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MANNING & MANAGEMENT

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Jon Ely	UKSA
Sir Tim McClement	Flagship Superyacht Academy
Peter McEwen	Nautilus UK
Captain Frank Preece	Preece Consultancy Ltd
Phil Rose	PYA

Chairman— Martin Redmayne

OK. The final hurdle—day 4. This is a day of interesting subjects for those who are very focused on the world of manning, navigation, communication, and machinery spaces, so the audience will be very specific, I think. Hopefully we can drill down to some quite good topics here.

We have a large panel to my right, representing all facets of the manning world. We have a union member, I think that's probably the right description—or do I call you a general secretary, or something like that? A council member of the PYA, manning consultants, heads of training organisations, and it should be a nice session where we can address some key issues. The one thing I want to make sure we do this morning is not just talk about *oh my god, there's a crew shortage, or we're training them badly*—let's look at how we can change the market. The key thing we always talk about—well, you see it in magazines all the time, including my own—is crew shortages; but it's more solutions than the problem that I want to look at. The session will start with a short presentation—I don't know how short it will be but it'll be a labour of love, I'm sure. The presentation from Frank Preece on the ILO Maritime Labour Convention—obviously this is something that is going to bite us a little bit. Potentially a lot, especially in the charter world in terms of working hours' directives, etc. I'll be interested in how that is policed, how it is imposed, it's there as a cloud - when it rains on us we'll see what the fallout is. Frank?

Captain Frank Preece

Preece Consultancy Ltd

Good morning ladies and gentlemen. First of all I think I'd just better explain about the International Labour Organisation. United Nations organisations usually only talk government to government, the ILO is different. It is unique within the family of organisations; it works on a tripartite system consisting of governments, employers and unions. In the maritime sense, and these are the expressions I will use from now on, the governments are called members, and just to add to the confusion, a member can either be a flag state or a labour supply state. And the unions are called the seafarers and the employers are called the shipowners. The shipowners and the seafarers are known as the social partner. My social partner is Peter, he's here today and we've decided to sing from the same hymnsheet so everything I say to you is the gospel.

There are about 40 maritime conventions which go back to 1922, and when it was decided to consolidate them and modernise them it was essential that when this was done they were going to receive wide ratification, so there were very intensive meetings with the tripartite and the maritime governments taking a major interest and it was decided everything had to be agreed by consensus. Now when you've got 3 different bodies—very different bodies—consensus can be difficult. So the

convention, by its very nature, is a compromise but it was put together by consensus at the end of the day. There are bits in it that the shipowners don't like, there are bits in it the unions don't like, but we've agreed to accept those bits. So I'm going to take you through it very rapidly so that we can leave time for questions and discussion later.

It's made up of 5 titles. Titles 1—4 are the consolidation of the conventions and the modernisation of them. And each title has got regulations which are followed by a code. Code A is mandatory, Code B is guidelines. Title 1—not a lot to say. In title 2 there's two contentious issues there and from the discussions I had yesterday I feel I should explain the difference between a collective bargaining agreement and a crew agreement, a seafarers agreement, which should really be called a contract. A collective bargaining agreement is an agreement between the shipowner and the seafarers or a seafaring union, regarding one single nationality. A contract, the seafarers' agreement, is a contract of employment between the shipowner and the individual seafarer. In the context of this convention the contract of employment is compulsory. A collective bargaining agreement is an option and is not compulsory. And then we've got the hours of work and rest which is going to be a very contentious issue in your sector. Title 3 is going to cause major problems to the commercial yacht division; one thing as an example I can highlight for you—when this convention comes into force no accommodation will be allowed below the waterline. That's just one of the issues that the builders of commercial yachts in the future are going to have to face. Title 4 deals with health protection, it also mentions social security; social security is the problem of the labour supply state. It does not put any liability onto shipowners apart from the medical care aboard and ashore and other shipowners' liabilities. Title 5 is completely new, and this is what gives it its teeth, it's enforcement. This is how the convention is going to be enforced. There are 3 appendices to it, which deal with the maritime labour certificate. Now any vessel that's 500 gross tons or over—in your case, if it is liable to the SOLAS convention it will also be liable to this maritime labour certificate. These are the definitions in the articles—the articles are cast in stone and cannot be altered without a full diplomatic conference.

And these are the areas where you will find you need to take an interest. Gross tonnage—I'll get over that. Definition of a seafarer—a seafarer under the definition in the articles is any person that sails on a ship. However, the flag state can introduce flexibility, for example if you have an entertainer on board who is only going to be there for 3-4 days, not a seafarer. If you have technicians on board repairing the radar or whatever, who are only here for a short period, no problem. If you have a maintenance squad on board that's going to be there for any period of time, they are seafarers. All hotel staff are seafarers. And the flag state has a certain amount of flexibility. A ship--is other than one which navigates exclusively in inland waters or waters within or closely adjacent to sheltered waters or areas where port regulations apply. Very political issue at the diplomatic conference; the United States wanted their entire seaboard to be considered sheltered waters. The social partners outvoted them. Shipowner—means the owner or other organisation who has assumed responsibilities imposed by this convention, and is the name, where it applies, that must go on the maritime labour certificate. Except as expressly provided otherwise the convention applies to all ships whether publicly or privately owned ordinarily engaged in commercial activities. So it sucks commercial yachts into the convention. Article 5 deals with the fact that there is no escape. If for example you think you can get away from this convention by registering your ship in Vanuatu, which has not ratified the convention and your ship then goes to Rotterdam, and the Netherlands have ratified the convention, under this regulation they can apply the full force of the convention to that ship. So there's no escape for any ships entering a

country where the convention has been ratified. We looked at the possibility of exempting commercial yachts under passenger ships and special purchase ships but commercial yachts do not qualify under that section. Title 3 also deals with dimensions of cabins, minimum headroom, and this is going to create problems for you. No sleeping accommodation below the waterline, as I mentioned, and separate cabins and sanitary facilities for male and female. Compliance enforcement--all this title needs to be carefully studied. We'll no doubt talk more about that later. The maritime labour certificate as I've mentioned applies to any vessel 500 gross tons or above, engaged in commercial activity, or, if the SOLAS convention applies to that vessel then so will this maritime labour certificate. In drafting the maritime labour certificate there are two declarations—the first is done by the flag state and the second is done by the shipowner and it's very important to get it right to avoid problems with the inspection by either the flag state or port state control. And finally the International Shipping Federation have issued guidelines which are very good and worth reading, as they will give you an insight as to what the convention is trying to achieve. ILO, by resolution, were instructed by the conference to draw up guidelines for flag state and port state inspectors on the interpretation of the convention and this is going on as we speak; my social partner Peter is part of the small working group that's putting that together and will be completed sometime next year. That's it for now. Thank you, Chairman.

Martin

Thank you very much Frank. The panel—I'm going to leave it as a very open forum. A couple want to say a few words—please fire away. Jon?

