

**MONACO MANAGEMENT MEETING**  
**Tuesday 22<sup>nd</sup> April 2008**

**CREW SHORTAGES:** The blueprint for the future—Who, where and when?

Tim McClement	Flagship Training
Phil Rose	IYC/Trinity (representing PYA)
Jorg Wendt	D & B Services
Mike Jess	Nautilus UK

**Chairman— Martin Redmayne**  
**Tork Buckley**

Good morning all. This morning's session is going to look at the problem we've been discussing for the last 24 hours pretty much. The crew shortage issue—we all talk about it but ultimately we'll have a strategy to solve the problem. I think I have a very clear strategy and I just want to hear what the panel have to say. But ultimately we have probably the biggest resource in the marketplace to grow our crew—and that's the crew themselves. Ultimately every crew member in this industry is a source of another crew member.

**Tork**

We're going to grow taller ones.

**Martin**

It's far too early for bad humour. So I'm going to go straight in with Mike Jess, from the unions, actually, because I think he has a different perspective on the whole situation. Then we'll throw in the panel with their perspective so I think there is a way of solving the problem—Mike you have some issues that you want to raise as well?

**Mike Jess**                      Nautilus UK

I think I approach this as an HR professional, because that's my background. I work for Nautilus trade union. But I came to Nautilus as head of HR/HR Director and therefore for me it was very interesting yesterday—a lot of the comments were about HR management and personnel management and so on. So I think I'm looking at this whole area from an HR perspective in terms of the people within the industry and how they can feel more valued, to be brought along, to create progression, all the things you would do in other industries to actually retain your quality staff. Which in a sense coming a little bit from an outsider's perspective it doesn't seem as rigorous as it does in other industries. So to me there's two aspects; there's retention—keeping hold of the people you've got, making sure they progress and then there's the whole other field, of getting the newbie in and how you go about that. And again from an HR perspective I have to recruit for the Nautilus and we're having to change the way we go about recruiting. I mean we talked about the internet yesterday—I can't remember the last person who didn't come through, that hadn't actually applied in some way or seen us through the internet. Even though we use agencies and do pay 18% to some recruitment agencies, by the way! We have the same difficulty. But I see it from a

different angle and I'd be interested to hear the rest of the panel have their say on the actual recruitment, and perhaps comment later.

**Martin**

Thanks. Jorg?

**Jorg Wendt**                    D & B Services

Well I'm working for a company in Antibes, it's called D&B Services that's mainly focussing on French crew and French legislation and with regard to keeping crew on board what was told yesterday very broadly is the package which is provided to the crew members. It is certainly as well the possibility to make a career on board. It is self explaining if you want to provide a career on board, that you need to have longevity on that vessel, otherwise people will step from one boat to the other if they see something is coming up. And the longevity you can not actually provide if you try to keep your crew standard as low as possible, because it is as cheap as possible and I think one of the best ideas which came up in the last couple of years is actually what Tim next to me does, which is taking into account that the industry is dramatically changing—and the owners are not maybe as they were ten years ago, with really sea boundaries and regarding their crew as family. I think especially on the bigger boats, from 45, maybe 50 metre plus—it shall be a functional secondary home, congress centre or a hotel and actually I think the owner, his friends and whoever joins the boat does not really care if the captain is called Mike, Phil or whatever and if the stewardess is called Stacy, Lacey or whatever so long as the job is done. And I think the approach that you build up a sort of family with the shipyard so that people have a sort of security behind them, because if they are employed by the shipyard then the owner doesn't like their nose, then they do not risk their jobs. They just hop on another boat, or get placed on a different boat. And I think that's a pretty intelligent way to approach the change of the industry, especially with owners who use their vessels not as people did a couple of years ago—driving themselves, loving the sea—it's just using the vessels as hotels with all the services.

**Martin**

OK Jorg thank you. Phil, how would you solve the problem?

**Phil Rose**                    IYC/Trinity (representing PYA)

I don't have an answer to solve it but one thing we need to do in order to solve it is to accept where the problem is and where it comes from. My background is as an engineer— as most of you probably know, I came into the industry as an engineer many many years ago and one of the things that concerns me is we talk about recruiting deck crew and we talk about recruiting interior crew and it's a problem and it's going to remain a problem and it has to be addressed. But it still remains a fact, that we can take a youngster, put him on the deck, we can train him, and teach him, and 5—10 years later we've got a good captain. We can do the same with interior crew, with relative ease. Perhaps because of my stance as an engineer I see the problem somewhat differently when it comes to recruiting engineers. We can't take a guy off the key, stick him in the engine room and three years later call him an engineer. We're faced with the situation that the guy needs to be an engineer before he actually steps on board. And that makes our problem somewhat different. And it concerns me a little bit that we still hear comments of well, we look to the Philippines, we look to Singapore, we look here and elsewhere. I think something that I want to

drive home is that what we've considered to be labour work pools for many many years now no longer exist. Particularly when it comes to engineering staff. And I've got sheets and sheets of paper here, identical conferences to this, from India, China, Hungary, Poland, Pakistan, wherever you like, they're all sitting down and discussing their problem with engineering shortages in every country. One report here from the EU predicts that by 2010 we're going to have a shortage in Europe of 300,000 skilled engineering workers. We have to accept as an industry that our life when it comes to engineers, where we need engineers on every single boat, is going to become more and more difficult. And that is a problem that we have to address differently to the recruitment problem that we have to address for the rest of the crew on the boat. And I don't know what the answer is at the moment—I think perhaps we need to look to the industry, to look at the required skills in perhaps the same way as the aviation industry have done over the years to the actual level of skills we need in our engineers. Perhaps we need to look at vessel design—I'm not talking about doing away with engineers but at the moment we have a dramatic de-skilling of the engineers that we have even within the industry as it is. There were not many what I would call good engineers 15 years ago. There are probably still as many good engineers now but they're operating on four times as many vessels. We are tending to bring into the industry machine operators who have all the capacity to follow the day to day maintenance of a yacht but very little capacity to actually be involved in the development and refit and design of those vessels. And further down the progression, we were talking yesterday about people having a long term career within the industry, and people eventually coming ashore as I and a lot of others have done. One of the problems we have is that when you get a half skilled guy or a semi skilled guy or a guy that is a perfect machine operator but doesn't have the technical knowledge it is that much more difficult for him to come ashore. And already in my job as European General Manager with Trinity and IYC I'm seeing problems with trying to recruit project teams. Even technically well respected people do not very often have the technical basis to manage a big project. The projects are getting a lot more complex, the boats are getting bigger, the boats are getting more complex and we're creating for ourselves a huge problem. I don't honestly know where the answer is. And I have to say, it frightens me because the de-skilling we see, not just on the deckside because there's an element there as well, but the de-skilling that we see in engineering, interior crew and in engineers is going to become a major problem. If we look at the number of incidents, accidents, vessels that have caught fire, vessels that have sunk—if we're not very very careful we're going to face a situation where class societies, flag states, are going to start looking at us very closely. Because what has been an impeccable record for many years is starting to fall apart. And I generally believe that it's starting to fall apart because a lot of the guys we've got out there, good guys, willing guys, don't have the experience to cope with a problem when it arises. And the comment was made yesterday, and I made a comment yesterday, that we have to look at our training system because the only way in any industry to replace experience is by better training. I understand when the training schools say we tried offering these courses but there's no take up. Again, I don't have an answer, but what we have to do as an industry is to find a way to match these courses and to get people to take them up. Because it's the only way to replace this experience base that we're losing. Which is only going to get worse. The dramatic expansion in our industry simply means that the experience that we have is going to become more and more diluted. And if you look at the commercial merchant industry or if you look at any other industry where skilled people are at a premium, they're all struggling. We can't simply say we're going to nick 20,000 people over the next 10 years off the merchant industry. Because the merchant industry are trying to nick 20,000 off another industry. It's a vicious circle. We have to address it internally. We have to improve our recruitment, we have to do everything that we've already talked about.

