

**GSF 2007**  
**12-15 November 2007 Amsterdam**

**CAPTAINS' SUMMIT 121107**

Captain A J Anderson	Wright Maritime Group
Captain Mike Hein	M/Y Mea Culpa
Captain Mike Hitch	M/Y Golden Odyssey

**Chairman— Martin Redmayne**

Our first panel—has anyone seen a captain? Shall we take to the stage and start the process—Mike, AJ, I can see your silhouette there. Is Mike Hein here? This first session—which was supposed to be the second session, sorry to catch you off guard AJ, but you deal with these things beautifully, I know—was ideally going to be a great follow up to what Steven Rattner had to say. Very rarely do we give the captains a chance to have their say against the market—this is raising their subjects on the key issues that captains face, both from the operational standpoint but also from a new build standpoint. All three of them have their own specific opinions; some are overlapping but primarily Mike here is going to do a very short powerpoint presentation on the key issues that he thinks from a superyacht captain's point of view the issues that he faces with industry professionals; which I'm assuming is the majority of you guys out there. So when Esther has done her wizardry on the powerpoint Mike Hein will come in. This is the list of subjects that Esther is just putting up there, which will be the background slide for the session. AJ, I haven't said hullo yet. How are you? Are you well? You just need to say yes, you're fine.

Alright. To my right I have Captain Mike Hitch, from the Golden Fleet. Captain AJ Anderson, obviously Wright Maritime Group but also a very very long serving seetime captain and Captain Mike Hein from the motor yacht *Mea Culpa*. The idea is that if all three of you have a microphone in front of you, press the green button when you want to speak. Who would like to go first? Mike Hein, do you want to do your presentation first?

**Captain Mike Hein** M/Y *Mea Culpa*

OK. My name is Mike Hein, I'm the captain of the motoryacht *Mea Culpa*. I've been a captain since 1989; my present vessel is a 40metre composite motoryacht and I'm the owner's representative since 2000 for the construction which took place in New Zealand. Currently the boat's in the Pacific; we've only travelled in the Pacific—it's just nearing 4 years old and we've travelled just over 50,000 miles.

In my opinion the perspective is that what the owners are really looking for on board their boats is longevity in their crew; industry professionals, all of us, that take responsibility for their own actions, for communication and technology to match their office and their home, for safe, maintained vessels and straight answers. The owners don't want any bs, they just want to hear the truth. The issues I'm bringing up are with the crew, the design and with the vendors. The superyacht crew has a high turnover and there's many seasonal crew in our industry. The crews' technological skills are falling behind the way that the world is passing and there's quite a lot of technology on board the boats and the maintenance for that is left up to the captains and the engineers—nobody else seems to be learning about that. Too few crew are

willing to take responsibility for their own actions, many of the crew are under qualified, there's quite a high crew burnout. People stay on the boats and then they move on after the season because they've been worked very hard during their particular season. There's quite a lot of engineers working on rotation but not very many captains are doing so.

Design. Crew areas are not sufficiently sized for the permanent crew. Many of the designers forget that the yachts are built to go to sea—that may sound kind of funny but there are quite a lot of things that are very difficult to service and work on when you're at sea. To meet the owner's requirements of safe vessels the designers need to take into account the serviceability of the equipment.

And the vendors. Most underestimate the timelines on completion and don't deliver on time. For me that's a very frustrating thing because we plan according to a time schedule and we plan according to what our owners request, and when the timeline of the suppliers doesn't meet that, they don't meet their own timelines that they've set, it puts us in quite a precarious position. Some suppliers are not willing to stand behind their product. Again, that's a very difficult situation, when we trust in the product that we've selected to put on board our vessels and the supplier doesn't stand behind his product. And the warranty doesn't fall with the ship and doesn't begin at commissioning, so when we purchase something for the construction and it takes 2 years to finish the construction, and we put the boat in the water, some of the warranties have already expired before you've even had a chance to sea trial the vessel.

Solutions? Solutions for the crew—continued education. It's something that we all need to do—continued education. Practical experience takes years, not months. There's quite a lot of young guys that think after they've done one passage across the ocean that now they're qualified to be a skipper. Own up to your own mistakes. And I think that crew rotation should become the norm, instead of the exception, and that would eliminate the burnout. Solutions for designs? The designer should spend some time in the crew quarters during a charter. I think they'd see what I'm saying about the fact that it's too small or there's too many people in too small an area on board the boat—they would see what many crew are talking about. Designers should spend a week in the shipyard during a refit to see what we have to take apart to do maintenance on the boat during that time. It's a great opportunity. And brokers should explain the necessary number of crew to properly man the vessel. Don't say that you can run your vessel with 12 when you know darn well that you need 14. And lastly the solution for the vendors. Set real expectations, under promise and over deliver. Own up to your mistakes and correct them. Have a worldwide warranty beginning at commissioning and most of all be fair. And what I mean by that is everyone be fair—if everyone is fair in this industry and we think about it as a whole industry it's going to be a lot better place for all of us to live and work in and be a part of. Thank you.