Jon Ely UKSA

Good morning ladies and gentleman. Jon Ely from UKSA Maritime Academy. I'd like to make a few comments on crew shortages and training, which obviously is our field. There's no doubt that crew shortage is a real issue. It's an immediate issue and it's something that is affecting all sectors of the industry, particularly from the conversations that I've had around the conference. Not only though are we short of crew, perhaps more importantly we're short of the right quality of crew. Bodies just won't do, we need the right bodies with the right training and the right intelligence. And the worrying fact is, as a training organisation and a collection of training organisations that we're just not attracting to meet the projected needs. The situation is with us now and unless we make some changes it is going to get worse, and affect us all.

The first question that I think I might ask, and perhaps we need to answer, is why are we not attracting the people to come and work in our sector. How attractive are we? If you've been here for the 4 days, we've heard about crew burnout, we've heard about poor cabin space, a weak dollar making the wages not quite as good as perhaps they were. We've talked about no rotation or limited ability for rotation, the high cost of training, the difficulties of getting time off to train and go forwards. So perhaps some of those are reasons why people don't find our sector particularly attractive. I believe there are a lot of attractions, but we have to make our opportunities attractive; we have to sell to people, whether they're transferring from other industries or whether they're newcomers. And we have to recognise that we're competing against some other very compelling career opportunities for people. Our standards are high, we have to make ourselves attractive and we have to make it possible for people to enter. Don't forget that to train a good engineer, and I'm sure you'll all agree with this, to train a good engineer and to train a good captain with good money from skills doesn't take months, it takes years. And the commitment from the individual person to achieve that is quite considerable. So we're asking quite a lot from the people that come in. So who do we want? This is what you tell me. We

want intelligent, we want well trained, we want experienced and we want people with an understanding of the particular requirements of superyachts. Quite a tall order, I think, for a training organisation. I think we can meet some of the short term needs by crew transference, but I think the longer term needs, looking further into the future, 3-5 years down the line, need to be met by attracting bright intelligent young people who are focusing on a full career, a career path within our sector. What do we need to do that? We need to show them that there is a career path. We need to show them that there are transferable skills beyond wanting to work at sea. We need to provide them with training for mandatory qualifications. We need to provide them with skills training, seamanship, maintenance, management. And we need to provide them perhaps with academic qualifications alongside that allow them to transfer into other sectors or to life beyond captain or senior engineer. We need to allow them opportunities for continuing professional development. We need to support and encourage that. And that will bring more quality into our industry. We need to attract people with the right attitude, the people that we want to understand the particular needs of superyachting. This is something that comes back to me all the time. How do we do that? We need to give them good, consistent advice at entry and we need to provide training so that they can meet and reach our standards. We need to provide them with opportunities to gain experience, to welcome (as Tork puts it) newbies with open arms and at the moment that doesn't quite happen. It's difficult to get in as a newbie unless you've had some time at sea, but how do you get time at sea if you can't get time at sea? The costs are quite considerable. To enter with an STCW95 I would argue costs you in the region of £1,000. to get yourself to, for example, officer of the watch, £25,000. So we need to find some funding somewhere. That's a huge barrier to entry, if someone is going to come in and progress to a top level. They need to dig deep into their own pockets, and we're not supporting them with time and we're not supporting them with finance. And they are considerable commitments to ask from individual people, when we're not selling our industry very well. So in summary then, we need to make it possible for people to come and join us, to feed our crew shortage. We need to sell attractive benefits. We need to show a career path, to give consistent advice on entry across entry level, to provide financial support, and to provide progressive training programmes that support people throughout their time with us so they're able to progress and achieve. To do this, I would say it's not a trainers' problem. It's an industry wide problem that we need everybody to engage with us, to support us. Thank you.

Martin

Jon, thank you very much. OK, who's following from Jon's comments?

Captain G Anderson Chase Maine Maritime Academy

Andy will do! I don't want to sound too important. OK, my name is Andy Chase, I'm on the faculty of Maine Maritime Academy—it's traditionally a merchant marine college in the States. We've expanded into a lot of different programmes over the years and the newest one that we're going to go into is this yacht industry. After we started thinking about it we realised how badly the industry needed it, so it was fortunate timing. So all my notes, I think, parallel almost exactly what Jon just said, so I won't reiterate any of it except just reinforce it, and say that in the research that I've done in the past year I have heard very consistently from crews, captains, engineers, etc that pay is not the issue, they're getting reasonably well paid, in some cases very well paid. It really is more a vacation and benefits issue, and I think that is solvable. It's a simple supply and demand problem, owners understand that; owners are business people—we heard Steve Rattner on Monday saying that he recognised that; we also heard him—I'm pretty sure he came right out and offered to be involved in solving this, or working towards a solution to this, so I think we need to jump on an opportunity like that. It is an industry wide problem, it will require a focused approach,

it will require marketing and recruitment. We need to market the opportunity, we need to market the career as a career path. In order to do that it has to really be a career path. That means it's got to have a complete benefits package, it's got to allow for plenty of advancement along the way. So I don't think I need to repeat anything that's already been said, but that is I think where we're all coming from. Thank you.

Martin

Andy, thank you very much. Who's going to follow you? Sir Tim?

Sir Tim McClement Flagship Superyacht Academy

Thank you very much, Tim will do. I agree fully with Jon and Andy's comments. The industry is huge, it's getting bigger and the complexity of some of the ships now, 200 metres, 75 crew, 2 helicopters, their own submarine, it's very difficult for the captain to be able to train his crew to deal with any eventuality that he might have, or just to run it on a day to day basis, to provide the service that the owner wants. So from the big ship training point of view down to the individual who starts at the bottom and aspires to be the captain or chief engineer of the 200-metre, we have to have an organisation that will supply those people and give them a career path. And we need to do that as a whole, not just with the training, not just as the recruiters, not just as the owners. But everyone has a part to play. To get the right people to the right level of training so that you have an industry that's full of professional people who enjoy it, and they will pass the word as well. So we have to advertise and make sure they understand. Thank you.

Martin

Thank you Tim. Please, the unions.

Peter McEwen Nautilus UK

Seafarers, I think Frank said. Peter McEwen from Nautilus UK. Just a few points—again I'm not going to repeat what the others have said because it would be boring. Just to pick up a few points. First of all, on the ILO maritime labour convention, the clue is in the title. It's labour. So one of the big culture changes there needs to be is that a lot of conventions in the past have been what I would describe as the tick box thing. You know, the inspector comes on board with his clipboard and checks it's got a sharp end, it's got a blunt end, there's an engine, there's a few extinguishers and this sort of thing. Never looks at the crew. And that's the biggest single change in the new maritime labour convention. And the articles which Frank described, if you read those, at the beginning of the convention they talk about the rights that individual seafarers have. Now those are not negotiable. They're not subject to discussion with governments. Once the convention is in place those are the inalienable rights of individual seafarers and they will be inspected and enforced under title 5, which again Frank talked about. So there's no going away from those and as a sector we need to be certain that the rights and obligations are properly dealt with, right across the sector. Just on the issue of recruitment and retention, others have spoken so I'm not going to repeat that, but people have talked about the industry. What do we mean by the industry? Do we mean purely the large superyacht sector, as I would use the phrase, or are we talking about the marine industry as a whole? Because this recruitment and retention problem applies right across the board so yes, there are differences between sectors but I don't think we can just narrowly look at one particular aspect, because this is a problem for the whole of the maritime industry. And the career path is vitally important—what will happen over 20 or 30 years of somebody's career in the industry, not necessarily at sea, throughout that period. And I also wanted to mention, and I'll finish for now on this point—there's a reference in the programme to the working hours' directive. Now the working hours' directive is a peculiarly European description of it, so there is already a convention on working

time which will be in place, depending on which governments have ratified it, and it is reincorporated into the maritime labour convention. And these things I think should be looked at as challenges and they're there for a purpose. And if I can just take the European example of the working time directive—how did it get to be a directive, it's under Health & Safety laws. It's the only reason it's there. Working time restrictions equals safety. So that is the way to be looking at it; rather than as a problem, it is actually part of a solution for making the industry sector safer even than it is today. So again I think that is something that we should consider, but more anon, no doubt, in response to comments and questions.