But we also have to look internally as to how we can better use the people we've got, how we can better use the boats operationally, how we can better organise the boats and how we can better look at the skills that we actually need in order to recruit the people that we actually need. Answers—I don't think I have them, I don't think there have been that many answers brought about. We need funding, we need an organisation, we need an organisation of organisations, if you like, as most industries—we have MYBA, we have PYA, we have a number of organisations representing different sectors of our industry as all industries do. What we lack is a central organising association which represents the industry as a whole, which represents all of the other individuals, that can raise money, that can talk to governments, that can promote the industry as an industry. We're not very good at doing that. We're growing, we've only just become an industry. We were still yachties when I came into the business. Now we're not. We're professional seamen, we're a professional organisation. We've become an industry. But we don't have the infrastructure that the industry needs to sustain itself. And if we're not very careful, we're going to be running so fast that we're just going to fall over ourselves, and I think a lot of people here can start to see that the vacuum we're creating within our own industry is going to end up with a bloody great hole in the middle of it and we're all going to fall into it. Perhaps not in my career, but certainly not people very much younger than me are going to start to see problems. Should the owners be footing the bill? Of course they should. It's the owners' industry. Not ours. They buy the yachts, they want to run them, they generate the industry, they have the pleasure out of the industry, we're employees. We're all employees within that industry. The industry is generated by the owners. Who will suffer if we fall into this big hole? The owners will. It isn't any big secret. The only people that will suffer is that the employers will lose their jobs and the owners will lose their pleasure. We're not talking, in the global scheme of things, in our industry—we're not talking of raising very much money to create the recruitment and the training that we actually need. In fact if you look at the global expenditure of our industry we're talking peanuts. But if we don't do it we're going to finish up in a mess. It's conferences like this, and I hope—as I said to Tork yesterday, it's time somebody sat down and put this in writing and actually said to owners—if you don't help us organise your industry, if you don't help us promote your industry, your industry is going to die. Individually they can't do anything, but as a group they're in a position to do whatever we need to do. They're financially and politically capable of taking this industry to the next stage forward. And I think we have to go there and we need their help to do it.

### **Martin**

Phil, thank you. Tim? Can the Navy solve the problem? Just close the Navy down and we'll have everyone from there.

### **Tim McClement**      Flagship Training

They're not big enough! I think the first point was made by Charlie yesterday. He went into yachting when he left school, his parents didn't think it was a proper job and it was 3 years before they even came and saw him and realised that he was in a proper job. In the UK, and I have to speak for the UK here because that's the only market area I've looked at, no-one understands there is a career in superyachts. I come from Portsmouth, the biggest naval base we've got, there is a further education college in Portsmouth that has a throughput of 14,000 students per year and they pride themselves on helping them get jobs. They're very forward looking, they do a lot for the air industry, they've built half an aeroplane for their stewardess training in the college so that they get the right skill sets and teach them how to do it. I went to

their careers area and said—now what about superyachts, because they teach stewardessing, silver service, chefs, masseurs and electronic engineers. They'd never heard of the superyacht industry. So we've got to educate people and say there is a career. And secondly we've got to get past what we call in the UK the “gatekeepers”. The parents, and the headmasters, and the careers specialists, to say there is a career, you can do something. And that's just at the bottom level, to get in. We then have to say if you are interested, and some of them don't have the money to do the long courses—this is coming back to what a lot of people are saying—how do we fund it for them so that they are properly trained? The Skills Foundation is starting albeit it's only a 3 week course, UKSA is starting but some of them can't afford to do it, but that would give a better basis for people to do things. But what happens, going back to Katrina's point yesterday, after X number of years people want to come ashore and have a family. SYBAss is trying to do it, going back to Phil's point, by saying if you are a captain or a chief engineer and you want to be a project manager in a yard SYBAss have realised that that's a different skill set that's needed and they're looking to put together a 3 week course; it's early days, to help people make that transition. But we've also got to be a bit broader—people might say I really enjoyed it, I want to stay where I am, can I be a harbour master, can I be a pilot in the port? Can I go into another sector of the maritime industry because that's what I like. So we mustn't say when you come ashore you can only carry on doing superyachts. We've got to actually build a structure so people can understand from the age of 16 to 65 there is a career in the maritime sector. It's going to take time but that's what we have to do. We have to educate people, make sure they understand it and then help them come in at a professional level right at the start.

### **Tork**

Good morning everybody. To go to Phil's point—yesterday I was chatting to some people after the event and because we've focussed on our industry and these conferences tend to focus on the problems within our industry, we do tend to forget that those problems are endemic throughout every industry. Every industry has its hidden commissions, every industry has its failures of skill sets, every industry has this. Which is not to say we should ignore it but it means that beyond what Sir Tim just said we actually have to look deeper into the educational structure to cure the problems. This goes to what Phil was talking about. A recent article in Wired magazine talks about the fact that essentially people have forgotten how to use their hands. I'll quote it; the guy says—Why am I so inept? I used to do projects like this all the time (he's soldering something on a board). But in high school I was carefully diverted from shop class for the administration decided I was college bound. I stopped working with my hands and have barely touched a tool since. The problem is broad. We work with bits and bytes. And people have actually forgotten how to use their hands. Equally manually skilled occupations have lost their credibility. So therefore it is a very broad and deep problem, to find the next generation of engineers. Because engineering just isn't cool.

### **Martin**

Any comments from—Norma?

### **Norma**

When I was headed here today—I happened to have a conversation with my landlord last night who was for many years an extremely highly qualified engineer, travelled the world on very large vessels and moved back here deciding he'd rather run small

boats. I asked him his opinion about this and he has a young fellow on board his vessel whom he has been carefully nurturing to be an engineer for over 4 years now—John, he happens to be the son of your lead engineering instructor at UKSA—a very fine young fellow who has basically changed his entire life to become an engineer and what my captain friend asked me to relay to everyone here, his frustration is that now he's going to have to, after spending the time to not only train his engineer in mechanical skills but also in computer skills because his contention is that chief engineers today are actually IT managers more than anything else. What he said was he's going to have to lose his engineer, whom he has trained and likes very much and feel very comfortable with, because he's going to have to go and spend a year in school and there's no type of system for him to be able to do the courses over the Winter time when he's got a couple of months here or there, in order to accommodate it. So my question basically is for the training facilities—is there no way to incorporate an "as you go" working scheme specifically for engineers. Because I agree with Phil, I think engineers is one of the greatest problems we have in terms of manning in the yachting world. Is that possible, Tim?

### **Tim**

Yes we're looking at it, we talked about it yesterday. Whether we could do modular courses so people could do that—*I've got four weeks off and I can do that*—and it might not necessarily be in a college. So how much could they do remotely via the internet to get themselves ready for those few weeks. The Open University do it very successfully and they've been running now for 10 years I think at least—and they have summer schools, some of them are one week long, some of them are two months long, but during the rest of the year it's all done on the internet. So it's being done in other industries. We've got to be able to do it ourselves. And it's up to us, not only to design the courses, but to get the MCA on board so they say yes we're happy with doing this.

### **Tork**

I think it also goes to funding—John from Blue Water was talking about those yesterday—they've looked at remote courses but they're incredibly expensive to set up so it comes back to the comments about getting funding in to do it.