**Captain AJ Anderson**      Wright Maritime Group

OK. I've been asked to address four areas. The first area is expectations and what everybody's expectations should be. The second area is sea time and how important sea time is and why it's important. The third area is captains and how they can be involved, and officers, chief mates, chief engineers, in new construction projects. The fourth area—which will be interesting—is captains and department chiefs receiving third party payments and potential commissions from the yacht brokerage industry. So I'll do that one last.

The first one—the expectations as related to crew really are this subject, and the way I'm approaching it is, people have a need—actually everybody in the building here—they have what they need to get, what they deserve, and what they've earned and they have what they hope for. And then somewhere in there their expectations lie. They expect what they hope for, they expect what they deserve or they expect what they need. Often what happens is that people just don't know, except what they hear down the street, or they hear at the crew pub, or they hear from the crew training centre, or they hear from the yacht broker or they hear from the yacht manager, from their mates on another boat. And that's where they get their expectations, from what people tell them. They have no idea what they should make—a deckhand coming into the industry has no idea. A stewardess, they don't know. But they know what they hear around the place, and so that's where their expectation comes from. My suggestion is that there's some mentoring that can take place. Because a crew payroll right now, other than insurance for these yachts, and maybe fuel, is the highest single number in the budget. Which is fine, and it should be a high number, but it needs to be kept at a practical level. And I'm the first one to say I deserve a raise and I'd like to have it soon. So the crew training centres—you guys, Dieter is out there I think, he's got an interest in this, and some of you others, is that you can mandate that one on your curriculum, maybe STCW basic safety training where one hour in the first day or the last day of the training is you talk about what their expectations should be in the way of pay, benefits, time off, future rotation, whatever it is, the training centres can play a very important role with that. The crew recruitment agencies or the crew agencies that supply the crew to the yachts, you can also play an important role in trying to give them the correct information and give them some alignment on their expectations.

Which then takes me to sea time. Mike just mentioned rotation and rotation is something that's been very interesting to listen to over the last couple of years. My view on rotation is that it is necessary. 10 years ago I said I was very much against rotation—effectively I was having rotation, I just didn't know it. I had crew leaving me then a year or so later they'd come back and ask for a job again. So I had a rotation, I just didn't realise it. Now I have a sense that maybe we could organise it. The problem with it is though, that rotation is for guys our age. We have a lot of sea time. We have I don't know how many days, but a lot of days at sea. A 35 year old guy is a very confident guy, maybe he's been a captain for 10 years. It would seem reasonable that he's going to be a better captain when he reaches 45 if he's spent the majority of his time doing what that is. Being at sea and managing a yacht. So for those guys to want to rotate out for 2 and 2 or 3 and 3, or whatever it is, they're basically robbing experience from themselves. And I think that's a mistake. People do what they want to do, and people hire people, that's fine. But my suggestion is don't get into rotation if you're a professional wanting to be the best you can be, ten years from now, until you need the rotation, until you have a family or you have other interests ashore, important interests ashore, and that you've already accomplished what you can to really get to the top of your learning curve professionally. I mean there's probably lawyers out there, or accountants, and you guys aren't asking for a 2 and 2 rotation where you can go and play golf for 2 months—there's probably professional golfers out there who don't want to take 2 months off golfing. I mean maybe you would, but the idea is that you lose that time to learn and experience. So I think rotation is a good thing, I think sea time is critical, and you don't get sea time when you're sitting on the beach for 6 months of the year. The other problem with rotation is of course that they say there's a shortage of crew. If you have 100 positions and you have 100 people you fill 100 positions. If you say to those 100 people we're going to give you half a year off, well then you need 200 people. So you

haven't improved the crew shortage, you've actually doubled it, in the case of officers and captains.

The third point was, and it was talked about last year a little bit, captains and chief engineers, how they can and should they play a role in new construction? I absolutely think there's a role for seafaring guys to play; I happen to own a company that does that, and employs people who do that, but I still firmly believe that a captain, any of you guys out there that are organised in thought and know how to put a sentence together, that you can be involved in a very productive way in new construction. And I would look into it if I were you, before you hire 10 consultants.

