate anticipated by the Authority was based on industry rates for short term contracted work and not normal consultancy rates, which are much higher". Dare I draw the conclusion from the statement, that the M.S.B. is not prepared to accept the costs that privatisation will bring while it is expecting its customers to accept them?

Let me now spend a little time in examining the aspect of time savings that privatisation will bring. In the minutes previously referred to, it was stated that "privatisation would result in a saving of twelve (12) weeks during plan approval stage". On the assumption that the average time for approval to the M.S.B. is in that order at present, does this mean that private consultants are going to approve similar data in a shorter time. I do not know the answer to this question, as I do not know how many consultants will ultimately be

accredited. However, I understand that the express approval system currently available within the M.S.B. material, reduces the delay in handling documentation fast-tracked along that route. Before leaving this particular point, perhaps I can put it into perspective; L.R.S. took in the order of two (2) months to provide the approved stability books for the vessels that I referred to earlier, *and up to two (2) months to approve design drawings.*

Let me now briefly address how I see who gets what from privatisation. There are four (4) separate groups involved; the M.S.B., the vessel owners, the Naval Architects, and the public.

What is in it for M.S.B.? Well, there is some slight reduction in staffing numbers and the intendant cost saving. Privatisation diverts the flack of irate owners, builders and other users of the services, who complain about the administration of regulations. Time taken to get their jobs approved, will go from the M.S.B. to the private consultants. Privatisation may release the M.S.B. from any responsibility of the safety of the travelling public. This is yet to be proven.

What is in it for the vessel operators? If I was to believe what I have read on the matter, I would draw the conclusion that they will see significant cost savings and time savings. However, I am a little too experienced and a little too cynical to believe all that I read. At best, all I can offer the vessel operators is maybe some saving of time to get their data approved and maybe increased costs.

What is in it for the private consultant? If M.S.B. is going to shed its approval responsibilities, then this can only mean more work for the private sector. I have reason to believe, that there is a perception within some areas of the M.S.B., that privatisation will bring a more professional attitude from the private consultants. Or as one M.S.B. pundit is supposed to have put it, and I quote, "Once they, the private consultants, realise that there house is on the .line, then they will be more careful." The inference from that comment to me, is that some elements of M.S.B. apparently believe that privatisation will require consultants to adopt a more professional and responsible approach to their work. My comment to this point of view, is that those of us who are professionally qualified *and* who take our work seriously already, accept our professional responsibilities. Whether our work is checked by an outside agency *or* is the subject of self-certification, then this will not alter our approach to our work, or to our professional responsibilities. Depending on the yardstick that M.S.B. uses to certify consultants, then privatisation could serve to strengthen our profession. At present, any enthusiastic amateur can put his shingle up and practice as a Naval Architect. If M.S.B. is rigorous in its registration of private consultants, and if there are no 'old-boy' clauses in its registration regulations, then this will enhance the standing of the profession. Therefore, on balance, I would suggest that privatisation is to the advantage of professionally qualified consultants.

Finally, what is in it for the travelling public? At this point of time, I do not really know, because I and others like me, do not really know what M.S.B.'s game-plan is. If M.S.B. accepts its responsibility, to set and maintain adequate safety standards, and has in place the necessary checks and balances to keep the private consultants in line, then the public will not be at risk. However, if M.S.B. is going to abrogate that responsibility, as implied in the draft statutory declaration which it has prepared for the certification of private consultants, then there could be a potential for one (1) of six (6) courts of Marine Inquiry.

As a layman, I believe that if government is proposing to take the radical step at privatising its Naval Architects' functions, then it would be prudent to seek the advice of industry on how this should be best done. One way would have been to consult various parties involved, eg: vessel operators, builders, and even consulting Naval Architects as a last resort. Another way would have been to hold a series of seminars with the interested parties.

I wrote this before tonight as you will have guessed. I have been overtaken by events. I have said here, it is sad to think that the M.S.B. was invited to field a speaker for tonight's bunfight. But for reasons not quite clear, it declined. However, I understand that there has been a change of heart there. I understand that some of the M.S.B. big guns are in the audience and it is to be hoped that they will, at least, participate in the ensuing discussion.

When I became aware that this seminar was to take place, I, as a concerned individual, used my rights under the freedom of information to legislation, to try to determine what M.S.B.'s game plan was on this subject and to investigate how widely it had consulted industry on its privatisation plans. Initially, I was fobbed off and given one (1) document. However, I kicked and screamed and subsequently, I was provided with two (2) other documents and a list of *all* the documents that M.S.B. was not going to release to me. In all, there are said to be eight (8) documents on this subject. Of these, five (5) were Board submissions, one (1) was the minutes of the meeting I have already referred to, one (1) was a letter from R.I.N.A. inviting M.S.B. to provide a speaker at this meeting and one (1) was M.S.B.'s reply to that letter which said, "thank you, but no thank you". Therefore, of the eight (8) documents, only one (1) referred to a meeting, with some sections of industry and the matter was dealt with in four (4) paragraphs out of twenty-three (23) in the particular minutes. In passing, it is instructive to note of the composition of the Commercial Vessels Advisory Committee, at the meeting whose minutes I have, there were four (4) M.S.B. representatives, eight (8) vessel operators, one (1) boatshed proprietor. There were no builders, as far as I know, no fishing boat operators and *definitely* no Naval Architects.

Now, if the above are all the documents which exist on the matter, and only one of these devoted a few lines to it, then how much consultation has M.S.B. had with the parties effected? In my view, not enough.

At a meeting which I attended last July, as part of an R.I.N.A. delegation with M.S.B. and D.O.T. representatives, we were informed that legislation was being prepared on the matter and it was intended to have it before Parliament during the Budget session, or at least, during the Autumn session. On this basis, it would seem that what consultation M.S.B. was going to have on this matter, has already been carried out and we are now being presented with a *fait accompli*.

There are a couple of interesting points raised during this latter meeting which I think are worth recounting. I asked the question, "Was it M.S.B.'s intent to get rid of its Marine Engineering functions?" The answer was, "Not in the short term." I then asked the question, "Will the Marine Engineering aspects of vessel design still be approved by M.S.B.?" The answer from one of the M.S.B. members was "Yes". The look of surprise on the faces of the other two (2) members, on the other side of the table, was a sight to behold. Apparently, this situation had not been considered. This then raises the interesting question of "Who is responsible for what?" Some design approval

responsibilities will rest with the private consultant. Some will rest with the M.S.B. and also M.S.B. surveyors will inspect new construction. I have not considered here what happens if a designer comes to one of the accredited Naval Architects. You will have a fourth member in the game and that will further muddy the waters. In my view, divisions of responsibility of this magnitude are fraught with difficulties and if there was a serious accident, then I am of the opinion that the learned friends at the B.A.R. Table of the Court of Marine Inquiry, will become significantly richer, while they argue the finer points of law on who was responsible for what. Meantime, what will have happened to the cost savings and the time savings which privatisation is supposed to provide?

It is interesting to note that M.S.B. thought so little of R.I.N.A.'s contribution to this meeting that no minutes were recorded at the meeting. If the minutes were kept, they were not circulated for comment. Nor do they show up as a reference document on the list provided to me under F.O.I.

At the preface of this talk, I said that I wanted to be objective and in so doing, I guess I will have a hard time 'getting a guernsey' when the accreditations for private consultants come up for grabs, as a result of my objectivity. Be that as it may, my concern is, as of some of my colleagues, to ensure that the excellent safety record which has existed per medium of M.S.B. control in the past, should continue into the foreseeable future. I believe that the safety of the travelling public is best protected by plan approval and survey function of M.S.B. *remaining* with M.S.B. If some or all of these functions are to be privatised, then an effective auditing function must be retained by M.S.B., to keep the old lags in check, to vent the new chums who will come after us, when we have all gone to that big drawing office in the sky, and also to ensure that regulations, such as the U.S.L. Code, are kept up to date.

