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**Chair**

**International Commission on Shipping  
(ICONS)**

**Speech Notes**

**Can Quality Shipping Lead Reform?**

**30th May 2001**

**NOR-SHIPPING**

**CONFERENCE**

**OSLO**

This morning I want to outline to you:

- The background to the International Commission on Shipping [ICONS];
- Tell you something of its work, where it went, what it was told, what it has recommended and
- Assert that quality shipping can lead reform.

The Commission was initiated by the International Transport Workers Federation and supported by considerable “in kind” contribution from a wide range of government maritime agencies.

It comprises myself as Chairman, Mr James Bell formerly of IACS; Professor Moritaka Hayashi of the School of Law, Waseda University, Tokyo and Captain Barry McKay formerly Chief of the Shipping Inspectorate division of Transport Canada.

Our task was to conduct an inquiry into ways in which universal standards can be better implemented to ensure that all international shipping is safe and environmentally responsible.

We set out to investigate and appraise the current approach used governments, industry and interested parties to achieve compliance with international minimum safety, environmental and social requirements.

We had no power to compel anyone to participate nor could we offer any protection to anyone for anything they may say or write.

We set out to identify problems associated with the safe operation of international shipping, to examine allegations of abuse, exploitation and ill treatment of seafarers and their families, and then to develop practical solutions to the problems identified.

We received 126 written submissions almost all of which are displayed on our web site at: [www.icons.org.au](http://www.icons.org.au)

In the course of our visits to Asia/ Pacific, the United States, Canada, Europe and South Africa during July to November last year, we met with more than 400 people Their names appear in Appendix 3 of the report.

We met quality ship operators who treated their crews well, operated good ships, ran quality businesses and wanted to see sub standard shipping eradicated.

We also met with ship owners, ship managers, Class, port state authorities, trade unions, blacklisted seafarers, representatives of seafarers families, seafarers welfare

organisations, Protection and Indemnity Club managements, Ministers for Shipping and with departmental officers.

There was remarkable consistency in what we were told despite the differences in language and culture.

In brief the principal issues raised were:

- Criticism of performance of Class.
- Failure of Flag States to carry out their responsibilities.
- An almost unanimous call for full transparency.
- Failure of member states of the International Maritime Organisation [IMO] to support the Organisation in the performance of its duties. Flag states stood out as an issue.
- Criticism of the Convention on Standards of Training Certification and Watchkeeping,[STCW] and the white list process.
- Concern at the lack of competency of crew members and the increasing shortage of skilled officers.
- Fraudulent certificates and the recruitment of unqualified persons as qualified seafarers known as “passport holders.”
- Non-compliance with I L O Convention provisions.
- Inconsistency in port state control processes.
- Ill-treatment, underpayment, intimidation and abuse of seafarers especially from developing nations.
- The lack of recognition by governments, the media and the public of the critical role played by quality international shipping in world trade most of which is done efficiently, safely and reliably by quality operators.

Full details of findings and recommendations of our investigations can be found on our web site or in the hard copies of the report and the Executive summary.

### **The Recommendations**

We sought to base our recommendations on practicality and the preparedness of quality operators to commit to and support action to eliminate sub standard shipping and its customers from the market place.

The recommendations are in two main groups:

- The welfare and competency of crew members.[ Rec's 1 to 7, 9 to 11 and 33].
- Port State control activities.[Recs 22 to 33, 42].

There are recommendations directed for action by flag states, coastal states Shippers Councils, Classification Societies, the U S government, the European Commission, IMO , ILO, FAO, International Group of P&I clubs, international shipping organisations and owners.

Most of the recommendations are matters for decision by individual administrations. In other words they do not require the approval of other states or international organisations.

However they do require commitment to better treatment of seafarers, safer shipping, more efficient and fairer competition and a responsible attitude to the world's precious marine environment.

Most can be implemented in the 12 to 18 month window of opportunity ahead and the remainder within 5 years.

Let me turn to the issue of Can Quality Shipping Lead Reform?

We have made it very clear in the report that 85 to 90 % of international shipping is quality shipping, shipping that complies with international safety requirements.

Regularly, we heard complaints from shipping interests that their industry has a bad image, that the press is only interested in bad news stories about the industry.

I ask what do they expect if each time a shipping disaster occurs or instances of abuse and inhumane treatment of seafarers are exposed the quality industry remains mute?

If the quality industry is thus perceived as giving silent endorsement to the evils of sub standard shipping then they are seen to be part of it.

Environmental disasters like the ERIKA can generate a series of knee jerk political reactions, a rush of new rules and regulations about which the quality industry then complains, so reinforcing in the minds of many, its apparent mute endorsement of sub standard shipping.

**Recommendation 14 of our report calls on responsible owners to promote best practice by informed, directed and widespread advocacy of quality shipping.**

Most quality shipowners have access to shipping organisations that have some media resources. Some shipping organisations like INTERTANKO and INTERCARGO are speaking out and giving leadership in the campaign to eradicate sub standard shipping.

The statement by incoming Bimco president Michael Everard in Beijing on the 15<sup>th</sup> May, that Bimco does not agree with sub standard performance and that “we should be able to do away with sub standard shipping” is indeed welcome.

If these major shipping organisations could work together to publicise the benefits that quality shipping brings to the world and to highlight the dangers and inhumanity of sub standard shipping practices great progress could be made in eliminating sub standard shipping and its users.

Together they could approach governments presenting the case for quality shipping and calling on governments to implement their port state control and flag state responsibilities without fear or favour.

In this way, quality shipping would develop greater credibility with the public and governments.

The nature of competition in shipping is the driver of many of the malpractices that take place in the industry.

The Commission believes that competition in shipping must be between ships that comply with the international maritime safety requirements.

The constant call from shippers and some politicians for lower and lower freight rates regardless of whether the shipping company complies, in effect sets sub standard shipping as the world benchmark.

Therefore competition must be defined as competition between compliant shipping.

Quality ship owners can also play a role in monitoring the performance of port state control authorities to ensure that they are diligent and consistent in the performance of their responsibilities.

**Recommendation 15 calls on quality owners to support maximum exposure of relevant information on their ships to assist the identification of sub standard ships, so enabling port state control targeting to be more effective.**

This is a basic responsibility for quality owners. It will help create a fairer market place for owners.

I have mentioned that the performance of class was a frequent issue raised across the world. Again this is a matter, which quality owners can address themselves.

**Recommendation 16 calls on shipowners through their membership of the boards and committees of classification societies to influence the societies to cease to act as recognized organisations[R O's] for consistently under performing flag states.**

It goes without saying that such owners should also be using their position to address any of the shortcomings of their Class society.

Owners constantly raised the number and frequency of ship inspections conducted in the limited time ships are alongside in port.

On many occasions this issue was presented as if all the inspections were port state inspections. The reality is that most of the inspections are in fact commercial inspections that have nothing to do with port state control.

They have arisen from a breakdown in trust among participants in the industry.

Recommendation 8 calls on the International Chamber of Shipping in consultation with organisations such as the Salvage Association and the Scandinavian Underwriters Association develop a common inspection program to minimise multiple onboard commercial inspections, which are burdensome to ships' management teams.

This is a reform that needs the initiative of quality shipping to reduce unnecessary stress and interruption on ships crew during the critical time of loading and unloading.

Overall the drive for reform of shipping must have the support of the quality operators and preferably led by quality shipping

This morning I have sought to give you a brief outline of the background to the work of ICONS, the nature of our recommendations and actions for reform that could be led by quality shipping.

I believe that quality shipping and its organisations have a responsibility to give that leadership.

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