Martin

Thank you. Does the PYA have a comment?

Phil Rose PYA

Don't we always. In fact, having been asked to join the forum at the last minute I sat and made a couple of pages of notes which very fortunately I think I've ticked almost every one of them off, that we've gone through. But there are a couple of things I'd like to bring up. One of them that has sort of been raised but we've never yet managed to achieve is a unified industry approach to anything. And if we don't manage to achieve a unified industry approach to recruiting we risk major problems. Not just for crew but for the industry as a whole. The expansion of the industry is sucking crew ashore because we're expanding our shore based facilities at the same rate as we're expanding water based facilities. We're going to implode if we don't achieve something along the lines. Part of the problem that has been touched on is that we don't offer a career path. We offer jobs. And unless we offer a visual career path, which is something that the PYA have worked hard at trying to achieve—we've got a career path for deck crew, that's taken us several years to achieve with the cooperation of the MCA. We now need to look at career paths for engineers. We have a partial career path which we've achieved. We don't have an entry and this is a cap on it. We need to make out a complete career path. We don't have a career path for interior crew. On our training side we train to comply with regulations—what we need to start looking at and something that we are looking at with the PYA at the moment is supplementary training. We train captains to STCW requirements. We don't teach them the management skills they require. We don't teach them the accountancy skills they require. There are an awful lot of skills that can be taught to crew. We don't teach crew to paint properly. It's a skill that we can see on a daily basis being lost. 15 years ago every deckhand could paint a yacht. It's something now that we see less and less of. We don't train interior crew other than in the requirements that are actually given to us by the STCW. These are areas that we have to address. I'm not quite certain who the people are to address them. Certainly at the PYA we are trying to address them. But we're a pretty shabbily funded small organisation and we would love to do a lot more. We could do a lot more but we don't have the funding to do it. We've recently formed a link agreement with Nautilus because we know that working with their support and help we can achieve a lot more than we can on our own. As an industry approach there's a lot of things that we could do together. There are a lot of companies out there that could help provide this training, a lot of companies out there that could organise, with us if necessary, the training. If we're going to move forward as an industry which is what we've become, and if we're not going to implode or simply collapse, we have to start taking these industry approaches which is what every other major industry in the world does. We need to start looking at it together. Where the forum needs to come from for that I don't know, it could be through the PYA, it could be through Nautilus, it has to go through somebody. We'll stand up and do it if people give us the support. I'm sure The Yacht Report will stick their heads up and take the lead if it's necessary. But we have to do it.

Martin

Phil, thank you. Open forum. Yes, straight away we have a hand up in the middle there. Come on girls, you weren't out pole dancing last night like I was allegedly.

Tork

That is a truly horrifying thought, by the way.

Martin

There are pictures, but allegedly it's a doppelganger.

David Reams Camper & Nicholsons

I'd like to play devil's advocate for just a moment here and say that maybe there's not a crew shortage, there's kind of an artificial shortage. Partly it's been touched upon by the fact that the work conditions, the work hours, things like that, may not be what people are looking for. Specifically with the engineering situation which is very very serious. Part of that is definitely artificial because the MCA instituted a requirement to have licensed engineers, but with no training or cross over to be able to produce these engineers, so consequently the guys who have gone through the training have gotten the MCA ticket which now are virtually priceless. Where there was no, or for a long time—it's much better now—for a long time there were no established classes in the United States, there was one school, there was no cross over from coastguard licensed engineering in the MCA and this produced the situation we have now so as I say I'd just like to throw that out and see how much of a response there can be to the possibility that there are people out there and it's a matter of getting them into the industry and getting them slotted in proper places.

Martin

Who would like to go for that? Jon please.

Jon Ely

I think from my experience, I don't know if my colleagues will agree, that I would say I agree with you partially on the engineering, Dave, but there aren't the volume of engineers training to reach those qualifications now. If that situation were true we would see a whole mass of engineers coming through the training schools, and we're not. So I don't believe we have enough engineers coming through to satisfy the demands that everybody's talking about. The second thing is, looking forward, there are various estimates round the industry and various consultancies and analyses and I think the demands that we're looking at for next year is somewhere between 8-11,000 new crew. Which doesn't include any churn or people leaving the situation. So my understanding is that there is a real shortage of crew and I can't see the feed coming through to satisfy the need.

Martin

Phil, please?

Phil Rose

I'd like to just correct one point. The MCA didn't create the requirement for qualified engineers.

Martin

No, the PYA did!

Phil

International legislation created the requirement for certificated engineers. What the MCA did was to allow people to qualify as engineers within this industry that could not previously qualify as engineers under the merchant schemes. When I first came into this business unless you had a recognised 4 year apprenticeship you couldn't even set foot on the bottom of that ladder. The MCA have gone an awful long way to opening the doors to allow a lot of people today to qualify as engineers that 7 years ago would not have been in our industry at all. Secondly, if you go back 15 years the number of yachts that required qualified engineers because of their size was very different from what it is today. Today we're looking at vessels that require not a chief engineer but sometimes more than 4 engineers, particularly with the system of rotation that we operate today. It isn't the MCA that's created the problem, it's the development of the industry that's created the problem.

Martin

I think the other problem is though the actual scale of the problem. Jon, you said 30,000—oh, 8,000-11,000. it's actually greater than that if you span it over 10 years and you look at the growth of the market. But if you look at everything else that's happened in the industry—as Phil quite rightly said, every industry today, every part of our industry, is sucking crew ashore at a very rapid rate. Because it's not just manning that's the problem, it's every facet of the business that is shorthanded. Shipyards, suppliers, sub contractors. The problem is on a massive scale. It's going to be 50,000-100,000 people that are needed in this business in the next 5 years.

Tork

There is another issue though. I'm going to quote from a captain friend of mine which actually sums it up quite well. He said somewhat frivolously there is no shortage of crew, there is just a shortage of captains willing to hire inexperienced crew. Then although it's a quip, there's a core of truth to it. And the lack of willingness to give people a start in the industry is like not planting seeds and expecting crops to grow.

Martin

Andy please?

Andy Chase

I'd like to go back to your comment for a minute to point out that I think the MCA standardisation or certification process was an outstanding move, but I think it inadvertently left us out of the loop. Us being the American side. We've got fabulous training programmes going over there; we're producing outstanding engineers, deck officers, etc with US licences and I don't think it was the MCA that cut us out of the mix but I think it's the insurance companies that have seen what the MCA has done and said excellent. We're going to want MCA engineers and captains on all our vessels. So those of us with American licences are having a hard time getting equivalency there. There does seem to be some kind of a route to do that but it's not mapped out. I think it could be mapped out.