I repeat, I do not believe that privatisation of these important functions is the best solution. But, since privatisation is the flavour of the month, then we had best adopt a Confucian attitude and lay back and enjoy it. As best we can, we must ensure that the necessary checks and balances are there to protect the travelling public.

Finally, my plea to the big-guns of the M.S.B. in the audience, who are with us tonight, is, "If you are going to proceed down the privatisation path, do some more homework. Consult with those who are of the coalface, who are experienced in these matters, and who can constructively contribute to the process, to ensure that the present safety standards are maintained. So that none of us, ie. the M.S.B. inmates, vessel operators or consultants, will end up as star witnesses at a Court of Marine Inquiry. Thank you.

Chairman:

Thank you very much for that Noel. I would now like to call on Mr Michael Chapman who is the Managing Director of the Waterways Authority of the M.S.B. to say a few words. Thank you Michael...

Mr Michael Chapman, M.S.B. Waterways Authority:

Thanks Brian. Welcome ladies and gentlemen. The Waterways Authority in the last two (2) or three (3) years is about consultation with customers - with every sphere, whether it is recreational boating, the charter vessel industry, fishing boats, all owner operators -

every aspect. But it started without prejudicing safety. Now, we are here to listen tonight and the reason that perhaps, there is some hesitation last week was about the agenda. The agenda was not to discuss or debate the merits of government policy and its direction. But given that we are moving down a particular path, we are quite happy and delighted to be here to listen to you, and I mean listen actively, answer your questions about the conditions, the checks and balances, and who is responsible if we go forward with this plan. But remember, where does the decision lie? It lies with the Government. It does not lie with me, it does not lie with my advisers, it does not lie with you. It lies with the Government. The Government asks us to give advice.

In our consultation process, we asked the customers and we asked the practitioners. Now, we asked the customers what they requested. And you know what they ask and what they have responded. It is about one (1) process, not two (2) and it is about reduced delay. But we are about delivering that service without prejudicing safety. You have asked us "who is responsible" and without going into detail, we will *not* split responsibility. It is the person who signs the certificate, providing that person is accredited and properly qualified.

Now, I took some notes earlier of five (5) points that were raised and in broad terms, I can answer them and if we need to go into detail, I am sure John Howard and Susie Cleary can embellish upon that and finally, we can get back to you in writing, if that is not enough.

Split responsibility of the function: What are we talking about? We are talking about plan approval and we are talking about stability. When we say split responsibility, the person that signs the certificate will be the person that has the responsibility if it is wrong. It is not government, it is not the Waterways Authority-we set up the system, we have the checks and balances, we conduct the audits, but the person who signs it has the *risk*.

Another question was, "Why are Naval Architects being singled out?" Naval Architects are not being singled out. In the last three (3) months, we have gone through a process of getting out of five (5) businesses, without one day of breakdown of service to the customer, in an area which I would suggest that you and our customers on the water would say, are just as safety-oriented as Naval Architecture and plan approval. That is, the lights and beacons on our waterways. We no longer do that. We set the standards and what did we do? We sold the business, we sold the assets and said, "This is the response time. It does not matter whether the beacon is on the Clarence River or it is at Palm Beach. Wherever it is, if it goes out tonight it has got to be going within twenty-four (24) hours." Now five (5) businesses we have gotten out of and the private sector are accountable and responsible for putting them in. So Naval Architects are not being singled out. It is not only the lights and beacons and Nav. A's, but it is the repair of public wharves. We are out of that business and so many gentlemen here tonight, are working in an industry that rely upon those public wharves. I see two (2) big operators here of charter vessel businesses. Now the wharves that they call in at, will be repaired just as well, if not better by the private sector than they were at Waterways. The other businesses we sold were signs (the manufacture and installation of signs around the Waterways). We also got out of plant hire.

Who will manage the accreditation? Waterways will manage the accreditation process, and we will employ a Naval Architect to ensure that it is done correctly and that an expert is monitoring the Naval Architects.

Similarly, Who will update the rules? I mean, look at the A.M.A., look at the management of them. You have a practitioner to understand the rules. We will have a professional practitioner to update the rules and monitor the accreditation. Can lessons be learned from the aircraft industry? I am certain that they can and we are here to listen. We have no preconceived idea of where to go. We have a model, but we are asking you to give us advice on how to do it, if it is appropriate, what are the checks and balances, what are the standards, and are you happy with a system, whereby you are accredited, you sign off and it is *your* risk if it goes wrong? Not us, because *that* is true accountability and responsibility.

What will be the impact on costs? Well, I am confident that there will not be any increase. But that is up to the private sector. The private sector do an excellent job at the moment for government on ferries. I cannot see why the private sector cannot do an excellent job for private sector operators and investors. So, we welcome your advice. We are not here to discuss or debate our policy. But just as we have been responsive to our customers, we are responsive to you on how we would go about it and on what terms and conditions. So, thank you very much.

I would ask John Howard and Susie Cleary, "Is there is anything that you would like to add, if I have not answered in broad terms the questions that were without notice tonight". If that is not the case, would you like to ask me any questions from the floor?" So first of all John and Susie, is there anything that you would like to add?

Mrs Susie Cleary, M.S.B. Waterways Authority:

No, there is only one thing that I think needs clarification for the last speaker Michael, and that is, that it seems to me, that what was being suggested, is that there would still be a checking process for the accreditation of Naval Architects. Now once _____ is done, for the accredited Naval Architect, there will not be that checking process. There will not be talk about the twelve (12) weeks which it would save. In plan approval you *would* save it because you would be going through a checking process. So I thought there was some misunderstanding with the concept that we were running with. On costs, I have to say that, yes, the customers *are* getting a pretty reasonable rate when they come to the M.S.B. Waterways Authority to have their plans checked at the moment through the checking system in place. But I would have to tell you that the Waterways Authority cannot continue to cross-subsidise this activity and that is why it is very cheap in comparison to the private sector.

Chairman:

What I would like to do now is just to open up the whole thing for discussion. But Mr Alan Payne is here with us tonight and he has to leave early, so I promised that I would allow him to speak first. Alan would you like to say a few words?

Mr Alan Payne, Consulting Naval Architect:

I have been doing work as a contract Naval Architect, at Waterways, so what I am going to say is based on my knowledge of Waterways procedures. But I trust there is no improper use of my knowledge and indeed, for what my small support is worth, I would support a

move to free the general New South Wales tax payer of the cost of many of the Waterways services to commercial vessels. So, I just wanted to say something based on my peculiar background, having worked in detail on these things and being more of a backyard Naval Architect than some of the better placed people here.

I think there are one (1) or two (2) pretty simple facts that can be dealt with. First of all, I think it is fair to say that the small commercial vessel industry is a tight money industry. Also, I think it is fair to say that there is no strong feeling in the industry that there is much of a safety problem. So, the amount of money that people look forward to paying for stability work and so forth, is small, by comparison, with other charges for professional services. I think I could say that people who are used to big scale Naval Architecture, would not believe the minimal nature of the submissions that come into Waterways, in respect of stability. Now, I do not think anyone should be blamed for that. I think it is just part of taking the world as we find it. It has been possible over some time, for Waterways to adjust themselves, you might say, to these minimal submissions. It has been established that Waterways do a considerable amount of work in bringing these submissions up to scratch. At least to make sure that they have covered the important matters. It is a fact that in the past, Waterways have uncovered misunderstandings errors and so forth. Now part of the cause of that could well be, that the consultants are working in a very tight money climate. I *do* believe that if that were changed, the whole process would become much more reliable. I am really heading towards saying something about that.

Now, when we go into the field of privatisation, as it is forecast, I imagine that if consultants take on the work, (of course, the conditions will be pretty onerous-I will come back to that in a moment), that work will go to the people who offer the lowest prices. I do not know if it will work out that the level of price and the level of work will still be pretty low. Frankly, I think it will be, and that is one of things that I see as the greatest danger of privatisation.