The final point that we talked about was third party payments. So if you are a chief stewardess on a boat and somebody delivers you \$5,000 worth of soda pop and beer and wine or whatever and they say well we'd like to give you, for being so thoughtful, we'd like to make this invoice \$2,000 but you really only have to pay us \$1800, or whatever. That is obviously I think against the law, maybe someone can help me with that, so that would be something that I would recommend that everybody teach all of us not to even entertain. It's pretty easy for a person who wants to do right to walk away from \$200 but what happens when it's say, I don't know, a \$100million build? And the captain is offered something from a shipyard to bring that client in. The captain is representing the best interests of this buyer and he's saying now yes, this is a shipyard, you want to build your boat at this shipyard, it's the right thing to do, it's a great boat, it's going to be a wonderful experience. And then the shipyard gives him a couple of million dollars, whatever it is. That's probably. It should be, illegal, if it isn't, and it's absolutely a conflict. How can later on the captain say to the shipyard you didn't do that right. Then brokers paying seafarers, captains, commissions. This is just my view, so I could be wrong—if a captain is representing an owner, and the owner is trying to sell the boat, so he's not recommending to the owner you should sell your boat to this buyer, he's saying I'm going to do everything I can to help you sell your boat. It happens, it takes place, the broker is very satisfied with the way the captain and his crew organised the event and the broker says you know, I'd like to take part of my commission and pay you and your crew something because of all the hard work you did to get this done for me. It was a sale, not a purchase. I'm OK with that. On a purchase on the other hand, it's the same thing with the shipyard—if a captain is representing an owner and the owner says well which boat should I buy, AJ, and I say well that's the one and we get it done. The broker's happy, and the broker pays me a commission, that's wrong. Because I advised the owner which boat, which broker and so forth he should work with. That's all I have on that; I look forward to hearing what you guys might like to say.

**Captain Mike Hitch**      *M/Y Golden Odyssey*

Good afternoon, everybody. I'd just like to talk about a couple of issues first of all this afternoon. One of them is the enormous shortage of crew we're facing in this industry and I'd like to deal with it in two ways. The first is why we can't find any crew to man the yachts that we keep building and the second thing is I'd like to discuss why we can't hold on to the crew that we already have.

Everybody in this room has benefited from the enormous increase in tonnage over the last few years and obviously it's well documented, wherever you read, that there's an enormous shortage of crew. Some figures put it at 9,000, some put it at 3,000. So we have to say well, what, as AJ was talking about, what can we expect when we come into the yachting industry, especially as new crew. And I'd like to paint a little picture, which I appreciate is rather the bottom end of the scale, but certainly these things happen. So, these new crew join the yachting industry, they find themselves at the beginning of a summer season, in the Mediterranean, they find themselves doing

back to back chartering because as we all know, any of us involved in this, there aren't enough charter boats to go around now, so we work them 16-18 hours a day with very, very short turnarounds between the charters. When we do have turnarounds there are no berths so people can't go ashore, they get stuck out at anchor, and then eventually when people get burnt out and decide to leave the boat we send them down the gangway, we quibble about how much money we should pay them, how much leave we owe them and whether we should repatriate them at all. So there are problems.

The other problem is, how do we attract people to come into this industry? My one biggest thing is visibility. I don't think we do enough to promote the yachting industry and although I don't really want to point the finger at who I think should be promoting the yachting industry, I'm actually undergoing a course of study at a nautical college in England at the moment and I have a class of 22 people—these guys are all professional mariners who've been at sea for 5-7 years and are now doing the next certificate up. I went round and asked them all, I said what do you guys know about the yachting industry. Not one person could give me any sort of idea. Someone knew someone who worked on Octopus, and that was about it. So I then said well, I'll go round and look at all the notice boards at college and see if anybody is telling anybody about the yachting industry. I found one piece of paper on a notice board from one crew agency that was dated about 7 months previously and that was it. So I thought well there's not much visibility there. So I'll go to the library. So I went to the library and I started looking through some of these trade publications, the Telegraph newspaper which is printed by Nautilus, the officers' union, and there wasn't one advertisement for crew in that. So I think the problem we have is visibility. We are still a cottage industry, we continue to build these enormous boats that require enormous amounts of qualified and experienced people to run them but we just aren't getting the message out there. The one thing is—we are going to find people from all areas of the commercial world, for the bigger boats that require commercial certificates. The first thing you'll find in the commercial world is that people do get more leave than they're getting in the yachting industry. You will struggle to convince anybody to come into the industry who's come from the commercial world by giving them 4-6 weeks' holiday a year. You will struggle again if you stick them in a double berthed cabin in which there's not room to swing a cat and you give them a bathroom between 4 people. That is where you're going to struggle.

The other thing I'd like to talk a little bit about today is salaries and exchange rates within this business. As I'm sure most of us are aware, the US dollar is the predominant currency when it comes to paying yacht crew. I appreciate that more and more boats are changing to euros but a couple of little facts. Over the last 5 years since the euro came into a free currency it has dropped 62% against the US dollar. And in the last 5 years the dollar has lost 42% against the British pound. I think it becomes very difficult to expect people to come into our industry to crew our boats when you're going to pay them in US dollars. And these are Europeans who live in the euro zone, or they live in the UK, their mortgages are in euros, or pounds, all their expenditure is in pounds, and we're saying well we're going to pay you in a currency that just keeps losing money every month. So there is a very valid argument for paying people either in the currency of where they come from or where they operate. I'll take a very quick example—a couple of American guys bought Liverpool Football Club last year. Do you think that when they bought Liverpool Football Club they changed all the salaries of the guys who were playing in Liverpool—all the playing staff, the administrative staff, changed them into dollars? Absolutely not. So for non US based crew, I think certainly they should be paid in euros or in British pounds.