Martin

A word from the insurance market please?

Paul Miller Underwriting Risk Services Ltd

A couple of points I really wanted to make are—we're only talking about the yachting industry here. But the last numbers quoted for crew shortage in the commercial world, with all the bulkers and tankers that are currently in build is 120,000. We are a minor part of this crew shortage. And it's clearly a tug of war between the yacht owners and the commercial ship owners etc. I think our view is at the moment that

the yacht owners will win because they'll pay the money. But we've got to get it in perspective. 120,000 people in the commercial shipping world. Arguably it's all part of the same shipping industry and they're all seafarers at the end of the day. The second point is we've been trying at Superyacht UK, and Martin's part of that—trying to do something from a careers' perspective. What I can't understand is why can we not actually have a yachting career path as part of the merchant navy path. If there's an established route there, if you like, from a merchant navy point of view, why can we not have a yachting part of that rather than trying to do something that seems to be completely independently and reinvent the wheel.

Martin

I agree, Paul. Jon?

Jon Ely

I think part of the issue, which I raised earlier on, is one of cost. I was merchant navy myself, I went through a four year cadetship, excellent way to train, excellent way to go to sea and hopefully it turns you into a good seafarer. The difficulty we've got is there is no funding support in our sector. So we have some apprentices going through on 3 year cadetships, robbed from the merchant navy, put into yachting. At this time we've got 25 people on programme—it cost them £24,000 each, over 3 years. That's a huge barrier—

Martin

To get to what stage?

Jon

To get to officer of the watch. And that is a huge barrier to people coming in. If we could provide some funding to support that, as you would have in the merchant scheme, then I think we'd have a chance of attracting the intelligent people that we need to feed the future.

Paul Miller

But ultimately that's not a lot different from what it's going to cost to go to University in the current climate. The nice thing is they can earn while they're learning. So hopefully no debt at the end of it.

Martin

And pay their student loan off quicker. Peter. Just throw in your comment please, from the commercial world.

Peter McEwen

Just to pick up the point about wages—I think you said that the superyacht sector will win out because the owners will pay more than the commercial—I think the words you used were "the normal merchant navy". I don't think that's right, actually. Because in the real world in which we operate, if you are certificated to be on a gas carrier, for example, you just say how much you're going to earn. There's no question of the company arguing. That is the area with the greatest shortage. We have seen in some particular sectors pay increases of 45-50% last year, and larger increases previously. And that market will have to respond, because you've got to have gas carriers, you've got to have vessels in the North Sea supplies. So that will happen. The other issue on training is what I was alluding to earlier—I said are we looking at the large yacht sector as if it's an industry by itself? Because in the long term that might be appropriate but pragmatically at the moment that isn't the case. There isn't funding. Now why is it in the UK—we have our battles trying to get funding for

training in the merchant navy—I keep putting inverted commas around these things, I actually see it all as one industry with different sectors—but there doesn't seem to be any pressure at all because there isn't an organisational structure in place, there isn't any pressure from this sector to say to the UK Government, for example, look—if you provided some training for this sector, it's actually to the benefit of UK Plc because of the flow of cash into the economy from this sector. And this is a problem that we face on the standard merchant navy side as well in respect of people who are working in foreign flagged vessels and the UK Government sort of dismisses that. But actually it's a major flow of money into the UK economy. So there needs to be pressure on government, not just a UK problem —

Martin

I was going to say, it's not just the UK?

Peter

No. It's not just the UK, but people have been talking about UK examples. But anywhere that wants to have this sector, needs to be in a position to put pressure collectively, and that's the bit that seems to me to be missing.

Martin

OK. Tim, please?

Tim McClement

Just following up on those points—the Chamber of Shipping in the UK has been working for 5 years with an organisation they set up called Sea Vision UK which is getting everyone in the maritime sector to try and work together so the whole is greater than the individual parts, to raise the money, to get people into training, to tap into the engineering skills that we've got, albeit in the UK, to get people into the maritime industry. And it's like trying to push treacle uphill. No-one seems to be interested. Lloyds have given funding to the organisation for the last 3 years and the more people we can get engaged—we're trying to raise 8 regional areas and Dieter Jaenicke is out in the audience and he might want to say something more, but we've got to work together, as has been mentioned by my colleagues, so that actually we do attract people. Because lots of engineers are required in lots of other industries and we've got to make sure that there's a good career path in the maritime industry which superyachts are part of.

Dieter Jaenicke

I was actually going to commend Peter and agree with him for a change—because Peter and I don't agree on a lot of things at the moment—but he said a lot of interesting things here and I think as an industry it's a global industry, not just superyachts, it's a merchant industry and I think we have to look at it as a big picture. And there are a lot of people out there working very hard to try and produce career paths in not only deck, engine and hospitality, there are working groups out there—there is a working group at the moment supported by the merchant navy training board looking at hospitality, not only on cruise ships, ferries, but on superyachts and how to bring some qualifications into that area. So there are people out there working very hard. Maybe we're not all getting the message over and we're not all working together but it is moving forward slowly.

Coming back to the global issue to Andy's question about the US officers, we're talking STCW certificates here, not MCA certificates. We're talking of global certificates—so I don't see why the American officers, if their certificates are fully STCW compliant aren't available in the market place like any other officer, whether

from the UK, Romania, South Africa, Australia or New Zealand. So there are a lot of people out there available and we as a company are actively marketing the Sea Vision project which Tim talked about, in Australia and New Zealand, and getting those countries very much involved in career pathing their young people. Because it is a global industry, there is a massive shortage, there are 37 cruise ships going to be launched in the next 2-3 years and we don't even talk about how many people they need there, in the deck and engine, plus hospitality. It's a global shortage and this is a global village. And when we look at the superyacht industry latching into the merchant navy, we see great drawers of personnel leaving that industry, so we need to bring in from the bottom more young people. This week in Manchester, and I know Peter and Andrew were aware of it, there was a large function at G MECS where I believe something like 5,000 young people came along and signed up about careers, and there was a Sea Vision part there with companies from the UK. There were no companies per se from the yachting industry there other than ourselves but we certainly do market those career paths available to young people. All I really was going to say was, I agree with Peter, I agree with the people on the podium—we need as a large global village to be looking at this, not just as one individual area of it.

Martin

We know what the problem is. We know what we need, but what's the solution, Dieter?

Dieter

Lots of money. Someone needs to put their hand up.

Martin

Is that the problem? And what will the money be spent on?

Dieter

I think on putting together a coherent group of people that actually go around—and if you talk about the UK—it's a global industry. If we talk about the UK, go around, as Tim was saying, with Sea Vision, and actually go to schools, talk to young people, engaged young people at an early age, not only about the careers on merchant ships but careers on yachts and careers in the greater maritime industry, that's from boat building through to crane drivers in docks. We seem to be losing those jobs, for some reason.

Tork

There's an email question or point that was sent in which highlights that. And they say it's clear that the industry as a whole needs to respond to the challenges. Does the panel believe that some form of industry-wide forum, committee, assembly needs to convene to develop a unified approach? If so, where should it be established, who should be eligible and furthermore how do you get the funding— suggesting a levy on crew, yachts, corporate members, individual members. So in other words, as you say, we all know the problem, but it's not UK wide, it's industry wide. It's global. We need—what is the mechanism, financially, and organisationally, to actually—

Martin

Are you suggesting another association?