Obviously, Naval Architects should not shy away from doing a job and signing it off and saying, "That is right." But, they are dealing with a subject, Ship Stability, which is complicated. They are probably working on the basis of what they read in the U.S.L. Code and it needs a certain amount of interpretation. There are problems there that could be overcome. It is not a simple matter. History proves that it is risky.

So, jumping ahead, what I have done here, (and I have no intention of burdening it with you) , but for my own instruction, I worked out a possible means of helping the self-certification process, by specifying *exactly* the way it should be done. And hoping that it could be compelled on all the consultants who are doing this work, so that the price competition would not lead to insufficiently done work. I was designing it along the style of the income tax form, in a sort of 'join-up-the-dots' process. I went through that exercise of which I have got records here and I came up against the final *key* point and that is this: That the changes, the way I would do it, would lead to quite a lot of additional expense for the vessel operators. At the moment, the work that is done is of a certain standard. It is polished, as you might say, by Waterways people and I think that you would be surprised at the time which is swallowed there. I am sure that Waterways does not send bills to cover the time it has spent on some of these things and there are difficult questions. It is difficult to find the source of information. It is just a time-consuming operation which I think Waterways could be proud of it. Historically, they have done wonders in assisting

the industry and assisting the consultants to get the right answer. But who has paid for it? The general tax payer of New South Wales, and that seems to be wrong. So that anything that I would propose here, really means substantially putting up the cost of checking out stability. I do not see that we can expect vessel operators to be keen on this at all. I feel it does come, as Mr Chapman said, to government policy. If the government felt for what reasons, perhaps we Naval Architects could put to the government, that they should maintain a checking and regulating system, then government can, as it were, force these things on the commercial vessel operators.

I was able to work out a scheme where the whole thing allows, by doing these join-up-the-dots work and by submitting with every submission, a fixed kind of drawing, the process of checking and so on, would be rapid. Better still, lots of submission would be glanced at and self-certification accepted, because it was clearly a submission, properly done, on a relatively simple type of stability question. There are miles and miles of those which could be self-certified. But as I say, I do not see the point of taking you through it all in detail, if it all depends on government policy. What I do *fear* is that we will have to go for quite some long time, before we find a fault in what we are doing. Whereas if we adopted a 'safety right from the start' attitude, right now, we could go on with the same assurance that we have at the present time. I think I have said enough.

Chairman:

Well, I open the meeting for discussion once again ladies and gentlemen. I would remind the discussers to give their name and their association with the industry so we can go on record. Thank you very much. Mr Noel Riley...

Noel Riley, Consulting Naval Architect:

In reply to Miss Cleary's comment, the inference I was making was, that it is not uncommon for owner builder's to come with there designs, or builders themselves that are in the manufacturing industry, to come with there designs and ask for them to be checked out. Now, they have already paid someone for the design, and there is then the checking function to be carried out by the certified Naval Architect (which would have normally been done by the M.S.B.) The point that gives me a fair bit of concern is this split responsibility. I understand, and I could be proven wrong on this, that it is the intent of M.S.B. at present, to retain the plan approval function for the Marine Engineering systems in the design. That has changed has it? It either is or it is not! I stand corrected.

Mr Warwick Hood, Consulting Naval Architect:

My name is Warwick Hood and I am another one of his ilk. Fortunately, I am probably in the position these days, where I do not need to rely on becoming a certified Naval Architect. But I have been doing a bit of research into old legislation and I just want to quote a few things which tend to suggest to me, that there has been an idea of government intervention in the safety of ships, for a long, long time. I would like to read you a little bit from the '*Black Book of the Admiralty*', Volume Four (4), headed '*Preamble of the Whisby Town Law*'. This dates back to A.D. 1219. I have here part of the Whisby town law, Chapter Nine (9); 'Should persons wish to hire a ship, they shall announce it to two (2) senators, who are chosen for that purpose by the Senate, and who shall agree with the

shipmaster and settle with him how high his loading shall rise. So that each person may stow his goods within the load line". So the idea of the load line goes back to 1219 at the latest. You see there, there is this idea that the intervention by the Senate into how you shall load and operate your ship.

I would like to quote a little bit more from Samuel Plimsoll, M.P. A tract that he wrote in 1873 and titled "Our Seaman and Appeal". Now, you will know that Samuel Plimsoll was passionate about the deaths that were occurring to mariners because of overloading, unsurveyed ships, over-insured ships and so on. On page forty-two (42) in this tract, he says, "Clearly then, we can no more look to ship owners to remedy these evils, than we can to the seamen, nor to the underwriters, and are therefore as clearly driven to this conclusion: that it is the duty of society generally, to interfere through the State, to extend to seaman, the same degree of care, as is bestowed on so many classes of our fellow subjects. I say society instead of government, because no government can well move in this matter until public opinion requires it".

Now, Plimsoll goes on to say that, "Now I should never recommend the Government to do *gratis* for the careless and reckless shipowner, that for which the prudent and careful shipowner pays. He ought to be charged of course, fees not less than the amount of those charged by Lloyd's". In those days, Lloyd's was the Gun Classification Society. "But," he goes on to say, "you would want an army of surveyors is an objection raised. I again deny that even if this was so, it would absolve us from our plain duty. But how stands the case really? If there work was self-supporting, it matters not how many would be wanted. Further than this, it might be feared whether sufficient surveyors could be found at short notice". Now, I think you might gather from what I am saying, that I am passionately in favour that some version of the existing arrangements remain. I cannot understand how the Government would want to opt out of its responsibility to ensure the safety of ships. I travel frequently on the railway from Blackheath, where I live, and I am wondering how long will it be before the Government will want to give up the idea of the safe working of the railways?!! And so it goes on...

Because there is a different interpretation of the U.S.L. Code in the various states, that is not an argument for throwing out the plan approval and survey function in New South Wales. If you *do* get rid of the existing plan approval and survey function, who is going to be interactive with the Naval Architecture and boat building and small ship building industry, to ensure that the people who *are* responsible for the updating of the U.S.L. Code, are interactive with the industry and who *know* what the industry standards are?

I have heard about this problem for many years now and I think this is probably money driven. I remember that I wrote a short paper for a Director of the Waterways Authority about six (6) or seven (7) years ago, where my recollection is, that the amount collected by the organisation in the way of plan approval and survey fees, was less than a hundred thousand dollars (\$100,000.00) and it was costing *more* than a million dollars (\$1,000,000.00) to operate the function, because the fees were simply ridiculously low. I recollect that at about that time, I designed a twenty-five (25) metre long ship where the fees from the classification society for the plan approval and survey of the hull, was some fifteen thousand dollars (\$15,000.00) and I think that the Waterways Authority was paid its normal, then, fee of fifteen dollars (\$15.00). And you cannot expect the people who are active in this business of plan approval and survey, to do their job efficiently when *they*

understand that the fees are so ridiculously low. And so, all I can say is that I see no alternative to a much smarter version of the existing process.

Chairman:

Thank you Mr Hood.

Mr Andrew Tait, Consulting Naval Architect:

My name is Andrew Tait. I worked for many years, doing this very same job of plan approval at the M.S.B., as a consultant. Now, I think it is quite ridiculous of you, Mr Chapman, to suggest that lights, wharves and signs are equivalent to Naval Architecture. Naval Architecture is a profession. You would not say to a lawyer or a barrister that he is equivalent to lights. We will do away with barristers because we do not need them any more, they cost too much! The Government is paying out a lot of money for barristers. I *do* see a point that we should try and do things cost effectively. The public should not have to pay excessively, but the public *has* to pay for safety. Safety is something which you just cannot get for nothing! And the person who pays his one dollar (\$1.00) or two dollars (\$2.00) on a ferry expects safety. He expects the ferry people to have done the right thing, expects the M.S.B. to have done the right thing, the Government to have done the right thing, for that two dollars (\$2.00) or whatever it may be. You just cannot abrogate the Government responsibility for Naval Architecture problems. It is just not on!