So we have this crew shortage. We obviously need to do something about it. Mike hit very well there on crew design, and I know there are designers and shipbuilders here—we need to think very carefully about the guys who have to spend 24 hours a day on these ships, certainly sometimes for months at a time. Actually, I was doing a little bit of research for this and I went on the internet and I found that somebody had published this fantastic book about how to get a job on a yacht. And what they said at the end of it was this: you can expect a double bed, a flat screen TV, a DVD player, a well stocked crew bar, time off in port, chefs to cook you lobster, and everything else. I was absolutely astounded. That's really all I have to say at the moment, thank you.

**Martin**

Thanks Mike. OK, before we go into questions, I just want to give you an announcement. We're still trying to get the line to Steve Rattner. Steve I know had a meeting at 10 o'clock that he can't get out of but he's assured me that he's free at 11.30 his time in New York, which means that we'll change the programme to when this session finishes, we'll go into a tea break, come back for the Business Summit and then Steve will be ready at 5.30 Dutch time to conclude the day. If we can't get the video conference he will do just an audio conference. It's a frustration. We're in one of the most sophisticated conference suites in Holland and we've also got Credit Suisse in New York which has a fantastic conference suite but they have a technical hitch. Right. We'll go into questions now. Tork has some emails already.

**Tork Buckley**

Yes, I know. It's quite encouraging—we've already had one email question which is for Mike Hein. In fact this came from Guilhem Gaillarde at MRIN research facility, and he asks you, on the question of design, specifically when you said they're not designed to go to sea, could you give some specific examples of particular design failures that you had in mind?

**Mike Hein**

Yes. One or two examples—there was an Italian built boat that I was on that had all the lighting controls underneath the head liner in the main salon and the way that the head liner was installed is that panels were nailed to the beams in the ceiling and then the mouldings were put over the top of all those panels, and then they were painted in place, so it was completely impossible to service any of the lighting controls which were installed by the shipyard directly above the panels. I was on another Dutch built boat actually that had air conditioning equipment that was installed behind the entertainment system in the salon area and the only way to get to this air conditioning equipment that was leaking into the main salon on the floor, was to dismantle the entire audio visual system in the main salon. It's not really a very nice thing to do when you have guests on board. Those are the types of things I was talking about.

**Martin**

OK. Can I have some more light so I can see the audience for any show of hands, please, Mr technician.

**Tork**

While we're doing that—actually AJ I have a question for you—you were talking about the concept of using rotation and for it being later in the career. I can sort of see the logic of where you're coming from but I'd like to present you with a corollary, which is that if you do that, what's going to happen is that the savvy owners are then

only going to hire young guys, because they don't want rotation. I think that's a severe risk if you don't practise rotation as a matter of course within the industry.

**AJ Anderson**

I don't agree, I think that the type of schedule that Mike was speaking of a moment ago where there is this back to back charter situation—we ran a boat that was strictly charter for a couple of years for a builder, and we had 3 month charters, and we did rotation during the charter. We would bring in an extra stewardess and an extra deckhand and an extra officer where those people could drop out for a week each, and just that rotational person, so that for that rotation I think it's fine. As far as the owners starting to put wheelchair access in on their boats so old guys like us can work—but you see, old guys like us need rotation now because we have other interests.

**Martin**

OK Mike please?

**Mike Hitch**

I just wanted to talk a little bit more about rotation. I think what we have at the moment is because of this enormous shortage of people, we have certain members of the crew who are on what I can only basically describe as premier league salaries getting 3 months on, 3 months off on one side, and then we're getting possibly some of the junior members of crew who are on still 4-6 weeks off. And I think a balance needs to be made throughout the whole boat. Because certainly from a command point of view if you have people with a huge imbalance in salaries you will get jealousy, you will have problems and it's exactly the same with leave. What we're trying to do is engender teamwork on the boat. And if you have these enormous imbalances, which we're finding, it becomes very difficult.

**Martin**

Mike, who's to blame? How can you solve that problem?

**Mike Hitch**

Well, first of all I've had a lot of success with former Eastern European guys, certainly on the engineering and electrical side. And I'm not condoning that we should change all our boats to people from some of these former eastern bloc countries, but there seems to be, as far as I'm concerned, this sort of need to go out and have European, South African, and Australian engineers. I think there's a much bigger pool out there and I've found some excellent people. I really have.