Tork

What? Perhaps an association of associations?

Martin

Just fancy the committee on that!!

Tork

I know, it sounds ridiculous but it's not, because each association has its own individual focus and point.

Martin

I'm going to retire, I think.

Dieter Jaenicke

Martin, the ISS is going to put together a small work group that's going to look at this across the industry. I don't know whether there's enough teeth in it to do it, but certainly as a group the ISS are going to sit down and look at it as a global issue. But it's very hard to bring all the different nations together. I mean the UK is quite ahead, I personally think, into engaging young people into career paths at sea.

Martin

That's because of you and me.

Dieter

Holland, Norway, Ireland, also do very well. I think in Europe—I don't know if there are any Germans here? But certainly Germany has an issue, but I don't see any feedback from there. France I think doesn't really get involved. The US are very keen—it's trying to engage everybody. And I think the only way we can do that is through organisations like the ISS because as nations we aren't going to talk together. The ILO won't get involved.

Martin

The ISS has 250 members. Let's just forget that for the moment. Let's just forget that. This needs to be a totally different initiative, on a much bigger scale. No disrespect to the ISS, but we need to put every single training company, every single manning company, all together and create an initiative—

Tork

And managers, and shipyards, and brokers—

Martin

I had a conversation with a sub contractor, I think at Fort Lauderdale Boat Show, over a lot of beers. And he was quite lucid at the time—the fact is he was quite willing, and I was willing to match him, to put €5,000 into a fund, a trust fund, to develop this issue. Because he is short of at least 10 technical people in his sub contracting firm. And if you extrapolate that across the whole industry the fund would be huge. And you could solve a lot of problems. Is money the only solution, though? Do you just throw money at the problem, or is there more to it?

Andy Chase

Money is always part of the problem, or part of the solution. As I said before, we did get an offer from Steve Ratner on Monday who said that he wanted to be part of the solution; my guess is that money would follow. But it is, as Tork was pointing out, it's got to involve just everybody in this industry. It's got to involve input—we need to make everybody aware that it is everybody's problem. We've got to make sure that the shipyards understand that it's their problem, if their magnificent vessel goes out with a lousy crew it makes them look bad, and the ship ends up back in the shipyard.

The brokers, the charter brokers, have to understand that it's their problem, that they have to have good crews for their charters. The owner, up and down the line, everybody's got to understand that it's everybody's problem. I think it's a marketing problem. The cross section of owners there—they understand marketing. They understand marketing as in getting the word out to young people worldwide that there is a career there. In order to make that marketing pitch you've got to be able to describe that there is a career there, and show that there is a career path. You've got to be able to show—since we're talking about young people—we probably ought to be able to show to their parents that it's a good career path and that they're going to learn more than just how to polish stainless steel. My god, any captain, chief mate, chief engineer, stewardess, chief steward type person on one of these vessels has got to understand a lot more than their own specific job—they've got to understand business, human resource management, the whole spectrum. And in order to get all that you're going to end up with a very educated person. That's a very attractive pitch to a parent who's going to finance the education of a young person. We've got kids coming into Maine Maritime Academy—by the way we're a 4 year institution, we grant a college degree as well, so it's a long process but they get business, they get human resource management, engineering etc etc. How is that not an attractive career? It's a wonderful career. And there is a life after going to sea. When you've run a yacht—anybody here who's a captain knows that after you've run a yacht for a period of time you become a very attractive person for a business ashore. You are a very good manager. And it's not uncommon for owners to hire a captain ashore and move them into their companies ashore. That's a pretty common retirement move, if you will, for a captain, who's decided that it's time to go ashore.

Frank Preece

Looking at solutions. In my former life I was the managing director of a ship management company that managed tankers and gas ships, and I'm still involved. We had problems in recruitment and retention and part of the solution is you've got to get the crew's families involved. The wives of seafarers have an important part to play in this—they have a lot of influence on their husbands. We introduced permanent contracts; proper pension schemes, they put on things for the families when the seafarers are away, spent a great deal of money on training of course, and most importantly, the rotation, as you refer to it. We call it tours of duty. It's very important, if you're going to retain these people, that they know when they're going to go home, they know when they're going to come back, and the wages are market driven. I mean at the moment, as Peter was saying, we are paying astronomical sums of money in the tanker and gas industry just to retain staff. But there are management companies out there, not least my own, which are capable of putting these things into place for the industry.

Phil Rose

Can I come in and just add a couple of things. On the financing bit, let's turn things back where they should be, in my opinion. Why don't we ask MYBA to add 0.1% voluntary tax to all MYBA contracts to help fund the development of the industry?

Tork

Interestingly I got an email question which suggested pretty much the same thing.

Martin

I'll let you put that to them though?

Phil

The other thing I think we should look at, and I think it's something we should take into consideration, when you come to the engineering staff, which is a major problem and is going to continue to be a major problem, we have to accept that we are one of every engineering industry in the entire world to be suffering from a shortage of engineers. We are not breeding or training engineers in the way we did 30 and 40 years ago. When I left school, everybody I knew wanted to be an engineer. The number of people that leave school today with the ambition to become an engineer is minimal. We have to find other ways of operating these vessels with fewer engineers, with reduced qualifications, with reduced training, in the same way that they've learned to do it on aircraft. It may not be a very popular opinion, particularly coming from the PYA, but let's get real. Because if we don't start facing the real facts we're going to end up with a major problem. The first issue we need to deal with and we need to deal with rapidly with the MCA and it's been a bugbear from day one—we need to remove the kilowatt rating in engineers' qualifications on yachts. It's a totally irrelevant way of organising qualifications on a vessel which is not commercial. We may call them commercial yachts, but it's a nonsense. The vessel is not designed to be commercial, its kilowatt rating has no relevance to the operation of the vessel whatsoever. It has no relevance to the style or the organisation of the rest of the machinery and plant on the vessel, or the way the vessel is operated. That immediately could reduce rapidly the levels of qualification and the number of engineers required on the boats that we're currently operating. If we don't start to move forward, to look at reducing qualification levels and reducing the numbers of engineers required on yachts we will still fall into this big hole, because there are just not the bodies out there to fill the spaces that we're going to create.

Martin

Thank you. How long ago were you at school Phil?

Peter? and then I've got 3 questions.

Peter McCulkin Tourism, Regional Development & Industry, Queensland
I've just summarised a few of the points to the panel at one stage. Is it what we're looking for as an industry—a global skills formation strategy, which covers everything from recruitment, so promotional skills, promoting that career path, both to the kids and to their parents, a retention so getting skippers and crew involved with working conditions and satisfaction for the crew. We've done it in Australia, we've had to because of the growing mining industry, there's kids leaving school and joining mining crews, coal mining—and driving for A\$100,000, A\$120,000 a year, and that's what we're competing with in developing these strategies. But in saying that, I think it's already been said, that what association and which organisation would drive that strategy globally and how might it be funded. We're doing it individually, obviously the UK, it's been happening in New Zealand and Australia but it's a global issue, and we're a global industry, how does it happen, globally if it is a skills formation strategy that we're looking for.