I mean, supposing you say, "Right, we appoint you, Andy Tait to be the person which signs for plans which and so on". And Andy Tait dies. Who then takes responsibility. You know, the Government really or the M.S.B. Waterways Authority. I mean, you cannot abrogate responsibility. Look what happened to that vessel that sank going into Continental Harbour; the actual Managing Director of the owners was held to be responsible. Yet, he had never probably done any Naval Architecture. He had never shut doors on a ship, or anything. You know, I think the thinking is wrong of the Government to consider that they abrogate their responsibility. That is the real crux of this matter. They should be putting *more* Naval Architects on, not less, in my opinion. Now I do not really do any more of this work, so I am not pushing my own 'barrow'. I am retired, so I really feel, having been there and seen the terrible drawings that have come in; (I mean one chap sent a little copy...). You know, it is absolutely ridiculous! We had to interpret these and produce an answer which was acceptable within the U.S.L. Code. I mean the Government must not give up its responsibility. It certainly can use people. I think that classification societies could probably do some of this work, but I think small people such as myself, how on earth could we afford even the professional indemnity policies that we would have to charge into our fees for this thing? You just could not do it! I think something like twenty or thirty thousand dollars (\$20,000.00 or \$30,000.00) a year would be required for professional indemnity policies. Probably that is too low.

The second thing is, when you have a team of Naval Architects there at the M.S.B., these chaps have a continuity and they see *all* kinds of plans. The one person sending in his one little drawing, is just a one-off situation and he may well be able to certify it, but he does not really see the other side of the picture. He does not have the broad view. I could go on all night, but frankly, to equate us to wharf builders and people who switch lights on and off and so forth is not on. Thank you.

Chairman:

Yes Michael. Would you like to respond to that?

Mr Tait, ladies and gentlemen, thank you.

Mr Michael Chapman, M.S.B. Waterways Authority:

I was not denigrating the profession at all, but simply saying, "in our customers view, safety is an issue". Whether its public wharves, the vessels that pull in there, or the lights that guide them in the dark. They are *all* safety issues. So I am not denigrating anyone. I am looking at it from the customers perspective.

Mr Tait, you talked about abrogation of responsibilities. Now, I am not here to debate it. I am here to listen and to take notes from the professionals. But if we *are* abrogating our responsibilities, then we have already done it in the case of the S.T.A. ferries that ply the harbours and the waterways, because it is not the Government that signs off, it is not the Government Authority Waterways Naval Architect's that sign off on those plans, or on the stability. It is the classification societies. Now that is privatisation already.

Mr Hood, Warwick, as I know you personally. You talked about a smarter version of the existing process. What I would say is, let us look at the processes, and instead of having two (2), which is as we have it at the moment, the person who draws it and then secondly, the person who checks it, why cannot we have one (1). That is the question, not a smarter process, but one (1) instead of two (2), with accountability and risk. And if a Naval Architect has doubts about their expertise on a particular matter, because it is their name at the bottom of the page, and their risk, then they can go to a learned colleague or to an organisation for advice and take it, before they sign it off. That is putting the risk where it belongs. Thank you.

Chairman:

Thank you Michael. Murray Makin, did you want to say a few words?

Murray Makin, Garden Island Dockyard:

I have sort of had a little bit of dealing with the M.S.B. and appreciate their problem about the poor quality of plan approval and delivery. We did a decent set of drawings, decent submission on our stability, that we should not have to have a great delay in its approval. That is a very logical point in the business I work in with the Navy. Getting information in a decent format (more than a decent format - understandable, complete and correct), is time-consuming. However, once it is in that format, it is fairly cheap to approve and understand. Now the onus is then on the original designer, to put in the effort and the cost of doing the design. However, a few of the experiences that I have had with small vessels both in Garden Island and in the other areas, I am quite worried about the amount of time that somebody has available for a design.

I got involved as a Garden Island representative on a flood rescue boat. Now the vessel was swamped at a calm wharf, then it capsized. Now the budding designer stared down

threw down a life-jacket and said we have nothing to worry about and it rolled over. No-one drowned, but it was an experience. Now if that vessel had the plan approved, if it had been checked before it had been presented to the State Emergency Services as a flood rescue vessel. This is a small boat you could probably go and hire off the street tomorrow. If it had decent flotation in the side decks instead of all in the bottom of it, it would not have capsized or nearly capsized. It just had to be lashed to the wharf so it would not roll over.

Now, when you say the responsibility goes on to the owner, we have had a scare with a caisson. About fifty (50) years experience with our caissons at Garden Island Dockyard and we had a chain locker valve jammed and she came up and she lolled over. It scared the hell out of a lot of people. She was not going to capsize. We knew that. It had a good stability built into it. We knew all that. When she lifts over fifteen degrees (15°) there are a lot of people who get awfully scared, awfully quick, especially those twelve (12) people standing on top of it.

Now, my experience and so forth, when you say that the designer will take on responsibility. Well, here is my point: When we were looking at putting in some design submissions to the M.S.B., we thought we would check the commercially available stability program we had available to us. We have got two (2) hand-written pages of mistakes found in that program. Things that we are really quite worried about. We will not use that program until we get a satisfactory answer! Now if the designer is approving it and checking it himself, what would he do? He would not know! He did not have the time to check it. He did not have three (3) Naval Architects available to check the stability calculations!

It comes back to time and responsibility and a streamlined process. There is a cost in preparing a design. For us it would have been three thousand dollars (\$3,000.00) amongst these vessels and that is at our rate, which I believe, still is, below your eighty dollars (\$80.00) an hour.

Now the ideas that a lot of people have put up about simplifying the process, that does come down to experience and to training and to competence. The most important thing is who checks it? One mistake, and who dies? That flood rescue boat could have killed somebody. I have no hesitation in saying it will kill someone. It is not accepted, it will not be used. But who says that little ferry that goes out there tomorrow, if it has a leaky valve. It does not happen, does it? One leaky valve one compartment stability, she rolls over! I have had a look at a couple of other boats. I will not say who bought them, or why they bought them, but those vessels should never have been bought! They should never have been built. They should never be allowed on the ocean. They are out there. I hope I never see anyone get on one of those vessels, because it will kill them. Thank you.

Chairman:

Thank you Murray.

Mr Steve Mitchell, J.R.S. and Associates:

Steve Mitchell is my name. I am the director of a small consulting firm here in Sydney: J.R.S. Owe and Associates. We are responsible for probably, I would say around fifty percent (50%) of the work that gets submitted to the M.S.B. I think we have a case here, where we have got two (2) types of vessels. The M.S.B. are dealing with small vessels only, not big ships, but small vessels only - small passenger, small commercial vessels. The two types of vessels that come across their books are new vessels and existing vessels, going into survey. I would imagine that the majority of the work that is involved with the M.S.B., as I experience it, is putting existing vessels into survey.

In February, I had the opportunity for about a-month-and-a-half of travelling overseas and in conjunction with other business, looking at what other countries are doing regarding their survey requirements; their regulations, the time involved in carrying out those regulatory functions and also talking to other consultants that are in a similar part of the industry as myself.

We have a very good system in Australia. In fact, most people that I spoke to thought that our Code was excellent, although a lot of it was stolen or derived from their own country. They felt that some of our functions were a bit onerous, but were very impressed with the total system. And I myself would not like to see the system change.