### **Phil**

One of the problems that we have is not simply that the training is long. The training for an engineer is long. When I first started training to be an engineer the professors that we worked with at the time always said that the first two years of your training is the most difficult. During the first two years of your training as an engineer they teach you the basics. The problem we have is that engineering has changed so much—none of those basics ever become irrelevant, but the volume of those basics, with new technologies, changes of materials, changes in technology, the volume of those basics that you have to learn has multiplied wholesale over the last few years. And so the problem we're faced with now is that to be quite honest, is what I did as a 2 year basics engineering course initially, now probably should be 4 years. To do that same technology training within 2 years is almost unbelievable, but they're still run as 2 year courses. If you try to dilute that, or if you take that away, you're taking away a lot of the basic knowledge that an engineer requires to technically do his job. I'm not talking about mechanics and fitters, I'm talking about an engineer. There is so much to learn and that knowledge never becomes irrelevant. How we go about reducing that, it isn't easy. Yes we can do it with distance courses but at the end of the day

what we really need is the day that guy turns up on the key before he steps onto a yacht he needs to have done his engineering training. We need to be recruiting people that have served their apprenticeships, that have been to university, whatever the training is.

**Tork**

But the life cycle is what—8-10 years?

**Phil**

No, a basic engineering training can still be achieved within 2 years. I'm talking basic knowledge.

**Tork**

No but I'm talking about if you're selling the idea in schools today at the right level to encourage them, so after school they go and get the engineering training and after that they come to the yacht, that's like 8 years?

**Phil**

Yes.

**John Wyborn**      Blue Water Training

It may interest the audience here to know that we actually don't train engineers, we have a series of ridiculous crammer courses which are educationally a nonsense with a really significant failure rate—it's not training, it's cramming, and the MCA are aware of the problem but for the reasons that we discussed yesterday they're not going to provide a solution. So the solution has to come from us. A week long crammer is fine—if the student has actually done the self study that he's supposed to do before he turns up on the course. But self study—if anyone has ever tried it—is a very difficult thing to do. The solution I think is to use internet based training, to use audio visual techniques which are expensive to set up but I think actually we're going to have no choice but to attempt to do that. I think I may have found a little chap in India in who might be able to help me.

**Tork**

But do you think therefore that we've gone back to the concept of a funded educational foundation that can actually provide some of the cash necessary for that?

**John**

I think that's a great idea. But the real key to the solution to this problem, is what we've been saying at these meetings, certainly since 2004, which is that we need an industry consensus. And how we generate that industry consensus about what is required, there's only one way. It comes back to what Phil was saying. There has to be an industry Association. I have said this before, I think it's a job for the PYA.

**Bruce Powell**      Powell Yachting

About 5 years ago Martin you tried to organise owners into an association.

**Martin**

It's like herding cats.

**Bruce**

And they just wouldn't have it. I had an owner who had an interest in doing that—I'll be seeing him this afternoon, I'm going to ask him again what his opinion of that is. But to try and get the owners together and to make them realise that in the end they're going to have to fund ways and means of getting the crew is really going to be a piece of work.

**Tork**

But don't you think that if the industry which is doing very well at the moment, generally the industry, if they sort of start putting the pennies in the pot it makes it much more credible to the owners that they should start doing the same. I don't think we should start with the owners but I think they have to be part of the solution.

**Bruce**

Definitely, when they see that there's a legitimate body then they'll look up, because that body will contact them and say here we are, we're doing something to resolve your crew shortage. And we need funding. Maybe we'll ask them for €100 per metre. Something like that.

**Tork**

It's the same suggestion that Phil made about a small percentage of every commission going to the sale.

**Bruce**

I don't think that's going to wash. Certainly not from the brokers. But we've got to make the owners more aware that somebody has to pay for it.

**Martin**

Who in this room would make a contribution to an Association of this nature? Every facet of the business.

[From the floor]

Now?

**Tork**

We'll pass the hat at the end.

**Martin**

I've got my bag here so—

**Bruce**

But really what's lacking is a clear consensus of exactly what you want to do? But let me back up a little bit more. What I'm looking for is a specific outcome of where the industry is trying to get to and to invest in—I don't have a problem in doing that—I'm investing in that already. You need a business plan, a clear target of what you're trying to achieve and then I think it's easier to raise the funding, instead of just coming up with the idea—well, we're going to kind of wave our hands around—if you ever went to a bank and waved your hands around, tried to basically talk them into lending you some money it's not going to happen. So I think what needs to be done is get the educators together, get a consensus together in the industry, come up with a clear sense of direction of where you're trying to go. And where you're trying to get to. How many people are you going to educate. How is it going to benefit the industry and the owners and the training schools—I think put together a cohesive programme that is clearly identified in outline, and then basically you've got something that you can figure out how to fund. But without that—you've got to get the cart and the horse in the right position so that you can basically raise the funds.

**Tork**

I think we have the cohesion, we don't yet have the plan.

**Bruce**

And that's what I'm saying. I'm hearing everyone saying yes yes. But OK, what are we saying yes to, and who's going to basically put the bell on the cat and basically put the programme together and articulate exactly what we want to try and accomplish. I think there's a whole bunch of smart people in this room that can do that but until they get together and spend some time on basically exactly what they want to do, we're going to come back here next year and it's going to be the same thing all over again.

**Tork**

The next step is a round table meeting with those that are willing to give some time to it to create that plan.

**Tim**

But the important thing there too is, that having done that, then you can go out to the kids and say there is a career for you here—going back to Phil's point, no-one's going into engineering, but if it is engineering with a difference which is not 3 years at college but for example it might be a 3 month basic course to start with, then you go to your boat, then you do X for a year, then you do a second one, then the kids actually say I'm not going to end up in the UK—I don't know what it's like abroad, but most kids when they come out of university have got over £10,000 of debt and not a particularly good degree. Where if we can get away from that and help—that will certainly improve the parents' view that this is a good education, if they don't have that debt. So it's a really good idea, make it meaningful worthwhile with a career then we'll encourage the kids to come in and do it.

**Tork**

Well alright, how about another show of hands? Who's willing within 2 months to sit around a table and try to put together that plan? We've got plenty of people.

### **Tim**

If I might add, as well as the people with experience like Phil, who've done it, what I've found is you also need to have a kid of 21 or 22, a couple of them, with what do they want? Because it's no good us with 30 years experience designing something which will work, if the kids aren't interested. So we have to have some youngsters there as well.

### **Norma**

I think obviously this isn't the first time we've all had this discussion, and I think there's an increasing amount of interest from it, and I'm interested in what Phil had to say about the Association of Associations. In fact he and I both serve on the PYA and I'm also a member of the ISS that Martin is a very large supporter of and we have a conference in Palma in early June—the future of the superyacht and you know they all have very exalted titles—and as ISS we've actually been approached by a yacht owner who also owns a significant yacht business who is tremendously concerned about the manning issue, primarily because of personal reasons and what he has said is, he's given us a challenge—if we can put together a programme to actually do recruiting on an international basis as an association, that he will fund that to the tune of €50,000 per annum for the next 5 years and it's just a question of putting it together. So if anyone in June would like to join that conference and help us put together—and I think Tork is correct in saying—a business plan—it needs to be a proper business plan, or I don't think he's going to fund it. I think the possibility is there—and that also goes back to Tim's point, which is making other people aware of the fabulous opportunities that we have here. Yes there are a lot of industries that are running short of people but there are also a lot of people that are looking for good jobs. So I think if we can actually stir ourselves to become properly organised instead of a cottage industry—and it's funny to hear people say *industry* without tripping over themselves, because it wasn't so very long ago that that was considered a pretty dirty word. So if anybody wants to help with that, I think we could all use the help. And even before then I'd really be happy with any feedback that anybody has.

### **Tork**

We do want to try and create though, I think, one initiative. Not multiple ones. That's a very generous offer and we should as an industry respond to it, but it needs to be more than just one owner or one company or association, it needs to be industry wide.

### **Norma**

Well he's bringing it to what he sees as one of the largest representative industry associations, the ISS, International Superyacht Society.

### **Martin**

I question that comment. How many members have you got?

### **Norma**

You know as well as I do, I think something about 300.

**Martin**

Which is ridiculous. You're not a representative body. Although I support the ISS there's just no way you're a representative body.