**Martin**

What currency do you pay them in?

**Mike Hitch**

At the moment I pay them in US dollars but we are, from 1 January, going into Euros and this has been a very painful exercise because if you look at the uplift, which you need to do from dollars to euros, we're looking at an average of about 52% uplift for 2008. And that's very difficult for some owners to swallow.

**Tork**

I have another email question which is anonymous and general to the captains here. He says—I'd suggest that many crew are driven away or burnt out by poor management practices and people skills of the captains and/or department heads.

**Martin**

Any comment?

**Mike Hitch**

Yes, I'd like to comment on that. I think that's a very valid point. You see it also on the forum part of Synfo.com—there's an awful lot of people complaining about captains and yacht managers and that we're refusing to repatriate people and, as far as I'm concerned, if you run a commercially operated yacht there are certain things that you are required to do by law, and if you're going to be a captain on a yacht you need to make sure that you understand these regulations.

**Tork**

I think I'd like to add that we were talking about expectations, earlier on. You guys just got targeted but I'm now going to target the crew agents, because I believe that new crew are not briefed as to what they need to ask. You know, you need to know what the salary conditions are, what the dismissal conditions are, what the repatriation is. And if you're a newby, and god knows we need newbies, you don't know what to ask. Who do you turn to? Well, basically I think you have to, at least in part, you can turn to the scuttlebutt of the people who work in the industry, but I think you need to turn to the crew agents. And I think it's their duty to actually brief people on what they need to be asking about a job before they take it. I'm not suggesting that they all don't, but I do know that in certain cases of mariners that I know, they've been ill advised, to put it politely.

**Martin**

Stephanie can you come down, there's a couple of hands coming up in front of you. Stephanie's the one with the fringe, from Belgium. Eric, please?

**Eric Goldring** Goldring & Goldring

I think that it's really not right to put it on the crew agencies to have the crew ask the right questions. I think the way you build loyalty is by the captains, the owners' reps, the management companies, explaining to the crew before they even get hired, what the deal is, what they're entitled to, and make sure that they have it in terms and in a form they can understand. Now the other side of that is, if you tell them they're not going to have the flatscreen TV with the DVD and the double bed and lobster every night you're not going to get them on board, and you need warm bodies. But that's a separate issue from educating them. I think a lot of the newbies that don't take the responsibility, it's not my fault, are the ones that will fall by the wayside and whereas you may need 14 to run the yacht, 12 good ones are better than 14 with 6 marginal ones. I think that's sort of the balancing act that we're all faced with.

**Martin**

Any comment, guys? Mike?

**Mike Hitch**

I'd like to agree. I think you're absolutely right. The onus is on the captain or the management company to set out the exact terms of the employment, after the probationary period, which can be a month, two months, exactly what the terms of employment are as far as salary, leave, conditions on board, medical coverage, things like that. We always send a draft copy of our contracts to new employees before they're offered a job, so that they know that these are the terms of the contract.

**AJ Anderson**

I'd like to follow on that. You see, I would recommend that the captains or the management companies for that matter, or recruitment, or whoever is handling it—we send the crew agencies all our information. We send them our policies, our standing orders, even sample crew schedules so they have a sense of what their hours would be in a maintenance period. We send everything that we can possibly send them to scare them away, before we have our first conversation with them. So then they have looked at the documents, and if they stay with that—plus our salary range—I'd still like to talk to these folks and then when they're in front of you, you can then try to sell them on the flatscreen TV and the cheese and crackers that they get at teatime.

**Martin**

OK, thank you. Dieter?

**Dieter Jaenicke** Viking Recruitment

I had lots of questions to come back, but actually the one was about good practice and about making people aware of what they're committing themselves to when they take a job. I think the thing that we need to do, and I don't like to call myself a crew agent, we're a recruitment company, but it's best practice and getting the guidelines back from the owners and giving everybody a good crack at what's available, and going through all the documentation with them. I mean the thing really comes back to some of the owners and captains, in getting all the information. Can I go back to you on that and ask?

**Mike Hein**

I guess I don't know how to answer this much differently than AJ did. On our boat, with 6 crew, myself—we're the ones looking for the crew and so we talk to the crew agent, or we've actually had success going directly to some of the culinary schools to find a chef—and it's completely up to us to lay out what the rules are, what the regulations are, what we offer, what we don't offer, and explain that. And personally one of the things I always do is, when I'm talking to them I try to make sure they understand what they're getting themselves into, because quite frankly if you haven't ever been a crew on a boat it's a really hard concept to figure out because it's not exactly that lobster scenario. We have it when we have guests on board but we don't have it when it's just the crew and we're doing deliveries. So I just try to make sure that we explain everything and lay it all out and like AJ said you almost try to scare them off before you try to entice them to take the job.