The main problems that the industries have with the M.S.B.'s regulatory functions, is the time and the lack of coordination between states. That has already been mentioned tonight on a couple of occasions. We have got a system in place, that seems to have just occurred in the last few months, in the Interim Certificate System, that basically gets rid of delays in certification. Providing that documentation is in order, providing people are willing to sign off the various parts of their functions - the engineers, shipwright surveyors and the naval architects - a ticket is issued, based on minimum numbers or smaller numbers than possibly the full numbers. So we have a system in place that basically reduces the time straight away. Later on the full checking is completed. That has not been available up till now and I think it is a good system, providing everyone is happy to sign things off. I think it works well. It has certainly sped up a lot of people's ability to be able to enter into the industry and make some money.

I am a bit disappointed that we do not have any representatives from the builders here. There are no builders as I can see. "Are there any builders?" You know, one of the first of the end users. There are not any left, yes, that is right!

I also would like to commend Alan in his pro-former situation. I think that would be an excellent idea if we could, amongst the industry, come up with some sort of a pro-former basis to make our submissions, then it could almost be like the taxation department have developed now. They have an interim system, an electronic submission. Could we be going into electronic mail with Morrie? Thank you.

Chairman:

Thank you very much Steven.

Mr Brian Govindasamy, Det Norske Veritas:

My name is Govindasamy. I am from Det Norske Veritas. As you know, we are a classification society. The subject that was mooted just now about the S.T.A. ferries and how it was approved by a classification society. We must admit that the S.T.A. ferries are extremely good designs. They are a success. We are very happy to be involved in that project. But the fact of the matter is that classification approval is there. He is not only a professional Naval Architect, he is also a professional plan approval surveyor. We have got, within the organisation, a very comprehensive qualifications scheme for approval engineers. They have to go through two (2) to three (3) years of training. They have to undergo mandatory courses and for every aspect of approval they have to have done them properly and been trained by a tutor. They get what we call a record of competence for specific areas of approval. For an approval engineer to have carried out approval on the S.T.A. ferries, we would take total responsibility for that whole approval. The fact of the matter is, he is a qualified approval engineer who could do those approvals. He has got the backing of the whole organisation D.N.V., in terms of professional indemnity. I do concur very much with Andy just now for what he said. You cannot put, at least in my opinion, that sort of responsibility on an independent Naval Architect or consultant. Thank you.

Chairman:

Thank you very much.

Mr Greg Smith, Charter Vessels Association:

Good evening ladies and gentlemen. My name is Greg Smith, from the Charter Vessel Association. Folks, the principal issue, the cutting one that sits with us, is not comfortable in this meeting. When a new vessel is being constructed you just get a big handful of money and you are paying interest on it straight away. Whilst I am sure you will find me traditionally alive in basic matters that have become controversial lately, this problem of having this three million dollars (\$3,000,000.00) in your hand, and the boat has to get built real quick, and the passengers have got to get booked on it. That is the one that currently breaks inside the network that exists. We have a problem to approach in that regard. It does require a fix so that it is not like some of the political footballs that are going around at the moment. There is a problem with this that has to be fixed. I could not perhaps be moving up the right alley, but I very definitely do not agree that the ultimate responsibility can be taken away from the government. "The ultimate signature", as Mr Plimsoll said, "That is mine", and we quote. "It is for the Government to say what is safe and what is not safe."

If I stand on Circular Quay and I say to somebody, "Come on my boat. That my boat is in good nick, I have gone through it that morning, I have filled it up with prime stuff and it is safe". Now the owner of the boat, he is implying the same thing. The constructor of the boat is implying the same thing. The person who sold me paint and fuel is implying the same thing. All the way along, in Government, everyone is implying that if businesses are traded with prudence, then everything is safe for you to come on board and nobody has been negligent.

The Boeing aircraft company when they make an aircraft, the people who make our trains, the people who make drugs; fifteen (15) or twenty (20) years after their work, and their

prudent sale and their product has gone out to the end user, they are still responsible for it. We have seen chemical companies in India and in different places. You are responsible for it. You are in business, you are a service. You are prudent in regard to the product. You are responsible for it. That is where we have come to these days folks. You cannot hide behind the technical attitude of, "You are a consultant, or that is not your part, or this is not our part." Responsibility is a clear line these days. What is being considered here is somewhere between accreditation and the line of suit. That is what it is really all about. We will go on about the accreditation but the pecking order is the line of suit.

I had prepared some notes here folks. I do not particularly want to play the personality, but I think this is an honest problem, being addressed fairly honestly. From the boat operators' point of view, I come back to my opening point. You have got this three 'mill' (\$3,000,000.00), you are paying interest on it, and you want to put some passengers on board the boat. The express lane thing solved the problem for a little while, but now this express lane is where the normal heap was two (2) years ago and the normal heap is four (4) years behind. Now Steve and his partial survey thing: that is going to catch up. Eventually that one will fill up and then we will have three (3) stacks of plans waiting for approval. I think this is where you will have to yield a little distance folks and I have not heard of anything better.

I had valid sprouts of something interesting there and we are all heading that way. You flick on the computer and up comes all the blank spaces, and away you go with your stability calculation. I am sure the architects use something similar these days, but we are heading more and more that way. No one wishes to intrude on your profession, but we have a problem. As they say, it is not a political football; this is a problem that we have got to find an answer for. We have a lot of growth in this area coming up, with the Olympics and the tourism predictions we have in Australia.

We still recognise the problem of scrupulous and unscrupulous operators. I can assure you that we are very scrupulous operators but there are the odd sods who - the 'SUNCHASER' incident recently in Darling Harbour and others. If we adopt the American system where we can settle it all in a law suit in five (5) years time, the slack operator can come in, get whatever is required. I know with slack operators in your industry they might approve a hundred boats a year at a very cheap price and then sell up and move out of the country with all the money and may not be around to face the music. We have the same thing. Corporations and shelf companies can set up a boat, trade illegally, illegal gaming or whatever it is and can sink their boats, run over the top of people and climb up on wharves, have unlicensed people in charge of the vessels and that sort of thing. They bring great discredit on us. We have all got that problem, but we have enormous growth towards the Olympics and even without the Olympics, our tourism prediction is fantastic. So we will get back to the energetic growth that we did have three (3) or four (4), or five (5) or six (6), or seven (7) or eight (8) years ago. So this *has* got to be fixed, because there is no encouragement to get on with it otherwise.

I know with my fellows a lot of words did not get said tonight, because this has assumed a more conservative vein than we originally thought it was going to. But I have seen my fellows go through enormous hardship with this new boat thing. We have got one major vessel working on Sydney Harbour, to the best of my knowledge, that was in some stage of completion before the plans got stamped.

I have boats that came down from Brisbane and were tied up shining, painted, big, fuel, everything you need to make money, and the plans still were not stamped. You cannot expect us to take risks like that into the marketplace. We have to sign up for the three million bucks (\$3,000,000.00), we have our house on the line. If something goes wrong; let us say, we get that boat so built that its plans are not still approved, someone is arguing about a flooding concept on it somewhere or other. We have got that kind of wait and then they say, "No the bulkhead should definitely be three (3) inches that way". You have got all that borrowed money, three million bucks (\$3,000,000.00) out in front. Not only have you got to fix it, but you have to take the boat out of service, which costs twice as much. We cannot live, and we certainly cannot expand in the future with the lame duck that develops out of this and it is no disrespect to you blokes; you just have to do something that we can work with. I thank you very much.

Chairman:

Thank you Greg. The gentlemen here...

Mr Stuart Ridland, Lloyd's Register of Shipping:

Stuart Ridland from Lloyd's Register. I would just like to state our policy with plan approval, on vessels which will not be built to class. Generally, we do not do this. On special cases, we may pass an opinion, but it has been a policy, basically, not to do plan approval without classification. So I thought I had better make that point.

We have a similar training program to D.N.V. I think this should be highlighted as well. Where can you get expertise with... There is a lot of training. I can only go on what the classification do as far as training, but this is fairly big-tail. Our plan approval offices abroad, are audited every year so we have a team come out from U.K. and they come and do our plan approval. They do an audit, like a check. So I just feel this should be looked at very closely, this auditing, or the assessment of your consultants.