**Norma**

I couldn't agree with you more, Martin, and we've had this discussion many times and recruiting efforts need to happen within the association itself. This particular individual is not aware, at least that I'm aware of at this point, that there's a discussion under way of is it or is it not valid to have an association of associations which we're going to be discussing in June. It occurs to me that what I probably ought to do is invite him to join that conference in June and see if he's willing to personally participate in that. And maybe Tork is right, maybe that's what's required—

**Tork**

When does this actually take place?

**Norma**

June 9<sup>th</sup> and 10<sup>th</sup> in Palma, just before the Superyacht Cup.

[From the floor]

I'd just like to throw out a question. I don't know if anybody can answer it. But would we be talking about essentially writing a constitution and if so, how would we go about policing that, to use a lot of Americanisms.

**Tork**

The idea that I've had in the past is that what you do is, first you put your business plan together, see if it's going to work, the main object being to create promotion of the industry as a career, and also to create funding for education. So it's the two things. Then I believe you raise the finance and you hire a professional, such as the gentleman who runs SYBAss who is a professional at running associations, and actually knows nothing about the industry that he runs but he's a professional at that and paid to do that. So that the thing becomes separated from the interested parties, to some extent. Thereby avoiding committee arguments and bitching and all the rest of that. That's one model. There are others. So basically first you form a committee of interested parties, and we had about 12 people that were interested here. And you put together an idea, present it to the industry, duck, and then take it forward.

By the way just one point on that, which was raised yesterday, almost a point of order—does anyone here object to having their email details shared with everyone else? Within the conference? That's what we discussed last night, and the easiest way is to straw poll it? OK so nobody minds. It allows us to continue this formation of some sort of group, post meeting.

**Mike**

Within the merchant marine, which I'm more familiar with, this whole idea of having an industry voice is just one that's taken for granted and you know, you have the Chamber of Shipping, who represent the employers' management companies, and so on. And it allows leverage with the government. The UK government actually do a lot of funding of training but they do it on the basis of the outcome of actual value to the UK economy. And I was having a discussion similar to this with Phil yesterday, and I said I don't know what the figures are but the actual value of the superyacht industry must be vast. Even within this area, if you look at all the knock on industries that work. And approaching government has worked, within the UK, there's a thing called the tonnage tax which some may be aware of, but we as a union lobbied the government to try and get companies to actually train cadets because just like any other industry the first cost that they cope with is the actual training of cadets to save money. And by being able to point out the value to the economy then the government were prepared to put money in and match fund on training. Having this idea of one voice for your industry sector you can then approach the relevant governments and say look, this is what this industry is worth to this country. Give us some money to train people, because if we don't, all that is going to drain away.

**Martin**

Mike, thanks. We have tried that in the UK, for my sins I'm also chairman of something called Superyacht UK which is a government division and the government has very deaf ears on some of these issues at the moment.

**Mike**

You've just got to keep hammering away at them.

**Martin**

Yes we are. I've got a team in London that are constantly talking about training and career development and they're always banging on peoples' doors. It's not just a superyacht problem, it's a maritime problem. Which is a cohesive group that has to come together.

Right, any other comments from the floor? Norma?

**Norma**

Do you think it really is possible to have a global organisation of organisations, or do you think that's like herding cats?

**Martin**

I think it's almost a waste of resources to have an association of associations. You just need one big association that everyone is part of, and they'll have different divisions that operate different sectors of the marketplace. As Mike said, the Chamber of Shipping, or BIMCO, there's so many different organisations that are popping up in the yacht market, like MYBA, SYBAss, PYA etc but there's no grouping of those associations.

**Tork**

I think it's an association of the ideas of those associations, it's not necessarily an association of associations if that makes sense. It should represent the interests of the various parties.

**Phil**

Within almost every industry that you care to look at, every section of every industry will have its own representative organisation. But every industry will then have a global representation from one single division. If we took every organisation that we have within our industry at the moment and said well they need to send one person to this collective group, we would have that organisation. It's no more complicated than that. We don't need owners' input, we don't need financing. We're talking about people and bodies. It's only a case of somebody creating that nucleus and actually getting the idea together. We already have pretty much every industry or every sector of the industry, represented by a group, some groups are more powerful than others, some with more membership than others, some financially more stable than others. But the representation is already there. What we need is to say OK, let's get one person from every one of those organisations into a room and we've created that body. We're not just talking about recruitment and training. We're talking about the creation of our own industry. And at the moment because we have all these representative bodies, representing everyone's industry interests, but no single collective interest, we are not an industry. We're a group of collective bodies, all wandering down the same disjointed path.

**Tork**

And the power is diluted as well.

**Phil**

Important issues within the PYA. We got that close to having an observer's seat on the IMO. If we'd done that as a group, as an industry, I have absolutely no doubt whatsoever now we would have an observer seat on the IMO. Now the difference that would make to this industry is wholesale, not just in representing the industry, but in actually allowing us to push and create legislation for our industry. To not treat yachts as cargo ships.

**Martin**

Phil, don't you think we're too small for the IMO to actually take note of a small sector?

**Phil**

Not at all. They have listened, they do listen, they accepted our application, we were told it would take 25 years for our application to get to the table, it took 9 months for our application to get to the table and we were very very close to being offered a seat.

**Tork**

But to be absolutely candid about it, the other problem that we face, having got that membership, was a necessity to attend every meeting— if you don't attend every meeting you get kicked out of the club. So therefore it was a little bit beyond our reach, to be honest. It's still a little bit beyond our reach in human resources terms.

However, this industry-wide group would have the human resources capacity to play that game. Because IMO is playing a game.

[From the floor]

Yes, Norma's asked a very pertinent question. Is it possible to have this group work together? And I think from my point of view it seems that—I've sat on the Chamber of Shipping Committees so I know what that's about, and they are salaried employees who work 24/7 for the industry. Now we have the members of the committee, many people in this room who are not intentionally— but they are a disparate groups that are working with the best of intentions, making a tremendous contribution to the industry, but they're unable to pull together. What it seems to me is that you need to have a salaried group that therefore becomes accountable, and those people have to be well chosen and not have any other agendas.

**Tork**

I think you start off with volunteers to create the plan and then you raise the funding and hire the professionals.

**John**

If every major yachting company contributed €5,000 to a fund, you'd soon have enough money to pay somebody a salary to do the administration on a permanent basis. I do think that somebody permanently employed is essential.

**Martin**

That's one hell of a salary!

**John**

A possible model for an association like this could be an organisation called the international association of safety and survival trainers, of which we're members. It has a global membership, it has 4 permanent officers who don't get a salary actually but they get all their travel costs and their expenses paid out of the fund. It has a permanent float of about £30,000 which is accounted for at every meeting, they have meetings all round the world, they're very successful—the next one's in the Faroes, next weekend actually. The next one is in Cairo, in Egypt, in October and the one after that is in Perth, Western Australia. They are very effective in promoting all the training providers that are involved in safety training to share information, which is their role. An association of that nature could work but it needs a lump sum in the bank that is accounted for every year at a meeting.

**Tork**

How old is that association?

**John**

It was formed in about 1988.

**Tork**

And was it easily formed and easily run thereafter?

### **John**

In the early days it was basically run largely by the active intervention and participation of Warsash Maritime Centre. But as time has gone on, I think there's now only one person from Warsash on the committee and they have 4 officers who are currently from Canada, one from Warsash, one from the Faroe Islands and there's somebody from Eastern Europe, I can't remember exactly which country he comes from.