**Tork**

Actually, I know you try to scare them off but we're talking about lack of crew in the industry, and one of the things I think is a general failing and which is going to bite us on the bottom quite soon is the reluctance to hire inexperienced entry level crew. Because if we don't hire them today they're never going to get experience and the situation today will become more and more critical. And it's a general problem, it extends—I mean the owner doesn't want an inexperienced crew member, the crew agent would rather place somebody that they don't have to worry about, the captain doesn't have to train, and so on. But it is a problem, and we have to start to bring people on in the old traditional manner, don't you think?

**Mike Hitch**

I'd just like to go back to one of the things about crew agents and recruitment agencies, whatever. One thing that really starts to irk me is the fact that I will employ a guy from a recruitment agency, a crew agency, and then this particular employee

receives an email approximately once a week or every two weeks, detailing all these fantastic jobs that are now available within the rest of the yachting industry. And it annoys me because I've just spent money on recruitment costs to the agency, travel costs to the ship, uniform costs, possibly medical costs, and I find the guy pushes off in a month because he's seen a nice job paying X thousand euros more and 3 on 3 off. So that certainly upsets me. As far as the certification issue goes, it's a very difficult one, because you bring in these people and you expect them to want to become certified and progress in our industry but who's paying for it? This is a problem.

**Tork**

I'm not talking about certification here. I'm talking about people who may have their certification but have minimal or no experience. What I'm talking about is bringing people on board to teach them the stuff that you don't learn with certification. That you learn simply by working.

**Martin**

AJ?

**AJ Anderson**

Let me disagree with Tork. We're going to do that probably a few times. But that's not true, I think. The larger boats have no problem hiring inexperienced people, as a matter of fact in some cases they prefer inexperienced people in the lower ranks. They have a management structure that can train people on board, they've got certified, qualified, capable experienced chief mate, second mate, chief stewardess, and one or two others in the department who have a lot of experience. They have 5 or 6 people in the stewardess or hotel department plus a chef or two and then you have 8 or so people in the operations department. They can afford to hire inexperienced people and they do, and it's a wonderful thing. In fact one of my chefs once said you should charge these crew when they come on board, for this training that you give them. We didn't figure that out but we do charge them for electricity and food. On a boat where you have 6 or 7 people, every person has to be a little bit more stand alone, and those really do need to have more experience.

**Tork**

I agree with you. The larger boats can, and do, do it. Unfortunately the demographics of the industry don't allow them to be the only training ground. People have still got to be able to come into the industry on smaller yachts. I had a comment made to me at the Monaco Yacht Show by a captain who said well, we're only allowed to hire seasonal crew. OK, fair enough. And he said I've got to have them trained, I don't have time to train them. And I said—all he wanted was that they could handle a line, tie a bow and do basic stuff—well hire them a week earlier and train them yourself.

**Mike Hitch**

I'd just like to jump in with a comment there. I've been doing a little bit of research on the Internet about size of boats and numbers of crew on board and I found, and I won't name any builders here, but I found a 55 metre yacht with berths for 8 crew on board. Now that could be extended to 10—but I'm sure all the other distinguished panel, if I said well, here's a 55 metre boat with 8 crew, go and run it, you wouldn't have a prayer. So you can't afford at that point to take on inexperienced crew. Because you need everybody to know their jobs back to front.

**Tork**

It's like many of the issues that we face in the industry. They're all interconnected. I mean, you mentioned design so a proper design of that yacht would have allowed training which allows a better industry—

**Martin**

I have a question which relates to that. It's anonymous—can you quantify the advantage to the owner of giving some prime real estate to the crew, so that designers can sell that idea to the clients. Did you get that? Can you quantify the value of that real estate?

**Mike Hein**

OK, I think I kind of talked on this point a little bit. On our boat as an example, one thing is we are hiring some inexperienced people and we are taking the time to train people on our boat. And I think that we have the luxury of being a private boat that doesn't charter so therefore our schedule isn't quite the same schedule that Mike has on his boat where you have back to back charters of full capacity. So we're able to do that. But on the opposite side of the coin, we have 2 guys on our boat with more than 20 years of experience, like myself, so that means 3 of us with more than 20 years experience and if you have a crew area on board your boat where you have a bed that's 17" wide it's really hard to convince somebody with 20 years' experience that they want to sleep in a bed that's this wide. So on our boat we made our beds bigger and we made the crew area smaller because we couldn't move a watertight bulkhead in construction and after the fact, now that the boat's been running for 4 years, it's the one mistake that the boss feels, is that the crew area is too small, because there's 6 people in a small crew area probably properly sized for 4 people and that's where we live. So if the boss wants to see the same faces on the boat every day, he has to appreciate the people who are working for him and make it a good experience for them on the boat, and then he'll see the same faces on the boat and when he comes back to his boat it'll be cared for the way he wants. And that's why I'm of the opinion that we should make the crew areas a little bigger.