I believe that you have had a very good track record of stability; that you look around other areas, and I can see the reef link up in Queensland had a major fire. Generally, there has been a few casualties in the fast ferry passenger ships, so this should be discontinued and should be looked at in the light that this *does* occur. I think putting the responsibility on the man that signs it is too big. We do it every day, but you have got the backing, we have had major technical backing, upgrading and research. I think we are spending over three million pounds sterling (£3,000,000.00) on research. Sure, this is available, but to have a consultant here who is going to sign out; it has got to be closely looked at. I think that is all I have got to say thank you.

Chairman:

Thank you very much Stuart.
Further discussion gentlemen...

Mr Alan Payne, Consulting Naval Architect:

I thought that I was headed off by the matter of government policy. That Government policy would not let you take an interest in. They wanted you to get rid of the responsibility of administering all sorts of things, hand over lock, stock and barrel to private industry. I have got that wrong. But in any case, now, I feel there is a very strong case for asking Waterways to specify the format in which work is done.

My scheme, which I still will not inflict on you, went in two (2) stages; that the owner or his consultant or agent made an application to Waterways. Waterways said, "Your application requires dealing with this, that, or the other section, of the U.S.L. Code. We will send you pieces of paper, you fill in all the gaps, and you will be dealing with this properly. At the same time, you have damn well got to send back for us decent drawings all fitting into a definite format so the information is all there". Now that stuff can be glanced over quickly, thus helping the time situation. In many cases, what has been sent out will be an essentially simple stability inquiry, so when it comes back, with all the slots filled in the form, Waterways do not look at it. They say, "The guy has done it." Then he can request self-certification, in which case the owner does not pay as much money. Or, if he is doubtful, or if Waterways rejects what he has done, then he is up for an additional fee for approval by Waterways.. But I do believe Waterways could recover all that cost. I believe that consultants would find it pleasing to work within a sign format. Where I *do* see the trouble is, that the bills that both operators are going to get, are going to be a good deal bigger than they are now. That is my story. I would love to go on further about the details...

Oh, I will say one more thing about the details of the format: The whole thing is meant to be fed into a computer. So first of all, it will be printed forms, but eventually consultants will have in their computers the various formats, so it should be pretty quick for them to get it out and it should be easy for Waterways to check. That is it.

Chairman:

Thank you Alan.

Mr Andrew Tait, Consulting Naval Architect:

Just one thing I did say some time ago; I made the suggestion to Waterways, that the computer program that they use for their stability checks, could be given to the consultants, so that the actual submissions would be absolutely comparable with what the Waterways check would be itself. And that would speed up the process of approval of the stability.

Mr Tim Lloyd, Matilda Cruises:

My name is Tim Lloyd. I am the Managing Director of Matilda Cruises. I want to make a number of points to think about.

The first one is, I have eleven (11) boats on Sydney Harbour. They are all in survey. Not one of those vessels was built in New South Wales. Not one of them. Now why? Is it because of the onerous requirements that the M.S.B. put us through? Is it because there

are not any good boat builders here? Why are not the boat builders in New South Wales? That is one point I am making.

The second point I am making, is we went some years ago to the M.S.B. and said "For god's sake put up the fees, get rid of the doctors and the dentists that want to have their yachts put into survey. Give us professional blokes a go. And they have put up the fees, and we are quite happy as professionals to pay more. We went to them and it was recorded in the minutes, Greg Smith was there, _____ was there and we said, "Put the fees up, give us a go, us professional blokes. Look we have got to get our blokes into survey. Get rid of the small blokes who want to get their yachts into survey because they think it is a good investment. And the M.S.B. cannot really turn around and say, "No, you cannot have your yacht in survey." But for us professional blokes, it was really hard for us to get our boats into survey.

Thirdly, I am getting two (2) boats again, which were built in Queensland, operated in Queensland for something like five (5) years. They are now operating on Sydney Harbour, going through M.S.B. survey. Now, I have had a hell of a time to get those through survey. They have been checked by the blokes in Queensland, they have been approved in Queensland, they are running here. Now all of a sudden, I have had to go through the whole thing again. Now this is absolutely wrong! As an operator, the boats have been on the Brisbane River for five (5) years. I bring them down here and I have got to go through hell to put them into survey. And they are the points I am making. Thank you.

Chairman:

Thanks very much Tim.

Anything else gentlemen?

Mr Phil Helmore, University of New South Wales...

Mr Phil Helmore, University of New South Wales:

Thanks Noel. Thank you Mr Chairman. I was concerned earlier this evening, when I heard Michael stand up and say that he has no preconceived idea of which way to go. I was concerned, because it reminds me of the title of a book. The title of the book is, "*If You Don't Know Where You're Going, You'll Probably End Up Somewhere Else*", and I think that may well apply here. I think that there are a lot of issues that should be discussed, and a lot of them that probably cannot be discussed, until we hear what the M.S.B. proposals in detail are. But I must also confess with being disappointed. I thought that with the M.S.B. representatives along tonight, we would have heard some more details of what their eventual proposals are. But that has not been the case. Michael very clearly said that he came along prepared to listen. Well, just to flesh out some of the ideas, I have a couple of points that I would like to ask Michael questions on.

History has always shown that the public gives the Government a mandate to intervene in Commerce in the interests of public safety. Now Noel has already eluded to the 'RODNEY' on Sydney Harbour, and Warwick made eloquent mention of 'Samuel Plimsoll'. More recently, you may care to cast your mind back to the 'NGLUKA', who,

although not a commercial vessel, has certainly had repercussions on the recreational boating industry. And, looking further afield, you have just got to recall the 'MARCHIONESS' in the U.K. So, my first question to Michael is, "What steps is the M.S.B. taking to fulfil the public's expectation, that the Government that they elect and fund, will play an active role in maintaining public safety?"

My second point is this: That there are those of us old enough, (myself and Noel and some others), to remember the state system of vessel certification as it existed prior to the U.S.L. Code, and the nightmare that it was then for interstate transfer of vessels. Tim Lloyd has already eluded to the problem that still exists, even with interpretations of the U.S.L. Code. So my second question is this, "What steps is the M.S.B. taking to ensure national uniformity of certification of vessels?" "What steps is it taking to ensure national uniformity of the standard to which vessels are accredited, eg: The U.S.L. Code?" and "What steps are they taking to ensure national uniformity of accreditation of consultants?" Thank you.

Chairman:

Michael, would you like to respond to that?

Mr Michael Chapman, M.S.B. Waterways Authority:

Yes.

Chairman:

Thank you.

Mr Michael Chapman, M.S.B. Waterways Authority:

I take those on the fact that I am without notice. The second one is the detailed question of uniformity, throughout the states and I do not think, as a manager, it would be appropriate for me to talk to that tonight, but I am sure we can do that directly,, to your professional organisation, in writing. And I am happy to.

The first question relates to steps to fulfil public expectation about public safety. Now, we are not about, in this policy, reducing the Code, compliance with it. We are not breaking down the standards. But it is about putting accountability in a different position, with safeguards and it is about having one (1) process in two (2), where the person who draws the plans has complied with all of the conditions that we have evolved after taking advice. And that is why we are here tonight.

I believe I was misquoted when I was alleged to have said, I did not know where we were going. I said I did not have any preconceived ideas upon the conditions, but as a policy, we are asked to recommend to government.

Now, the U.S.L. Code will not be written down, reduced; but it is about professional designers. If they have any doubt about signing off the certificate, then they will go to a peer, or an expert, or another organisation, for advice. Like any other professional when

they take responsibility. Now I happen to be a lawyer. I happen to have profession indemnity insurance, if I wish to practice. So, it is the same for a doctor or any other professional. If I am exposing myself and my assets in giving advice. It is the same thing. If you wish to be in the business of designing and certifying at the same time, you have to be accredited and there are a whole lot of conditions that we are seeking your advice on for compliance.