### **Jorg**

Well I think the discussion to postpone the responsibility to IMO committees or to form sub committees and things like that will not solve, in the near future, and not even in a couple of years, anything which is happening now. And I think to ask for IMO or to ask for governments to fund something is the wrong way to look at it. I think the awareness—it is in the interests of everybody, of shipbuilders, of owners, of brokers, of everybody, that this industry is functioning. And in my opinion it is the wrong way to go to sub standards like having engineers running yachts with 1,500 kilowatts and then an approved engineering course was an AEC ticket, I think this is the wrong way, which actually the industry is going for at the moment. One of the major issues in that one is the security of crew members. If somebody wants to go for further ongoing training he needs to leave his job. And there is no guarantee whatsoever that he will get his job back with the existing owner and it is pretty vague if he will get a new one. Because he's a newbie with a new ticket and the industry is looking for people with experience and somebody is coming with a new ticket, it's just one more with a new ticket. It's not a qualified engineer, captain, or whatever. And I think the human resources which are in the industry if they are used, so if owners' brokers will sharpen the awareness that there needs to be ongoing training with the existing people—well, recruiting new people, that's OK, we need to recruit new people. We can take them from the Royal Navy, from the merchant Navy, from land based jobs or whatever. But as long as somebody is put on his own, spends an arm and a leg on training and then will sit there and is struggling to find a new job, I think that's a hint in itself that the industry is one of the biggest enemies. And the other thing we were talking about what John from Blue Water mentioned, is the wild wild West within the yachting between anything under 35 metres. It's is pretty well regulated and pretty well observed, anything above that level, because you get more and more professional people in there. But if you look at the huge amount of yachts which still need to have qualified personnel, because smaller yachts are in possession of engines for example, in excess of 4,000—5,000 kw and they normally would need class 1 engineers on these boats, but what the industry is doing is cutting the standards down, recruiting people by saying we need somebody with an AEC ticket, no engineering required, just the ticket—as long as the industry is doing these things then there will be no change. And I believe if the key factors, and these include brokers and builders, will give the opportunity to their crew to go for further education that this will solve certainly part of the problems of the shortage in that industry as well.

### **Tork**

Yes but Jorg just on that specific case of kilowattage of let's say—I was on a little speedboat once which had about 4,000 kw, 5,000 kw, the job of a Y1 is a lot more complicated than simply babysitting those 2 engines. Which in the case of these

particular two, he wasn't allowed to touch anyway. He couldn't even plug his laptop into them. So the kilowattage to a very strong extent relates to the complexity of the overall ship, and a 50 foot speedboat does not merit a Y1. Would you agree, Phil?

**Phil**

Yes. Going back a lot of years, in fact into the early 1970s, after a meeting of engineers on the IYCA where people were panicking because if you weren't a time served English engineer you couldn't even get on the ladder, I went to the MCA with the backing of the PYA, and we sat down and talked about it and we all know that a few years later, it took me at least 7 years, we ended up with the current engineering qualifications. And I must admit I sometimes sit back and think—did I do the industry a disservice? Because I was partly responsible for the watering down, what I consider to be the watering down, of the qualifications. But equally I also think that if we hadn't done that, the industry wouldn't exist now. Because we were struggling for engineers when I came into this business. We simply wouldn't have any now.

**Tork**

But Phil is it really watering it down?

**Phil**

It is watering it down, in the way Jorg has just said, and to a certain extent he's right. But I think you then have to go back and say OK, well what is actually sensible? And the argument that kilowatt rating on yachts is an irrelevant figure is an argument that I started out with, with the MCA. And after several years most people within the MCA actually agreed with me. But the international legislation is such that there's nothing they can do about that. That's the way the international legislation is written. The one thing that is bizarre about this industry is that the design of a yacht makes no commercial sense. It needs not to make any commercial sense. If you want to build a 20 metre yacht with 30,000 kw of power you can build it. You wouldn't do that in the commercial industry, which is what the regulations are written for. Which comes back to the advantage of having a seat on the IMO. At least you can get relevant legislation written for the industry. But I think we do have to separate what an engineer is required to do on a vessel. The very fact of the matter is that most engineers need to know and need to understand the AV system and the toilet system and the AC system far more than they need to understand the main engines. Most yachts are equipped with 2 or 3 main engines—if one fails, bugger it, you turn it off and go back with one. If the AC system fails or if the toilet system fails, you've lost your charter and the owner's not happy and it's cost you your job. Yes, we would all like to be able to dive onto an MTU, strip it down, pull it apart, change the crankshaft while you're out at sea, put it back together, aren't we clever, and away we go. But the reality of it is you don't need to. But you do need to be able to fix the toilet system, or the AC and you do need to be able to go and re-programme the owner's daughter's TV when that fails.

**Tork**

So it's almost—it shouldn't be a kilowatt rating, it should be a weekly charter fee rating.

**Phil**

To be honest, the complexity of the toilet system is probably more relevant to most chief engineers than the complexity of the main engines. Because you don't carry the parts, you don't carry the kit and to be honest you don't need the knowledge. They are things that can be easily maintained by contract companies ashore, and in practice they are, 9 times out of 10, maintained by contract companies ashore. It comes back to what I said earlier on. With the relationship with the IMO and the whole training of our engineers. We need to look at what we need, we need to look at what we legislate for, and we need to create rules suitable to the industry and the way we operate, not try to apply some third standard that's actually written for a completely different industry that operates in a different way with different requirements.

**Martin**

John, your comment?

**John**

Yes I agree with that. I think that the way that we train engineers in the industry needs to be really thought about. This industry association I think is the only way to achieve that. A consulting yacht engineer of my acquaintance visited a yacht at the end of last year because the Y3 engineer on board had a problem with his bilge main which he couldn't solve. So this engineer removed the paint pot which was over the end of the strainer and charged them half a day's work, and he earned himself a nice bottle of wine not to tell the captain what the problem was. That was a Y3. Some of these guys that go through are proper engineers, some of them are clever enough to pass the exams.

**Tork**

But John, is it not the case that what's needed is appropriate training for the vessel and type of use?

**John**

Yes, but it's the standard of that training, it's the agreed syllabus of that training, that's the problem. And without somebody with universal consensus within the industry setting this standard—I mean we could set up our own course as a Blue Water course, but we're a company. Without an external accrediting body, no-one would buy it. The only courses that we can really promote are ones that somebody else accredits. The MCA, most of them, the RYA, and in one case with our safety officer's course, the Nautical Institute, because the MCA won't accredit a safety officer's course. So there has to be external accreditation, outside the training provider, which has universal recognition. Without that, it's just not going to work.

**Tork**

This is going to be a really busy committee.

**Norma**

What about apprenticeships and cadetships? We haven't even mentioned those, which surely would be great ways to have practical experience linked with official training?

**Tork**

Yes, but they were actually touched on yesterday, to some extent.

**Jorg**

Well that's the thing with a career in yachting. I think I know the answer but I think anybody who is working land based, do you really consider that as a career when you are under the constant threat that you are going to be fired from one minute to another, with a 5 minutes' notice—as long as the industry is maintaining these sort of practices then I cannot see any career either on deck or in engineering, which is going to be taken into consideration to start off. And if you speak about apprenticeship, I think it's a good thing—it is the onboard teaching, the onboard learning, I think it's a good way to do, to build up your old staff, to train your people, which captains should do with ratings. They should build up their ratings and not recruit them—they should get their own ratings on board. And teach them, train them, and then get them accredited by PYA, MCA so that they come under safe manning document. But if people are under a threat, or they do not have the sort of security on their jobs, in that case yachting will not be regarded as a career.

**Tork**

I think insecurity is an issue. In defence of that, the salaries do reflect the risk of the job. I mean you're very highly paid, and you're also very insecure. In the shore based job you're much worse paid and you have some security. Just to add one other point though, in an interesting conversation with John Leonida—he actually was telling us a story about a captain who spectacularly sank a yacht, and had to be retained for a period of time due to an insurance claim—he was required to be retained during the period of the insurance claim. Because he was French and under French law, after retaining him for a certain period of time he actually couldn't be fired. So although the insecurity does exist, there are instances where protection is quite strong.

**Jorg**

Well, if you want to apply French law the yacht needs to fly a French flag, and I think—

**Tork**

Actually that's not the case.

