



Maritime Survey Australia  
PO Box 5057, Mordialloc Victoria 3195  
[www.maritimesurveyaustralia.com.au](http://www.maritimesurveyaustralia.com.au)  
mail@maritimesurveyaustralia.com.au

Panel Reviewers  
DCV Safety Review Panel  
GPO Box 594 Canberra,  
ACT 2601

Wednesday, 25 January 2023

Dear Ms Carolyn Walsh and Mr John Harrison,

Maritime Survey Australia (MSA) is an Australian owned Marine Surveying and Consulting Company for Commercial, Defence and Recreational Clients. We are a national company with 12 full time AMSA Accredited Marine Surveyors throughout Australia with great exposure to Domestic Commercial Vessels and Operators. Our surveyors have worked previously for state marine survey regulators, boat builders, boat repairers, as seagoing crew and shipwrights, having a wealth of experience in the marine field and survey of vessels.

We welcome this opportunity to put forward our response to the findings and recommendations.

Maritime Survey Australia's response to the Independent Review of Domestic Commercial Vessel Safety Legislation and Costs and Charging Arrangements – Phase 2 Consultation Aid

**Funding model:**

The review proposes to invoice the people that it regulates to fund the National System. Consequently, the owners of the largest fleets will be funding the most money to the regulator. Does this give the larger vessel operators the ability to influence the regulator? It might not be a "quid pro quo," however, you don't have to evoke that to be very concerned.

Adopting a "user pay" model raises some causes for concern:  
Is this model subject for manipulation and potential or perceived corruption?  
What control measures does AMSA propose to put in place so that they are not influenced by their larger paying customers?

**Would changes to cost recovery impact competition, innovation, or financial viability?**

There are vessels operating under flags of convenience and regulated Australian Vessels that operate in the DCV space. Under this proposal these vessels are not impacted by the levy which then creates an uneven playing field. An unintended



Maritime Survey Australia  
PO Box 5057, Mordialloc Victoria 3195  
[www.maritimesurveyaustralia.com.au](http://www.maritimesurveyaustralia.com.au)  
[mail@maritimesurveyaustralia.com.au](mailto:mail@maritimesurveyaustralia.com.au)

consequence may be that more vessels will operate under a flag of convenience in **Domestic Waters**, this promotes unsafe outcomes with the acceptance of substandard vessels.

**Are there instances where full cost recovery would undermine other objectives, in particular safety objectives?**

If the levy to administer the program impacts the operators financially, then they may have less money to spend on the vessels, subsequently impacting safety.

**Question 2: What are the considerations that you believe should be taken into account in determining whether full or partial recovery of the costs of the National System is appropriate, and to determine the level of cost recovery? Please provide examples to support/illustrate your response.**

The review proposes to have a cost recovery model, which is a proper model to promote, however AMSA is a government agency. Like all government agencies they are accountable to the taxpayer. If AMSA requires more funding, they are then able to achieve this, by asking for more money rather than reducing expenses. Every time AMSA's expenses go up, they simply raise the levy and the DCV operators pay the price. Unlike the private sector AMSA do not appear to have a ceiling on expenses nor the amount of people they employ. What control measures will be put in place to ensure that the levy does not have random increases?

If AMSA is totally funded by industry fees, it is of great importance that its policies on the disclosure and management of conflicts of interest are publicly available. The dependence of AMSA on industry for its funding carries an enormous risk of compromising the safety role of AMSA in order to fulfil the requirements of the vessel operators.

The two main consequences of industry funding are the risk of bias in the evaluation of benefits and risks and the limits imposed on AMSA activities because of the lack of government funding.

It is proposed that Vessel operators are to be charged on the weight of the vessel not the frequency of use, risk or operation. Is this a fair system?

**For example;** A vessel owner may use a vessel for 3 months of the year based on a government or contract obligation, they would then be paying the same amount as an operator who uses the vessel daily.

The review states that "longer term this would mean that AMSA expends more effort towards those parts of the industry that give rise to the greatest safety risk". It is not



Maritime Survey Australia  
PO Box 5057, Mordialloc Victoria 3195  
[www.maritimesurveyaustralia.com.au](http://www.maritimesurveyaustralia.com.au)  
mail@maritimesurveyaustralia.com.au

appropriate for AMSA to determine which vessels are at higher risk. For example; every global authority or insurance company that reports on human occupation risks, lists commercial fishing as high risk, furthermore they list fishing as the highest or second highest risk job in the world. In Australia, it is listed as the highest risk job however, AMSA lists fishing as a medium to low-risk occupation AMSA lists no type of fishing vessel as high risk. It is not appropriate for AMSA to determine which vessels are a higher risk as they are influenced by industries and sectors. This would be best given to an independent body to determine the risk based on the operation, history and vessel profile.