Now, it may well be that a lot of designers wish only to design and pass the plan approval process and the vessel stability process to a colleague. It is not to say they cannot design. So, we are not reducing the standards. It is just putting the accountability elsewhere and managing the total process, managing the conditions, and finally, the audit. And it may well be, having regard to conflict of interests, that it were, for example, a classification society that did the audit. I mean these are things that we would ask comment upon. Does that answer the question about public safety?

Mr David Cox, Consulting Naval Architect:

I am David Cox. I am a Naval Architect. I am with the Department of Defence. I have a serious question in all of this. A Naval Architect is quite happy to sign for what he has done, and quite happy to put that beautiful vessel into survey under M.S.B., but what happens six (6) months down the track, when the owner says "Oh, I don't like this and I don't like that. I want to make all these modifications." The M.S.B. guy comes along, does his changes to his inspections, but the Naval Architect is left out of it. Six (6) months later, the vessel sinks. Who is responsible? This will happen.

Mr Michael Chapman, M.S.B. Waterways Authority:

Could I ask John Howard, our Commercial Vessels Survey Manager for the whole function, to answer that? Because the picture that was illustrated is not, I believe, correct. John...

Mr John Howard, M.S.B. Waterways Authority:

Mr Chairman, it was not intended, at any stage, that other people would be able to authorise the alteration to a vessel that was already in service. If you, as a consulting or accredited Naval Architect, had signed the vessel off, and myself, as an owner, wished to make modifications, I would have to go back to you. The Board surveyors would not be involved in modifications. So the responsibility would rest where it always rests, with the signer of the documents.

Mr David Cox, Consulting Naval Architect:

So you would say that the owner would have to go back to the original designer?

Mr John Howard, M.S.B. Waterways Authority:

That is correct. Well clearly, to an accredited designer.

Chairman:

Murray...

Mr Murray Makin, Garden Island Dockyard:

Murray Makin, Garden Island Dockyard. That brings up an interesting point. First of all, the next designer along because the other one is not there, he does not know any of the assumptions that the other guy made unless he detailed them, unless he recorded them, unless he wrote them down everywhere. He does not know what the guy based his design on. He has no idea.

Secondly, I appreciate what the owners are saying about the rapidity of passing a design through for the stability. I rang up the M.S.B. when we were looking at doing a small vessel. I talked to some of their designers. I said, "What do I need to do?" "How do I need to do it?" As a matter of fact, the onus was on me to provide the quality of documentation and drawings. The sooner I got them together, the more I could deliver a more complete _____. Now if I _____ for three million dollars (\$3,000,000.00) I had a sketch fleshed out, I had the basic idea, at least I might even have a similar vessel. If I have got a similar vessel my problem is a lot less to get it through survey I would imagine than it is to have a different vessel. I was talking to someone tonight that is thinking of having a vessel four (4) feet longer. Well that means that they have either got one compartment four feet longer, or a shift in bulkheads. So, if they are doing that then I do not see that their plan approval would be greatly different. Now, if their structure and the change of length was four (4) feet over about one hundred and twenty (120) feet, I do not think they have got a major problem getting it approved. I certainly do not see that there would be a huge variation if the general arrangement of the vessel is similar. And the structure and the stability and the subdivision. However, I do have serious concerns about the designer being cut out of the loop and then saying, "Oh well, the next guy along will pick it up and he knows exactly what you meant or what you thought. I just had that similar experience and to tell you quite frankly, I was as worried as hell, because I had no idea what the original designer had planned.

Chairman:

Thank you Murray.

Any more discussion gentlemen...

John Howard...

Mr John Howard, M.S.B. Waterways Authority:

Chairman, I am just going to answer the first part of that question, because it is very simple to answer. After the vessel's plans have been approved, and stability has been approved, it comes into service. The M.S.B Waterways Authority would still issue a permit to operate. And before it issued that permit, it would be in receipt of the approved plans and stability data, submitted by the accredited Naval Architect in the normal manner. So, if that man disappeared further down the track and there were alterations to be made the information would be with us anyway, the real information.

Mr Greg Smith, Charter Vessels Association Incorporated:

Greg Smith, from the Charter Vessels Association. John, I am just not following the last little bit of that. Okay, the accredited surveyor does his submission, (you move the bulkhead, or you put a dance floor on, or you put cargo on the ship), and then the vessels are out, that is forty (40) odd years of life, sort of thing. But that Architect is going to retire, or his company might fold, or he goes interstate, or he moves off to Queensland. The Board has, in its wisdom, decided to maintain files, keep game plans, and keep them all on hand. But then we have the claim. After the professional indemnity may all very well exist, a man has retired or he has gone onto the happy hunting ground, but there is the claim, there is the _____. Plans are called for. We suspect the design or something, to do with the vessel. There is no more insurance policy any more. The public is exposed.

Chairman:

Michael, thank you.

Mr Michael Chapman, M.S.B. Waterways Authority:

Thanks Chairman. The situation is no different, to that of a professional engineer in the Local Government area, no different to a lawyer, no different from a surveyor. If, for example, I happen to be a property surveyor, and I sign off a certificate, identifying a parcel of land, saying it has these boundaries, and twenty (20) years later it is wrong, then I have to, for a number of years, keep up my professional indemnity insurance, and the governing body that sets the standards, stands by it. And there is a pool above it. It is the same with any professional organisation, that requires, as a condition of accreditation, that you have professional indemnity insurance. Because the person dies, or the organisation If buildings fall over in a slip area, it is the same thing, no different goes out of business, the risk does not die, it remains there. It is no different for professional surveyors, to geotechnic engineers, to engineering surveyors, or architects. No different.

Mr Murray Makin, Garden Island Dockyard:

Insurance policy does not save a life.

Mr Michael Chapman, M.S.B. Waterways Authority:

Well buildings fall over, in a slip area. Same thing, no different.

Mr Murray Makin, Garden Island Dockyard:

Murray Makin, Garden Island again. There is a huge difference. Buildings do not fall over very often. Buildings do not get exposed to once every forty (40) year storms, even on Sydney Harbour.

Mr John Howard, M.S.B. Waterways Authority:

They do in Hong Kong.

Mr Murray Makin, Garden Island Dockyard:

Yes, but I do not live in Hong Kong, I am not building in Hong Kong, I live up at Church Point. I have lived in a slip area where we had a geotechnical report, and I found a big crack in the side of my parents' house. This all proves the point. If that house were moving at twenty (20) knots with a forty (40) knot beam wind and it fell over, it would be a different story would not it? There is a basic difference between static structures and dynamic structures. There is a simple difference. The aeroplane moves in one medium and it is in air. Aeroplanes fall out of the sky occasionally. Cars move on one medium; the road. Car brakes, car tyres, car things fail. You have a standard for things. A standard, by the way, is no exemption. The Uniform Shipping Laws Code is a good start. It is not the be-all and end-all. It is not complete. I go to Lloyd's, D.N.V., Bureau Veritas, whoever, and I check my design against all of those. I am a little bit wiser. I am not guaranteed to be perfect, but I am a lot wiser. But what risk am I going to take? That is where my professional indemnity starts to come into it. Quite frankly, you can kill people. The big difference. It is so simple to kill people. No amount of insurance covers that.

Mr Michael Chapman, M.S.B. Waterways Authority:

Gentlemen, we came here to listen and to say, "What conditions, if we went done this track, would be appropriate and what is your advice?" Not to debate a proposition. But a couple of things need to be placed before you. Straight opposite Church Point on Murrumburrah Road in Newport, four (4) houses slipped, went down a hillside. *But*, there is an essential difference. I know they are not floating. They were on the claim. But those houses were not checked annually by a surveyor. That is the difference. We are not doing away in this proposal to periodic surveying. As a lay person, I understand that when you undertake periodic surveying of a vessel, which is floating and not fixed to the ground, part of the check is, by Waterways, has anything changed? Has anything occurred since the last survey, that is different? Now that does not happen with houses, from year to year.