**Jorg**

I would like to come to you when you say that the salaries reflect, sort of. If you think about the money is leaving the owner's, the manager's funds, for stewardess. Take that stewardess position with €2,200—€2,500. If that's the money which is leaving the funds of the employer, if you want to put that on a shore based job with all the contributions from the employer's side, the girl will work for whatever—€1,300 net. And that's not a tremendous salary.

**Tork**

But that's my point. In that shore side job you have great security but you don't have as much money. I'm not saying it's defensible to sack people for no reason. It is an

ailment in the industry, there's no question. But there are mitigating factors in terms of what you earn that compensate for that failing. It is a failing, you're absolutely right.

[From the floor]

Well, right to work issues have consistently been an issue among yacht crew population. We all know that people are able to be fired easily. I'd be interested in Mike's comments on that coming from primarily a commercial HR viewpoint.

### **Mike**

My view is, what I'm used to, is that people have contracts, there's legislation around that says that if you're going to dismiss somebody it's done in a fair way, in a fair manner. I mean that obviously isn't here in the yacht industry. But the people that are our members in the yacht industry, those are the sorts of issues that they're ringing up with. It's—I've been given immediate notice, I should have had repatriation, it's in my contract—but it's all been ignored and that's it. The owner's decided they don't like the look of me or whatever—and out you go. And I think—picking up Tim's point about trying to encourage people into the industry—unfortunately if there's a bad experience—I think statistically if you go into a restaurant and have a bad meal you inform 15 or 20 people—if you've had a good meal, it's probably 3 or 4. and I think that's some of the problem—the horror stories that are coming through to people in the UK or other countries where they may be thinking of a career in the yacht industry. When I hear some of the experiences, if somebody's 11 months on a yacht and a month off, it's not surprising they get burn out. And they leave the industry. The answer isn't rocket science but it's difficult for the industry to actually adapt to. In the merchant navy, month on, month off, two weeks on, two weeks off, or whatever. Those are things that in a sense we fought for over the years and apply. And I understand that's not necessarily what happens in the yacht industry with owners who do whatever they want to do. That's what they're paying all this money for.

### **Tork**

The use of contracts is increasing and it's very appropriate. We discussed this yesterday as well—it's the duty of advisers, whether they be crew placement agents or whoever, to inform crew that this is part of what they should be looking for.

There's a point at the back, and one at the front?

### **Martin**

Barbara first.

**Barbara Tambani** Floating Life International SA

I would like to ask a couple of questions. Before just saying that from our side what we realise is that owners would like to keep their crew on board. They don't want to fire qualified and good people that work seriously on board. So this is the base of how they want to run their boats. They do not want to have every time they come on board a different engineer. So if you have a good engineer that makes a good job and he's working, he assists even the shipyard during the Winter time, there is no reason why he should fire him. So good people, good work, good job. Long term contract. And this is something that is quite clear from the owner's side. I would like to ask Norma— how many people in percentage that are qualified, sit there looking

for a job—because from our side as managers, we are always and continuously looking for qualified people. And there are much more boats than qualified people. But perhaps I'm wrong—it's her job—or other crew agencies have a different sensation of how many people really are looking for job, or they just put their CV in their software and they are there, just waiting for a better paid job.

**Norma**

Well I'm not a crew agent any more but of course I have a more kind of global viewpoint on it and I'm sure that some of the crew agents that are here might be able to speak more cogently on the subject, but I can tell you from an anecdotal point of view that I hear a lot of comments from the crew people saying that they feel somewhat manipulated, and that's not a very pleasant word, by the crew agents. I just yesterday had a conversation with a young Australian girl who has three years of experience as a stewardess, she wants to look for a chief stewardess position—I think she's made some unwise choices, she had some jobs that did not work out for her so her record is not as clear as it should be—and she just yesterday went into a crew office—you know you hear all these stories, desperate need for stewardesses. She's an attractive nice gal, I've seen the things that she's done, she cleans very well, she presents herself nicely, she knows how to cook and she said this agent wants to be my sole agent. Which is also a new concept for me. But she said well you have to take a two week vacation and come back in two weeks because I can't find you a job for the next two weeks. And my advice to her I thought was pretty simple—I said go talk to another agency.

**Tork**

Or go talk to Barbara.

**Norma**

Or go talk to Barbara. But you know there's a tremendous amount of competition within the agencies themselves.

**Barbara**

It's not really the crew members. It's the agencies that are not supporting them.

**Norma**

I'm just telling you the kind of feedback that I get.

**Martin**

Chloe you're smirking.

**Norma**

I don't think that it was Chloe that said that. Because I know the kind of work that she does. So as I said, I'm really surprised and Chloe I'd be happy to send her to come into your office.

**Tork**

Phil had a point on this, and then perhaps if Chloe wants to comment?

### **Phil**

I think I agree with you Barbara. I think to a large extent the expansion of our own industry has resolved a lot of this problem. That there is so much work out there that generally if somebody gets pushed off one boat they can move in somewhere else. But you've got to look at it from the other side. If you talk to people that work in conventional industries ashore, you ask people how happy they are in the job that they do—and an awful lot of them will tell you well actually I'd quite like to leave. The one thing that we do do in this industry, is that people jump off one boat onto another boat whenever they're unhappy. That's a flexibility that people like. But they don't like the other side of it. Now you can't have your cake and eat it. We've either got to accept that we've got freedom of movement, freedom to jump off and on boats which is a bigger problem I think than people being pushed off boats,. The opposite has got to be there as well. But the volume of jobs available within our industry at the moment has helped resolve that problem. How you keep people on a boat I think is a greater problem. And in fact a very good friend of mine who runs one of the best 65 metre boats in the business, he's a very well known, very well liked captain, with a very good owner, private only, doesn't charter, they've got a big crew, don't expect unreasonable conditions of the crew, they're on good salaries, they pay a 13<sup>th</sup> month, they're fully insured, and he still can't keep his crew. He still loses 30% of his crew every year. And this is a guy who would do anything if anybody can come up with a suggestion of how he can keep his crew he will try it. Because he's done most of it, and he still can't keep a crew. He's still got crew getting phone calls saying come and work for me.

### **Tork**

We did touch also on the fact of that necessity—which Rod Hatch spoke of yesterday—that to advance and to be ambitious you often have to leave, and he expects them to do that. But one word that you used, Barbara, which is actually quite key, is you were talking about experienced crew. And as we said yesterday, one of the things is that you have to employ inexperienced crew and train them. And a lot of the crew that are out there looking for jobs, not Norma's example but others, are inexperienced, but keen. And they need to be given that start. Like it says at the bottom of the slide. Chloe do you want to comment?

### **Chloe Collet**                      Peter Insull's Yacht Marketing

Just on the volume of people looking for a job. We have a database of 24,000 candidates. We don't go above 24,000. But we keep it active and we have between 10% and 15% of that database that are looking for a job. But what you've got to keep in mind is that not everybody's just looking to get a job. Or example, we have engineers looking for jobs, but engineers are looking for specific jobs. They're going to want to work on rotation, they're going to want to work 4 months on, 2 months off. Or 3 months on and 3 months off. They have very specific requirements that are not just linked to salary but are actually linked to working conditions. So yes, we have engineers looking. And we have yachts looking for engineers. But we can't always make them match, because the requirements on both sides don't match. And then there's another subject we've not spoken about really, I think we've just mentioned it a little bit, and that's got to do with what I would call discrimination, for example when we have—I don't want a candidate of this nationality, or this region of the world. We have very highly qualified STCW which is internationally recognised qualifications,

top class engineers, but because they come from a certain region of our world, will not even be given the opportunity to transfer their commercial experience into the yachting world. And that's something that's also got to be tackled by the industry as a whole. We already have a pool of qualified people with experience, maybe not on yachts, but who are willing to do that transfer. Some of them we've spoken to are even prepared to take what they call long term permanent jobs.

**Tork**

Chloe. What about Norma's point. Her wannabee chief stewardess?