Martin

Thank you. Any comment?

Andy Gifford Telemar Yachting

Maybe a little fundamental question here which is are we looking in the right places? And then a couple of things on that—is you know, when I was a kid growing up in sunny leafy Edinburgh, Scotland we had Christian Salvesen, we had the Ben Line, we had McBrains, we had the Navy, we had Reith Nautical College, all virtually on the same street. That's gone, I'm 50 years older, I've moved on, we need to move on.

We talk about following industry examples. If you take a company like Microsoft that's fairly successful at what do they do? They open a University in India. They train all their people in India, they outsource their things, we are a global business, it's a global economy, my question is, are we looking in the right places?

Tork

I think it's also true, as you say, Microsoft is a good example. It does simply need money thrown at it. Because if you put enough money into an organisation to try and promote and advance yachting as a career you can afford to have professional people working for it, you can afford to actually seriously do the job. And I don't think it's unreasonable to say that there's enough actual cash floating around in our industry that it is in everybody's interest to invest that cash in promoting the industry.

Peter McEwen

In a way though I think we're looking at this through the wrong end of the telescope. Because the sort of general feeling you get from listening to these comments is that the problem is a shortage of people to come in to be trained, and I don't believe that is the case. The shortage is of money and the will to train. I mean what you have is a situation where owners poach one from the other, so there isn't a general consensus that actually there needs to be some sort of training path for this sector. And again if you take the UK example, and the merchant navy side, there's a particular tax regime, the tonnage tax, it's a form of corporation tax, and if the ship owner wants to use it then they have to train. If they don't train, they pay a penalty of several hundred pounds a month and that flows into the maritime training trust of which I happen to be a director. Our ambition is to have no money coming in whatsoever—all the owners do the training. The reality is we have more money coming in than we know what to do with. That's isn't because there's a shortage of candidates, because if you talk to companies, good companies that advertise for cadetships and other forms of training they will get a good quality, good numbers of applicants of good quality. The shortage is of the will to train, and there are companies in the tonnage tax regime that just point blank refuse to do the training because they get the advantage of the tax regime and they're quite happy just to pay the penalty for training. So you've got to get a position where, going back a few years in the UK, there was a training levy, a training board, and all that sort of thing. Well that's all old hat now, boring, nobody likes that. But actually it was a route that worked. And it's that sort of thing you've got to do, get—ultimately owners have to accept the responsibility for producing the environment in which training takes place and the career path. We can all do our part but ultimately it is the owners' responsibility to ensure a supply of high quality officers. Let me just say one last thing—I don't want to fall out with the PAYE but I think they know this—there is a danger in changing the qualification structure. What we need to be absolutely certain of is that any change for the large yacht sector that could be justified, we have to make sure it is ring fenced in that way because the ships in this sector are so large in some cases that they are clearly overlapping with ships in the normal merchant navy, and what applies in one sector for qualifications does not necessarily apply in another. So we need to be very careful that any change for this sector does not wash over by accident into other sectors.

Martin

It's an interesting Freudian slip—you called the PYA the PAYE!! Tork, you've got 3 questions—Eric you're so patient, I know, but I've got 20 minutes—I know your question is going to be very succinct.

Tork

Just tied to that last point—one of the things which was sent in here by Andy Williams from Hill Robinson is—while it's useful to consider the yachting industry as just another sector of the merchant navy, it's not entirely accurate. Because yachting certificates are not valid in the commercial world. So to attract young people into the industry perhaps we need to look at certification schemes which do not limit crew to the yachting sector only.

Jon Ely

I think one thing that is slightly contrary to that is that the yachting sector does have its own particular needs and it's not necessarily that someone who is qualified in the merchant sector will perform at the standards or in the way required within the yacht sector. And that's something that we come across frequently—that there's no given that someone will transfer one to the other. And we need specific training that suits our industry and to attract the specific people to perform at the right level within our sector.

Martin

Right, Jon. Eric, please? And then I've got one from Nick as well.

Eric Goldring

You know I'm sitting here listening to everybody wanting to regulate everything and pay for training and go through all this and I'm saying to myself why would I want to get in the middle of this? I didn't learn what I learned because I sat in a course for 6 months or a year and then I had to pay fees and then I had to go do this and get permission from my girlfriend, or wife and then talk to the kids. You guys make it so unattractive to even think about getting into this industry, I'm sitting here and steam's coming out of my ears going—we need more regulations. To me this is no different than you guys trying to find a way to create your own jobs and your own existence. Like the ISO was saying, let's get industry together, let's make those standards and have the yachting industry now expend more money on things they actually don't need. There are people out there that are talented, that can get a job in Queensland for A\$125,000 which is about US\$1.50 now—working in mines. Getting money and enjoying their lives. And this is let's throw money at it to justify ourselves.

Martin

I know what you're saying, Eric. I think the point being is that what we need to do though is sell our industry.

Eric

No. What you need to do is have logical regulations that actually address safety issues. Not issues as to well you know, it'd be really good if he had a course in *this*. Because that might affect something. We've lost the sense of reality about what guys do. Guys work on engines because it's fun. They don't do it so they can pay money and be regulated. Nobody wants to get into the industry that says pay me in order to start. And then we're going to regulate you and you have to have this thing and you can work on this kind of boat but you can't work on that kind of boat.

Tork

But that's not that different from being a doctor or an attorney, for that matter. You still have to qualify, get qualified in your particular area.

Eric Goldring

I passed one exam. And then I get paid substantially more than a deckie.

Martin

I should hope so. You're a lawyer. Actually it sounds like an unqualified lawyer!

Eric Goldring

But that's my point. And I never said I was qualified, I said I could talk. But seriously why are they at standards and timing and investment of money that really, if you look at it, it's not so much different than being a doctor or lawyer. It makes no sense. We need reality.

Peter McEwen

I can think of one very simple answer to that. If you make a mistake as an attorney, the consequences are likely to be financial on somebody. If you make a mistake and you're the master of a very large yacht you could cause the deaths of everybody on board that ship and the deaths of everybody on another ship in a collision. The risk, the consequences, are far far higher than in most shore based occupations and the regulations are not over the top at all. They do exist and they exist for the safety—you used the word quite correctly—they exist for the safety of the passengers and the crew.

Eric

You're talking about a master. You know what, it's one thing to talk about a master, and you can take a lot of courses and say oh, be a master in the UK. In the States you need sea time. Personally I'd rather have the guy that's been at sea than the guy that's been in a book, but we're talking about an entire industry, we're talking from a deckie to a stewardess to an engineer. And to say oh well, if the engineer doesn't have all these courses everyone's going to die, it doesn't happen and it hasn't happened, not because they took the courses. It's because they're good at what they do. Let's not go with the extreme and say well I justify—

Martin

It's probably too late to suggest that anyway. Nick, please, your question?