We came here to say what conditions do you suggest, professional indemnity insurance, what level of risk, what level of qualification, what level of exposure? We are not saying that periodic survey will change at all. They say it goes to _____.

Chairman:

Thanks Mike. Noel Riley has asked to make a comment on that:

Mr Noel Riley, Consulting Naval Architect:

In response to Michael Chapman's question, "What can you do?" My strong suggestion would be, that perhaps you consult with the people who are at the coalface, who know the problems in dealing, day to day, with your department. As I said in my speech, it is inevitable, we might as well lay back and enjoy it. We might as well get together and get it all working. But up to the present, I have seen precious little on what you propose to do and how you propose to do it. And like Roosevelt, *'we have nothing to fear except fear itself'*. And if we do not know what is happening, we are fearful. So, I would suggest that the first thing is, you put something down on paper, how you see it is going to work, and

let us as the practitioners, tell you if it will work. Only by consultation together, are we going to get something, but if you hit us with something like you did in that draft statutory declaration, and say, "Look, this is what we are going to do", I would suggest that we had better get back and start right at the bottom. I do not want to spend three (3) months, or spend time on a course, learning how to fill out quarterly returns. We are a little bit too old for that.

Chairman:

Thank you Noel.

Mr Michael Chapman, M.S.B. Waterways Authority:

I am not aware of any statutory declaration, but I welcome the invitation to come back to R.I.N.A. with a model of the conditions and we will consult with other professional organisations, which we have done already, looking at other precedents, to come back to you. But, this is the second stage. The first stage was back in June/July, when we had a meeting. This is the second, and we will come back with a pro-former for your advice, and let us see how it goes. But the door is open. I mean, we are not locked into going down a particular path and saying, "This is it, without any conditions".

Mr Noel Riley, Consulting Naval Architect:

As one individual Michael, I would like to say; instead of it being an 'us and them situation' as it usually gets down to, this is an industry responsibility. Why do not we get together, those of us that are in it - the owners, the builders, the Naval Architects and the approving authority, to try to come up with something that works, then everyone knows what is going on. But let us not do it behind someone else's back.

Mr Michael Chapman, M.S.B. Waterways Authority:

No, certainly. But what we are saying is, we want customer representation from the three (3) components. We will have a working party, then let us come back. Then your representatives from R.I.N.A. can say to your general members, what the draft is, what they have as disagreements if any are, and what your recommendation is. I am happy to do that. Let us set up a working party and give you the first draft. I commit to that.

Mr Noel Riley, Consulting Naval Architect:

Could we put a time schedule to that? I think a lot of us are a bit concerned, as you are talking about going to Government very soon with legislation and the like. Do you in fact, still have time to do this?

Mr Michael Chapman, M.S.B. Waterways Authority:

Certainly. If there is something that we have not anticipated that needs more time, we will make time. The legislative program, in that respect, does not have a particular bus to catch. We will come back within, perhaps, two (2) to three (3) weeks.

Chairman:

Thank you.

Mrs Susie Cleary, M.S.B. Waterways Authority:

The change in legislation only allows us to go outside. It does not actually reflect all the conditions. I mean, the legislation may not come up till next year. But, in any event, it does not say we must or and it does not say how. So, even if it was passed tomorrow...

Chairman:

Thank you very much for that.

Mr Laurie Prandolini, Royal Institution of Naval Architects:

Laurie Prandolini. I would like to reinforce what some of the other speakers said about the Government having the responsibility for safety. One of my concerns is that in this accreditation; I have had seventeen (17) years experience with the Department of Shipping and Transport, and there were quite a few people that used a professional architect, when they were not really qualified. Some of them submitted atrocious plans. Now, I think that a hell of a lot of thought should be given to this accreditation scheme, because you want to stop those people that are not properly professionally qualified slipping in.

Chairman:

Thank you Laurie. Could I just have one last point from Alan.

Mr Alan Payne, Consulting Naval Architect:

I would just like to ask Mr Chapman one more question. "When it comes to self-certification, will the self-certifier just simply sign something or should he lodge with Waterways a fairly detailed not of what he has done. Even the whole of his workings, which particularly goes to my business about format.

Mr Michael Chapman, M.S.B. Waterways Authority:

Mr Payne, yes, that is something that would be on the agenda. We looked at standardised certification and what the words are, just as our counterparts in Queensland have said, "This is the attestation clause or whatever that has to be sighted". Let us come up with a shopping list of what are the important assumptions and workings that must be filed, with that certification when it is given to Waterways. And then that forms the tree for the future, as a working basis, for that vessel. If there are any questions, there is an accident, there is an investigation or there is any application for a modification of the vessel. So yes, I agree with that.

Mr Alan Payne, Consulting Naval Architect:

And that would help consultants do a proper job and send a proper bill?

Mr Michael Chapman, M.S.B. Waterways Authority:

That is right.

Mr Alan Payne, Consulting Naval Architect:

Going back to what Laurie said there, I believe that if you had a detailed format, it would almost be, in many situations, a Naval Architecture course in itself. You see what I mean. Because there are a whole lot of people in the business nowadays. I do not think it is particularly anyone here, but without a great background in Naval Architecture, but a specialty. They would be, (I am going against my Naval Architect colleagues here), but these people will be squeezed out completely, whereas perhaps they do not need to be, provided they continue to operate in a narrow field.

Mr Michael Chapman, M.S.B. Waterways Authority:

Could I ask the floor, without notice, "Would some of the major speakers tonight, be prepared to sit on a working party with us over the next several months to develop it further. I mean, those people that have been prepared enough to do the research, to speak, and to commit to the issues of public safety, would you be also prepared to do that sitting down or at a table with us, before we come back to your professional organisation.

Floor:

I would be prepared... Yes...etc.

Chairman:

Would you like the Royal Institution of Naval Architects to facilitate this whole business of getting people from industry together, or would the industry like to take that on?

Mr Michael Chapman, M.S.B. Waterways Authority:

I think that we should coordinate it, because we are then coming back to you. We will run the working party, come up with a draft, and then come back to you. Then you can submit it to your members for advice and for opinion. But you would clearly have a conflict if you were running the working party for us, even though we might be represented, and then coming back to you.

Chairman:

No, I did not mean that we would run it. I said would you like us to contact people from industry who we feel, might be able to contribute to your working party.

Mr Michael Chapman, M.S.B. Waterways Authority:

I think we will do that, but we will take your advice to ensure that we get the full board representative. Thank you.

May I take this opportunity in saying thank you very much, from Waterways for dealing with a very difficult and potentially an emotive issue, responsively.

Secondly, it is about a lot of people's not only existing businesses; but future occupations and I understand that there is objection to it, but there are certain government policies that we are requested to address and where possible, advise an implementation. So thank you very much.

Chairman:

If I could just have the last few words ladies and gentlemen. I must say, that as far as I am concerned, and I think I speak for all members of the Royal Institution of Naval Architects and also for the participants here tonight, it has been a very fruitful evening. I think we have come a lot closer to understanding problems on all sides, addressing a number of issues that obviously, as Michael said, can become a bit emotive at times. I had in fact, throughout the proceedings, taken notes myself of those points that I think are worth ensuring, do in fact, appear in the records if in fact, by whatever chance, they are missed. I was going to go through them and just highlight them, but on the basis of the last proposal that Yes, we should get together as a working party and work more closely with the M.S.B. I think the basis of tonight's discussions that have been recorded, will mention those issues and again we can address those through the working party in the very near future.

So, I think if you are all happy with that, I think that is the way we should go. We can certainly help the Maritime Services Board, help the industry and really get on with it and really get something that we can all be proud to work with later on. Thank you.