**Chloe**

Yes it happens. I think it happens sometimes—unfortunately crew candidates might not get the best service that they can expect from a crew agent. I think it's unfortunate, and I hope that it happens the least possible and hopefully not in our office. We have 25 years of experience in the office and I hope that it does mean we can make out the difference between somebody coming in who maybe has only worked as a barrister or as a stewardess at MacDonalds and somebody who does have 3 years on board. On the other hand Norma, as you know, as a lot of people know, we're also faced with the problem that we have people who've only done 6 weeks, or 2 months on board a yacht as a junior stewardess and who will then come back into our office and say they now want to be a chief stewardess on a 60 metre yacht. On \$50,000 a year at least.

**Tork**

One thing actually Norma, that you missed yesterday, and for those of you who weren't here yesterday, was that it was strongly mooted, and very popular, the idea of creating a professional body of crew placement agents that would set standards and have a membership.

**Martin**

Chloe, how many jobs do you have available at the moment?

**Chloe**

I can say 180.

**Martin**

180 jobs available?

**Chloe**

Yes.

**Martin**

And how many people looking for work?

**Chloe**

About 2,000.

**Martin**

Wow. That's incredible. Is that common across the market?

**Chloe**

I think so. We have a very—

**Martin**

So there isn't a crew shortage. It's just the matching process.

**Chloe**

It's a question of matching. But then how many of those—we have to match what a yacht requires. If they ask us for an experienced stewardess, from time to time because we know the yacht we can say that this person has come out of the top hotels, they can get on board and they will be able to do that job, take them. But there is another yacht that will say there's no way—if they can't see two or three yachts that they know about, that they can phone the captain and say what was this person like, they will not even accept the CVs.

**Tork**

But surely, can't they take them on a trial period and give them a try? For heavens' sake.

**Martin**

You can't charge a fee for that! Sorry.

**Chloe**

We do encourage that. But we also have to fill their requirements. Very often Tork, for example, one of the things that will happen several times in the year is that we will have a yacht who will come to us and say no couples, I have a no couples policy on board. And so we will endeavour to send only—there might be 3 or 4 positions available—we will follow the requirement, we will not send people who are looking to work together. At the end of the day—oh you've already found somebody—but who did you find? Oh we found so and so and we've actually found us a couple. And as crew agents we might have worked on that for 3 weeks, different people, maybe four or five different energies in that and at the end we couldn't actually ever comply with that because the people taken didn't correspond to what was sought for in the beginning.

**Esther**

I was wanting to ask a question about the girls' size issue. I mean, this is something that I keep hearing about and I think it's unbelievable—sorry, we don't have uniforms in that size. Surely if you've got these girls who are hardworking, maybe don't just stick them right in front of the owners, or the guests, have them doing the work that's not so obvious. But—

**Chloe**

I think that's part of our role as crew agents. Part of our role is to say this is the person's skills, this is the person's experience and this is what they can do.

**Tork**

But that goes back to your last point as well, Chloe. I think that part of your role as crew agents is to turn to the captain in the most polite and persuasive manner and say get real.

**Martin**

Maybe we could have a Flagship Health Farm as well for crew.

**Phil**

One thing we have to remember is that we're part of the real world and racism, sexism and sizeism, ageism, is there. Ageism is probably one of the best ones in this industry because very often we're pushing out the very people that we're desperate to keep in.

**Martin**

Phil, who is to blame?

**Phil**

Society, life, whatever you like. But we're purely a reflection of the society that we're all part of.

**Tork**

I mean take the analogy of the world of modelling or Hollywood and I mean—sorry, but there are certain occupations where it's required to be pretty and it's very unfortunate, and totally unacceptable, but it's life.

**Martin**

Barbara, you have no problem, you're perfect.

**Barbara**

I just wanted to say that every year I allow a girl that has never had any experience on boats to make a season. I usually choose two or three girls on the 13 boats we manage so every year I always put in the business 3 girls—I take care of the interiors of course, they don't have to be engineers on board. Interior girls that have never been in this environment. And they make a great job, they are the best.

**Tork**

Barbara, roughly what percentage is that of the interior crews that you employ over the fleet?

**Barbara**

Usually we have let's say 2 or 3 girls on each vessel—

**Tork**

So, 3 out of 36 roughly.

**Barbara**

Yes. But every year I confirm them and I add 2 or 3 girls for the next year. Just to get people started in this industry.

**Martin**

Do they stay with the fleet or do they move on.

**Barbara**

Usually I try to keep them. If the owners are happy I also confirm with yearly contracts some of them. Others prefer to make another experience, which is fine because the first thing they learn going from one port to the other is that you have to move. This is a concept they really have in their minds. We have to move two or three on this boat, then we have to look for something else. Which is fine, because usually they come back after one year so it's fine.

**Martin**

Where do you find them from? Agencies?

**Barbara**

No. Usually they get in contact just because of other environments—they usually find me. But I'm really proud about that and I'm so happy about them because they are the most happy people on board.

**Tork**

Chloe you had a comment ?

**Chloe**

The comment was just to say that we do have yachts who will take junior crew and we know who they are and they come to us normally at the beginning of the season mid March to the beginning of May and we always do place newcomers, whether it's on the deckside, whether it's on the stewardess side—and if we do have some engineers who are also making a transfer of their skills into yachting we do place newcomers. But it also depends on what our yacht clients are looking for and if they're prepared to take newcomers.

**Tork**

Is it a struggle?

**Chloe**

No, when the brief is clear, when the job order is clear, we can place people.

**Tork**

But what you're saying there is, if I'm correct, if they ask for a newcomer you place a newcomer. I'm asking, is it hard to persuade generally the industry to bring people in and bring people on?

**Chloe**

I think it really depends on who you're speaking to. It depends on the captain and what relationship you've got with the yacht.

**Tork**

But your general experience within your agency—is it a struggle?

**Chloe**

There are a lot of newcomers who are turned away, yes. Because you must also remember the industry has changed a lot, in the sense that everything is now on the internet. So anybody who goes on and sees crew agency—we receive CVs from all over the world. Which is why we have people looking for jobs but they may be people that we will never be able to place because increasing your chance as a newcomer is to actually come to Antibes and meet people. Because then we can make the difference as well.

**Tork**

But what I'm saying is that we need to bring newcomers in, to bring them on, then lose them like Rod was saying yesterday to another boat where they get more experience. But then again you may have lost them to that boat, but there's another one coming in from this boat and if we all buy into the idea of bringing on newcomers nobody loses out.

**Norma**

But it isn't always like that. From the really bitter comments that we had on probably one of the most active threads we've ever had on Synfo was the lack of ability of new people to get jobs and I was really surprised at how long and vehement that discussion was.

**Tork**

But I'm saying *if* as an industry we buy into it. I didn't say we do.

**Norma**

Whether we buy into it or not, I think there is a certain percentage of the industry, I don't know how large it is, that believe that that is the reality.

**Phil**

To a certain extent that's getting easier because it's a simple fact of life that the bigger the boat the bigger the crew, the easier it is to integrate newcomers. In fact one of the biggest problems that we see on the smaller charter boats is that where you've got a boat that's operating with 3 or 4 people you can't take newcomers, there's no-one to teach them. You have to take people that know what they're doing. Yet they're the very boats where people don't want to go and work, because they've got experience and they want to be on a 50 or 60 metre. But it's the 50 or 60 metres that can afford to take 2 or 3 junior crew.

**Norma**

How long does it take to train an entry level stewardess? A week.

**Phil**

You take a small yacht with 3 crew where the stewardess is also the chef and it's not that easy.

**Tork**

Yes. You're right, and I visited one yacht which was about 80 metres, had 5 complete newcomers as part of the crew, it's very easy for that yacht to do it. However do you want all the experience in the industry to come from people working on large yachts, or do you want some of the very broad skills that come from working on a yacht where you have to do everything? I mean Norma's got a very good point—it doesn't take that long—again I said this yesterday but for anyone who wasn't there, I met a captain that was complaining that his new crew didn't know how to tie a bowline. Well, teach them! Well yes, but I only hire them for the summer... I said well hire them for another week, teach them?