**Tork**

I mean I'd agree. I think the real estate is nothing compared to the enhanced experience for the owner. It's as simple as that. Happy crew produce happy owner, miserable crew—you get a medium happy owner. I've got a comment here from someone at DVB Bank who finance they say superyachts and cruise ships—he asks: why does the yacht industry have long contracts for crew. Cruise ships are more complex and more demanding when you think of 3,000 passengers and \$1billion worth of asset, but have easily implemented 3 on and 3 off contracts for officers. He then asks the question: however, they pay almost one third of yacht industry rates. The only way it continues to sustain growth is to expand the base of qualified people. More of a comment perhaps than a question.

**Martin**

OK. Any more questions out there please? Mike do you want to say something?

**Mike Hitch**

Yes. I was just going to say I think it's a little bit unfair to compare cruise ships with yachts because the end product of a cruise ship is they making an awful lot of money. Owners do not make money out of yachts, it's just one big black hole. So whereas 3 on 3 off can work on a cruise ship it may not work to the same financial degree on a yacht.

**Martin**

Yes—Andy?

**Andrew Stewart    Tectonic Design—Atlas B2B**

Going back to crew quarters and the design for these large yachts. Over the last sort of 5 years that I've been coming here the language has really changed from a lot of the industry, especially the captains. They now use things like hospitality in catering, the hotel side, they've really divided it up a lot. And the situation that we find as designers, and our specialist area is crew areas, is that a lot of these GA's that are supplied to owners' representatives have already been pre planned. They're actually sold as a project. The shipyards themselves have decided what the specification is and the layout prior to the yacht being sold. So my question, or comment, is—how does that become resolved from your point of view, if you're already buying a yacht that is a predetermined design. It's very difficult for us as designers to then come in and change those areas. People like Terry will obviously have the opportunity to do the client areas but more often than not the crew areas are subcontracted out to one of the local shipyard's contractors that have been there for the last 15-20 years. And that's quite a hard nut to crack. I've certainly found it quite difficult. So I'd like your comments on that.

**Mike Hitch**

I don't think the issue too much is the quality of what we're putting in the crew interiors, it's the level of space we're giving to the crew. And it goes right back to what Captain Anderson said there, how I feel, and I agree with him that it's vitally important for people who have experience of going to sea to be involved in the project management, design, whatever, of a ship. Because I can guarantee that whilst there are some fantastic designs out there, they look absolutely beautiful, they have to work functionally and there are some people who haven't been to sea, don't have that experience, and are not able to translate that into what could be a good working ship.

**AJ Anderson**

I'd like to follow on that. Recently we were at a new construction meeting and the design was out, the owner and the designer—the owner said man this is perfect, this is fantastic, this is exactly what I want. And then he went for a coffee and somebody said well, where's the emergency generator going, and where's the third air handler going—we don't see enough bunks for the crew. You need at least 2 metres of length for a bunk of course. We determined that we were going to have to tow a barge behind the yacht to put two of the crew, the emergency generator, and 2 of the air handlers on board. Then the rescue boat. So you really do need, in the beginning phase, and the education that the brokers can bring, the designers can bring a little discipline, is to make sure that that space is allocated. It's not the value of the space—it's that you need it. You need a certain amount of space for the engines, whether the crew and the technical gear also needs that.

**Martin**

Can I just ask, AJ. Is it still happening, that they don't plan enough space?

**AJ Anderson**

Well, this week I'm not sure. 3 weeks ago it was still happening.

**Tork**

Actually in line with that I've got a question here, unfortunately for an owner, which we don't have at the moment—but someone was, in line with that, asking if the owner was willing to trade a small amount of that real estate in exchange for a lower crew

turnover. I'd like to think that the answer generally to that probably is yes, however the problem is that I suspect as of 3 weeks ago that question has not been put to an owner. Nobody wants to say well look, can we just have 2 frames extra for crew? Because you'll have a better experience? Everybody just wants to say of course you can do that. I also have an anonymous question which I think is really for you, AJ. It's on the subject of commissions. It says: how can captains agree on getting commissions from brokers when they're salaried and run the yacht and are not involved in its sale or purchase. When they do so, they then become *de facto* brokers. And what's the percentage, or is it free for all? He then says: this opens a can of worms, if not already opened, and the race for all is more. Do you wish to comment on that?

#### **AJ Anderson**

Well, I don't disagree with that. I agree. I don't believe captains or crew should receive a commission in the sale or purchase of a boat. I believe that in the case of a sale of a boat—and anybody here that has been involved as a crew member, as a deckhand, as a stewardess, as a captain, as a mate, an engineer, during the sale process of a boat you will appreciate the pain and suffering that you go through when the surveyors come and they explore every part of that boat and you, and that whole process is a very challenging thing. So I don't hold it against a broker or an owner or the recipient crew if they receive something by way of a bonus in appreciation after the sale.