**Question 3: What funding approach or mix of approaches do you believe would best achieve secure and stable resourcing of the National System.**

The funding model proposed requires the vessel owner to know and record the gross or net tonnage. Currently this is not a requirement for most DCV owners. This will simply add another cost to the vessel owner.

AMSA identifies passenger carrying class 1 vessels as the highest risk vessels in operation. These vessels provide an essential transportation service to all Australians. The general public or broader community has a reasonable expectation that a vessel that plies for hire and reward is fit for purpose. They cannot be expected to judge whether or not a vessel is capable of performing the task for which it advertises. In Australia, AMSA is now charged with ensuring that the public is protected from unscrupulous or careless operators, which includes monitoring compliance to ensure that a vessel's hull, machinery and equipment meets certain minimum standards. Accordingly, both AMSA and the vessel owner have a duty to the public and to other users of the waters to ensure that public safety is preserved.

With the above in mind and considering it is the passenger that creates the demand, is it only fair that the taxpayer continue to fund the DCV National System, as they are the greater beneficiaries of the system. As the passengers are the identifiable individual, organisation or group that receives the benefits of the activity.

Non-Survey vessels have no ongoing compliance costs, the initial application is \$200.00 and this remains registered as a DCV in perpetuity. These vessels have no ongoing costs, perhaps there could be an annual fee for these vessels only. PWCs are considered a risk too high for even insurance companies, however AMSA consider these vessels low to zero risk, these vessels have no compliance cost associated with them.

Maritime Survey Australia supports the Australian Government to continue funding the National System.



Maritime Survey Australia  
PO Box 5057, Mordialloc Victoria 3195  
[www.maritimesurveyaustralia.com.au](http://www.maritimesurveyaustralia.com.au)  
mail@maritimesurveyaustralia.com.au

**Question 6: What are the industry subsectors most likely to be affected by the proposed winding back of grandfathering arrangements?**

The grandfathering arrangement did not specifically address QLD vessels. The elephant in the room here is that the majority of grandfathered vessels in QLD are EX02 Division 5, if it was not for the Division 5 they would be scheme S vessels, requiring a Certificate of Survey. Therefore, there is no incentive for them to upgrade as they would then lose their Division 5 status. In contrast the EX02 Division 5 vessels in other states are typically the NS vessels owned by the Government that will disappear through natural attrition as they are replaced. The sunseting of grandfathering should be focused on scheme S vessels, if it was not for the option of division 5.

The findings make the assumption that all grandfathered vessels are unsafe has no merit. The current proposal may have an unintended consequence of replacing or refitting EX02 vessels that are not necessarily substandard or unsafe. If the funding for this was to come from the taxpayer, you will have a situation that the majority of the funding is directed towards government vessels that would have been included in a vessel replacement program just the same.

While the focus is on grandfathering vessels, AMSA continues to have a cavalier attitude towards all new Non-Survey vessel applications, relying on build plates as a measure of compliance. The review has not addressed the issues regarding NS Vessels. AMSA have made a decision to not review or audit any Exemption 02 applications made for vessels less than 12m in length to operate as a commercial vessel. These vessels may operate with up to four passengers. The review is more concerned about addressing the issues of yesteryear, rather than solving the problems of today.

The issue with the acceptance of the build plate as a measure of compliance has also been completely ignored in this review. This is despite multiple submissions on the issue. This has been pointed out to AMSA in the past and now in this review, with simply no response. The appetite for safe vessel operations and compliance does not seem relevant in this review. Industry, AMSA and the Marine Safety Inspectors all know that some vessel owners are flouting the self-declaration process. In our view, if this review takes no action to remedy the situation, then it is effectively condoning the continuation of irresponsible maritime safety practices on the Australian Waterways. The general public or broader community has a reasonable expectation that a vessel that plies for hire and reward is fit for purpose. This has been ignored in this review.



Maritime Survey Australia  
PO Box 5057, Mordialloc Victoria 3195  
[www.maritimesurveyaustralia.com.au](http://www.maritimesurveyaustralia.com.au)  
[mail@maritimesurveyaustralia.com.au](mailto:mail@maritimesurveyaustralia.com.au)

Thank you, for the opportunity to respond. Should you require any further information, please contact us.

Yours Sincerely.

Michael Uberti  
Director / Maritime Survey Australia