**Barbara**

I think it's more difficult for a crew agent to make captains accept that, which is more easy for us, because we go to the owner and we make him accept it, to have new people on board. And he has to do it because it's the future. But up to when you are not positive, the owner is not going to even consider it—Why should I have a new crew member that is not able to do it?—but sometimes I go on board and I teach the girls how to do their job. I mean of course I cannot expect the captain to be a perfect housekeeper, I am, so I can teach the girls if they want to learn. But it's more easy for me, as a manager, than for a captain or a crew agent. So I can understand their position.

**Tork**

So why don't other management companies do what you're doing?

**Barbara**

Because it's more difficult. It's more time spending, it's more money just out of the window. I mean should you spend his day to go on board and teach to a new girl? This is what I do. But go and ask to the big ones if they want to spend their time to go on board and teach a girl.

**Tork**

And unfortunately none of them are here to ask that question of but it's an extremely good question. You have a point.

[From the floor]

The question I had was for Chloe. How many of those 2,000 jobseekers she's got on her database are newcomers?

**Chloe**

It all depends on the time of year. At the moment half of them. And when I'm saying newcomers, I'm saying newcomers to the yachting industry. So they might be newcomers from any industry, they also might be from the commercial industry. We have tried to encourage also people who have worked on riverboats, because people who have worked on 5 star riverboats it's nearly the same kind of work that we have on board yachts. We have actually extended all our searching for new crew into lots of different industries and we have made a concerted effort to try and introduce them into the yachting industry, which is not always easy.

**Tork**

No, I must be fair to at least one management company—Phil yesterday did point out that he too does encourage owners to take on newbies.

**Martin**

Chloe one final question. Do you personally think there is a crew shortage?

**Chloe**

There is a crew shortage for what we're looking for in the yachting industry with crew who have yachting experience. And who have yachting qualifications, yes. For example we have a pool of Y1, Y2 and Y3 engineers who are yacht qualified engineers who've worked on yachts, who've got that experience and who are looked for by every single yacht. Yes, in that section we've got a crew shortage. Most definitely.

**Tork**

Maybe we need to change the expectation end rather than the supply end?

**Chloe**

But what do you do when you have a safe manning scale that you have to comply with?

**Tork**

Well normally the safe manning scale isn't that harsh—it's more to do with preference. If you look at some of the safe manning documents they require significantly less crew than are actually carried.

**Chloe**

Except for how many yachts do we know who are registered as passenger vessels? And then you can have a look at what kind of crew we're looking for.

**Tork**

One interesting comment from a major shipyard recently was that in fact they are encouraging their owners to try and stay under 3000 gross tons in builds. That's the first time I've actually heard that from a shipyard. So in other words they're trying to cap at about 95 and 105 metres because they consider not only is it a more profitable and easier build for them but also the owner is going to have more fun.

**Norma**

It also comes down to manning issues I think.

**Tork**

Yes but it's size as well. You get to 160 and it's getting a bit impersonal.

**Norma**

Sure, but then you're living with 60 or 70 people on board as well. It's interesting that you say that because my question is—doesn't it make a lot of sense that, just like Barbara who's in the position of trying to take care of her owners, shipyards themselves have the most direct relationship with the owners and I think it makes a tremendous amount of common sense for shipyards to involve themselves with—and those of us here who were at the Azimut Benetti Yachtmasters recently heard a very clear mandate from Benetti, the large yacht end of that group of people, that they want to do everything they can to make sure that owners are happy with their crew and as we know they just made a recent and very sensible arrangement with Flagship—but does anybody have any thoughts about that? Does anybody else agree with me that shipyards should involve themselves with these issues as well?

**Tork**

Sure. They're part of the equation. If there's no crew they aren't going to sell yachts, so sure.

**Norma**

But there's not many of them that have indicated a lot of interest in it yet.

**Phil**

It comes down further than that with the shipyards. It also comes back to the responsibility of building sensible yachts. This is a conversation I was having this morning. Again, the boom in the industry is helping us because there are yards now, and I think Benetti are one of them, and I know Trinity that I'm very involved with, and I know people like van Lendt and de Vries, going back some years. They are in a position that they have enough clientele out there to turn down stupid projects. But for every yard that turns down a stupid project there's 100 yards out there that will build it. And if a broker says to an owner you can operate this boat at £25 a week and you only need 6 crew but it'll be 130 metres long the guy will buy it. Because he can operate the boat on the charter revenue for nothing. And when somebody sits down

and designs the boat—because if you pay a naval architect enough he's going to design the boat—and you take it to one of these yards that will build it—because by the time they've all put the money in their pockets and the guy has sailed his boat away with his 6 crew by the time he realises he can't operate it everybody else has walked away with the money, they don't give a damn.

**Tork**

Phil, you're a cynic.

**Phil**

No I'm not, I'm a realist. And unfortunately I see this on a regular basis.

**Martin**

He now works for a brokerage house and a shipyard.

**Phil**

But what I'm saying is fortunately there are enough people at the right end of the market now—at Trinity we've got 25 yachts in build, we don't need to take on stupid projects that are going to damage our reputation. Benetti, Lurssen, the big names in this industry, now have sufficiently stable client bases to look away and as I said yesterday don't be so bloody silly, take it away, take it to somebody else. But for every one that won't, there are 100 that will.

**Tork**

But it has to be said that one or two of the larger ones have bitten off some very large mouthfuls.

**Martin**

Barbara, final comment please.

**Barbara**

I would like to raise a couple of things. First of all, did we ever think about the fact of having some boats built with specific engines so powerful that the engineers should earn more than what the captains should earn on that size boat. This is the first thing. Then what about shipyards that are purchasing management companies that are now purchasing crew agencies, that are now purchasing I don't know what. Where is the independence of companies in this world. It's all Benetti or Lurssen or Amels—or do we want to leave this owner to at least listen to other opinions, or just because they are in that loop they cannot get out for the next 20 years of their life?

**Tork**

It's a great question.

**Phil**

Can I come back on that? Because I actually sit in the middle of one of those. To some extent it's frightening to think that that globalisation is going on. To another, it's natural progress and like it or not, it's going to happen. But if you look at the positive side, if the associations are positive, we were acquired by Trinity in July last year so I can speak having just been through this transition of being a brokerage, although I'm not too involved in the brokerage side—but certainly the technical side and the management side. But what it's given both of us is that we can now say to our parent company, Trinity Yachts, in order to build a better boat that we are going to end up managing, you need to do that. And that input from us, because a lot of their boats come into our management, we will now not let them make the silly mistakes or build the 100 metre with 6 crew because if the boat is likely to end up in our management we don't want to end up with a problem, thank you very much. So there's an element of control, an element of common sense, that can flow back between the different parts of the companies. And I think the same is true between our crew recruitment and brokerage. We specifically avoid crew recruitment, here in Europe, IYC in the USA get involved in crew recruitment. I avoid it because I don't want the responsibility of selecting and placing crew onto boats that I equally manage. It gives you double the responsibility, which a lot of people are quite happy with. I personally am not. But I also don't necessarily think it's a bad idea—because if you're operating and managing the boat it gives you very good knowledge and understanding of what you actually require from the crew that you're then employing.

**Tork**

I'm sorry to keep everyone away from coffee, but just one very brief question. How does one separate church and state—and avoid conflict of interest between charter broker, sales broker, manager, crew recruitment and shipyard?

**Phil**

He who shouts loudest!

**Tork**

And on that pragmatic answer we'll go and have some coffee!

**Martin**

OK we'll break for half an hour then come back and discuss the gravy train in terms of the money investment.

Thank you very much.

---