Nick

I'll try to be brief. Twofold. Well, one's a statement. And I think well, all of you—which is actually quite a large panel; the people that are missing there are the insurance companies. And the reason is this. Everyone talks about more professionalism. Yet—and we'll take the gloves off—there's so many infractions in our industry coming from the masters. The vessels aren't crewed properly, the vessels aren't—there's always the situation where you're trying to get around things. So then you say to yourself well how do you enforce these issues, these regulations? I think if you're an airline industry you just basically can't fly. Why? Because you don't have insurance. So why aren't the insurance companies saying right, we'll start pulling certificates. We'll start grounding vessels so they need to comply. You want professionalism? It starts from within. And it goes to Peter's issue of training. I think we have a lot of people that are commenting there's no crew, there's no crew. I don't think there's any premium programme, not vessel, but premium programme that has a problem getting crew. They can always get good crew, because they're good programmes. So therefore the responsibility lies on the master. It relies on its management group, it relies—again, on themselves. You can sit around and say well where's the next crew supermarket? Because that seems what everybody is trying to invent, is a crew supermarket. Well I'll take one of those, one of those, etc. Again, premium programmes don't ever have a lack of crew. So shouldn't we be saying what are they doing that they get the crew? What is it? Possibly because they actually have a good captain, is it possibly because their officers come out and become something? I don't

have any answers, I'm just saying, let's stop looking for the crew supermarket. Be responsible, and create some good crew because again, those captains—and they know who they are—they don't lose crew. They go to a new boat and the crew will go with them. So what is it they do that the others can't do.

Martin

How do you do it, Nick?

Phil

Can I come in on that? I actually had a conversation, a very long conversation, with a first class captain who operates a very large first class boat who pays good salaries, works for a good owner, the boat works one season, sits through the Winter, so everybody gets good holidays, the boat is fairly new, very well maintained, they're paying a 13 month bonus and he's asking me why am I losing 50% of my crew? Now I can guarantee it's not because of the captain, and it's not because of the way the boat moves. A lot of the problem today that we have with crew stability is that the opportunities are there for people to move and the grass is always greener.

Martin

Yes but also the key thing that Mike Hitch made a comment on Monday about was that a crew may be placed with his yacht by one agency and a month later the same agency offers them a new job somewhere else. Police that aspect and you should have solved one of the problems.

Tork

There is another major problem though. Which is that unlike say a merchant fleet of vessels there is a very limited opportunity for advancement if you stay on board one yacht. On the one hand we want crew to stay aboard the yacht because the owners want consistency of staff, people and faces they're familiar with. On the other hand if you're ambitious you have to jump from yacht to yacht. I don't think there's a solution to it but it has to be recognised, especially by captains and employers, who get resumes and say why did this guy move on? Because he's ambitious.

Andy Chase

Let me throw into that something that might be a little alarming to an owner, but they should consider encouraging their favourite captains to move up and move on, move off the boat somewhere else in order to make advancement on board possible. That should be good, because they should have a chief mate in line ready to move into that position whom they also like and that they would like to see coming up the ladder. So you can't have a ladder if the person never leaves the top rung.

Martin

OK. Any questions out there before I'm going to throw a question at Jon.

Tony Browne Porto Montenegro

The debate is about the solution. Everybody knows there's a very real problem here. And having stepped ashore last year after 15 years aboard I can probably provide a fairly relevant outlook on the issues that you face and the decisions that you make. When you actually make that decision, which for me was a very difficult one, it was partly due to career opportunities but I think the major factor in it was my wife wanting me to change the 12—4 watch to the 12—4 baby watch. So I think that's something that a lot of us face aboard vessels. The decision of going ashore, when you're going to do it, and what are the driving factors. So that point really leads me to the observation that the crew shortage is probably twofold; first we need to encourage

the younger people to get into the industry. I know a lot of people that I've spoken to about what it is that I do and they say well how did you get into that? That's fantastic, I've never heard of it. The other aspect that's particularly important is the fact that the longevity is not always going to be there. People do want to step ashore at a certain point in their career and do the baby watch. And I think it comes down to marketing, marketing, marketing to get people on board and then to provide them with opportunities beyond the career, and you'll see a nice cycle coming through, with lots of people coming up to take those new positions that are opening up as the senior members leave the vessels. They will be trained on board, move through the vessels and it's maybe as simple as that. Marketing, marketing, marketing.

Martin

Thank you. Music to my ears. I was going to ask Jon a question actually. I've text questions, Tork's got some email questions and we've got 5 minutes. We're going to extend this by ten minutes because I want to get a few things out of the way. As a training company, how many new people coming in for basic training do you get a year, that are just off the street, never been on a yacht before?

Jon Ely

That's a very good question. We train around 450 for yachting each year; about 25% of which will go into the luxury sector. The motivation for the entry is always to do with some connection with sailing or motorboating on small boats. We get very few people who have no water experience whatsoever.

Martin

The new blood is just Dad's got a boat, I want to learn how to sail it—

Jon

Yes. Some small thing—not a lot of connection. A week or two—this is something I'd like to do. But about 450 a year into yachting.

Martin

It's quite a small number in the grand scheme of things, really. And you think that's similar across most training companies? Have you ever done any sort of market intelligence on competitive analysis?

Jon

I believe that there are very few other people working in the same way that we are for luxury yachting so I wouldn't believe there would be more than 1500 to 2000 training.

Martin

Tim, you're a newcomer but what are your expectations?

Tim McClement

The problem is marketing. And I'll give you one example. There's a college called Highbury College in Portsmouth which is in the UK, which is a navy base next to the sea with containers, ferries, tugboats and everything else. Highbury College put through 14,000 students a year. They do silver service, chefs to a very high quality, masseurs, physical trainers, electronic engineers, and the like. They have never heard of the superyacht industry. We've been to see them and when we went to an open day which was last night and I've got a review from Steven this morning, they were just bowled over by the opportunities of the superyacht industry, and a lot of the kids said why don't we know about it? Who's marketing it? This is fantastic, we'd like to join up at the end of our course. Now some of them won't be the right kids to go on it, obviously, but some will. But we're just not getting out there and telling them that it

is a fantastic job. And going to the crew debate for the baby watch—if we can demonstrate there's a career for someone to come ashore and be a project manager, having had the right training to be a project manager of a build, or to go into the training side, and then after a couple of years if they want to go back they can go back again. So there is a continuation in the expertise of someone who's done 15 years at sea is carried on in the industry and that's what we need to do.

Martin

Thank you Tim. I'm not normally allowed to do this as it's a bit of self promotion. In January next year there'll be a new initiative from The Yacht Report called www.superyachtjobs.com, which is essentially a marketing tool to promote jobs in the industry. Watch this space.

Anything else from the floor please?

Tork

Ironically in terms of what we were speaking of earlier with the difference in cost between merchant training and yachting training, I've got one comment here, which is from the captain of a 50metre+ yacht. He says—the costs of training are prohibitive. If you look at most other industries the training costs are way out of line. This is for you Jon. He then goes on to say that UKSA sell a zero to hero type course that breeds crew that believe they should step in as captain and do not work up through the ranks. Yes, I have had experience of this several times over. There should be a definite career path with practical experience aligned more carefully with practical training and examination. This should start with deckhand training not captain training. Please comment.

Jon Ely

I think progressive training is the way to go, you've got to bring people in at a crew level and you have to progress them through to a more senior level. Training is a balance of knowledge and a balance of experience. At a college you can gain the knowledge. You can't gain the experience. Everybody needs sea time to work with that. We've been training for 15 years for superyachting. If you look at the changes that you see within the superyacht market over those 15 years—we've had a similar level of change in the training programmes that we've provided, the quality which we've provided, the content of the courses. So there's equal progression in each area. I think the most important thing is that all training organisations look at what is needed in the sector and try as best they can to provide the level of crew that's wanted. A lot of times people come back to us and talk to us about experience and Tork, you raised this earlier—I don't want to take a newbie on my boat because they've got no experience. And I think the times when you can say well we train through experience, we walked the dog, we came on the boat, I worked my way up without training—you can't do that anymore. There's no space for that. People need to come in through more formal routes which equip them to deal with the technology and the demands of the yachts that we're working on now.

Tork

Actually, sorry, I just received another email which I'm going to aim at Phil Rose. It says— "*it is an industry problem*" has been trotted out at this and other forums for several years. And the reason I'm asking you Phil, is, because you're a manager now—he says has any manager in the meantime discussed with their clients that every yacht should have a newbie, that every new build should have a space for a trainee and that budgets should factor in college time for seafarers to sit for their tickets, and are captains being positively encouraged to accommodate this.

Martin

Give the newbie a cupboard to live in, in the crew quarters! Under the waterline. Yes, thanks Jon.

Phil

I can only speak for IYC from that side but certainly as a policy we do try to encourage people into it and certainly our organisation which is primarily based in the US and obviously has a head office in the US actively recruits in the colleges in the US to bring people into the industry. We're only a very small part of it yes, we handle almost 30 vessels but it's very individualistic. I know we're not the only ones, a lot of management companies go out there and do the training colleges, do the hotel colleges, do the chefs' colleges, to try to bring people into the industry. It's too individual. It only has a very small effect. The comment earlier on from someone who's just stepped ashore—he's taken the perfect route. He's taken the route that we should be encouraging people to take, to come into the industry as kids irrespective of whether it's deck or interior, to move through a career path and then to move ashore, so that we don't lose that experience, we retain that experience within the industry. It's terribly important. When I first came into this business 20 years ago the vast majority of people that decided to move ashore had no option other than to leave the industry, and we lost that experience. At least now we have a long term career opportunities because of the development of the industries ashore.

Tork

But do you actively promote the concept of training and bringing people on, to the owner and support the captains in saying to the owner—boss, we need to—if you like—invest in the future.

Phil

We do where we can. It depends on the owner. And certainly on the bigger vessels that we handle it isn't something that goes as far as the owner, it something that would be handled between us and the captain. I have actually had the situation once this year where we had what was essentially a good crew but they did need some improvement and I asked the owner to put some money towards a training course which I was prepared to organise for the crew. And his answer was if they're not trained to do the job get rid of them. Which was not a very positive approach. But it's very individual. And I think going back to what was said earlier, we have to have an industry wide approach. It is no good individual organisations such as ourselves, such as the training schools, or the management people, going and knocking on odd doors. We need to have a bigger image. It is a fabulously, phenomenally attractive industry for people to come into. And I'm convinced if more people knew it was there we would solve our problem almost overnight.

Martin

But Phil I have a question or comment here that says —as a marine engineer who worked in the merchant navy, work on a yacht is not attractive to them because the boat sits in port all the time. And it's boring. I did it for 6 months and with my attention span being nano seconds I couldn't stand it.

Phil

It's horses for courses. You're absolutely right. There are an awful lot of merchant people coming into this industry looking at it as an easy ride. Some realise that in fact it's far harder work, depending on the operation of the vessel, than a lot of merchant vessels. Others get bored very quickly and move away. The engineering side is very

particular and very specific and has to be looked at somewhat separately to the rest of the crew. The one fact that engineers need to be qualified before they come into our industry tends to sort of separate it out. But for the majority of the numbers that we're talking about which is interior and deck crew we could solve that problem almost overnight in terms of numbers if we can raise our profile sufficiently world wide to attract the people.

Martin

OK, thank you.

Andy Chase

On Monday when I asked Steve Rattner about the idea of putting a trainee aboard his vessel I think I might have scared him off a little bit but I drew out a number of one, two three or four people and I probably should have stuck with one. But actually his knee jerk reaction was no, I don't think so. And I think we may see that—it doesn't surprise me, without a little more explanation. And that's why I think we need to revisit that with him and explain to him that what I was getting at was not dumping a bunch of kids on board his boat to learn how to go to sea, but to take a student—in the four years at Maine Maritime you're going to go out on the CoOp for 4 months every Summer you're there. You've got to get out into the industry and so at the end of your first year you actually know something. You're a good deckhand. At the end of your second year you've probably already got a licence. By the end of your third year you're a pretty qualified person. So these are people that are useful to them. They should be hired as crew and they should make a commitment; we should encourage them to make a commitment, to give us space to put people on board.

Martin

Sure. Well, potentially an interesting question. I've got several comments coming in now—we're running on overtime now but it's quite an interesting debate and one close to my heart.

A very very quick question, and a quick answer I hope—is the ILO convention. When is it coming into force and will the proposals for the convention make it more attractive for recruitment? I wonder.

Peter McEwen

That's a complicated question. It comes into force when 30 member states have ratified it and those 30 states control 33% of the world fleet. Best estimate probably hitting the ratification target late next year, comes into force a year later for those who have ratified at that time and for each member state that joins thereafter there's always a gap of a year before it comes into effect. Will it be of benefit to everybody? Yes it will. Because it provides the basis of the global level playing field—I hate that expression in the marine world, but you know what I mean.

Martin

A calm sea, you should say.

Peter

Yes. Because it imposes standards that will be the same anywhere and the fact that the ships will be inspected by port states and not just their own states in a new regime will in time have a very marked positive impact on the whole of the maritime industry including this sector.

Martin

A question for Tim here. A very simple question. The armed forces seem to be spending a fortune on marketing in car and mountain bike magazines attracting young men, and on TV and radio. Is there anything we could learn from that? I'll launch a new mountain bike magazine, obviously.

Tim McClement

Marketing—if you want to get people into your industry whatever it is you've got to advertise properly, be honest and give them a career.

Martin

Thank you. Any further questions on this? A little heads up, I'm going up to BAE systems on the 29th November to meet those guys—they're talking about building a training ship for the yacht market at the moment, which will be quite interesting and I'll talk to you guys about it later. In Sweden 8-9 grade, which is 14-15 year old kids—they get to go out and try different jobs. Could you imagine the impact on their mindset if they could go and play on a yacht for a week? That sounds like great fun. A headache for everyone.

All right. I think on that note we're going to wrap this up. A very quick comment is that if we all chip in €5,000 each across the whole industry we could buy a 200metre yacht, have 1,000 crew on board, just going round training people. That may solve the problem!

Gentlemen thank you very much for your time. This could run and run I'm sure, and will do, but we have an outline that we can put into print through the Crew Report, through other magazines out there and try and look at the education process.

Thank you.

Tork

And finally—don't forget that the debate—and again, I'm sorry for your questions that didn't get used—but they will all go on to the community continuing debate, because every session that's here can continue all the way through to the next GSF, online in the community forum, to which you all have access with your username and password.

Martin

That's if you have nothing better to do, obviously. Thank you.