#### **Tork**

I think you just hit it there, when you said bonus. It's an optional voluntary bonus. It's not an obligation and therefore is quite appropriate.

#### **Martin**

Mike?

#### **Mike Hitch**

I completely agree with what AJ is saying when he talks about bonuses and hopefully that will be in the region of thousands rather than millions of dollars.

#### **Martin**

Yes, in the middle there please?

#### **Pino di Mora** Monaco Marine

I am a chief engineer on a plus 1 commercial ticket. I've recently moved ashore but I spent my life on yachts, and before that cruise ships. And back to the design, I can say that there are still a lot of improvements that can be done, even if they're already buying a project with certain designs already approved. For example on a project for a new build I'm following at the moment is, there's a cupboard in the crew space of a few metres that doesn't have any real functions and the crew mess can be enlarged 2 metres to make more space or the engineer can have his own cabin. And as you know, on 50-60 metres now you need very high qualifications so people like the chief engineer and first officer they require their own cabin, for example. And another thing to attract people from commercial to yachts is also the rotation as well, is very important. But also I had second engineers working for me that found it hard to find the time to do these courses and also they are very expensive. They are becoming very, very expensive. So what I'm saying is that it is a good thing also for the captains and the owner to offer as a part of the deal a contribution to these expenses for training. Of course, from the crew side, promise like 3 or 4 or 5 years of service and then from the captain's side or the owner's side offering the cost of the courses.

**Martin**

Anyone?

**Mike Hitch**

Yes, I'd like to comment on both of your points. I think you're absolutely right. It's going to be very difficult to sell a double cabin to an experienced person who's been at sea. Because these people are used to single cabins, people want their privacy. And I think that's what we're struggling with—a lot of people nowadays are expecting to go into single cabins. I agree with your comment regarding training—the way I do it on my particular boat is we do sponsor people; I like people to be with me for a year first then I will train them, put them through a training course, I will pay for their course fees but what I would like is for them to do a year for me afterwards because then I'm getting the benefit of their training. Now what I don't want to be doing is paying to benefit somebody else's boat. So at the end of the day if they don't want to stay with me 12 months then OK they reimburse the ship on a pro rata basis depending on how long they stay. But it's a year before, and a year after. And I think that's a fair compromise.

**Martin**

AJ?

**AJ Anderson**

Yes, we agree completely except on the room side I don't know. I recently went out on one of the boats and I volunteered to sleep with—well, not sleep with, room with—the chief mate and it was an extraordinary experience. For 30 years I've been in my own space with whoever but never with a chief mate.

So I can understand wanting to have your own berth. On the training, it's not only the training, it's the time it takes to train and are you reimbursed for that? We have a very similar policy, except that we say half pay at 6 months, full pay at 12 months. So if a person takes two weeks of training we charge him for one week and we charge him for half the training, if they stay as long as 6 months. If they leave before 6 months we take it all back. And if they go from 6 to 12, they cross 12, we pay for the whole thing plus we reimburse them for the time it takes.

**Martin**

Any comment?

**Tork**

Guys. Can I ask you—do you think your views which are very enlightened and very logical, actually represent the majority of operations out there? I ask that because someone commented —we've had quite a lot of comments on Synfo complaining about repatriation, ill treatment, etc. Now it can be quite easily the case that people get inspired to write when they're angry, and the happy ones say nothing. You can't quantify it but do you think that the majority of the industry is run along the lines that you're speaking of, or do you think it's not?

**Mike Hitch**

I think it's very difficult to gauge. We have such a diverse group of owners from different countries, different expectations, that of course we're going to get different yachts with different policies. As far as—going back to repatriation—which I know has been mentioned, there is no doubt about it. If you're on a commercial yacht you are required to repatriate people, it's written down in the law. So there should be no quibbles at all about that.

**Tork**

Even on a private yacht, the majority of immigration authorities, if you don't have right of residence in the country, you have to repatriate them.

**Mike Hitch**

And I think what's important to add is that it's not as some people seem to think the repatriation to the place where you pick them up. It's repatriation to their place of residence.

**Martin**

Any more hands out there before I do one text question? This is an anonymous question: how do you decide whether to put bunks or double beds into a cabin for a possible husband and wife team when you have high crew turnover and have not finished recruiting? There is no formula, is there, to decide what cabins you fill with which bunks?

**AJ Anderson**

I can say that we recently made a mistake and we put a double bed, where 2 people could sleep in it, in 2 crew cabins as opposed to perhaps one, and we put Pullmans into each one and in hindsight I would have had 2 singles in there and it would have been optional how I bunked it. Whether they were a couple or two single guys, or one single person. So I would tend to lean towards, on boats under 65 metres or so, I would tend to lean towards double beds.

**Martin**

Andy, could you answer that question?

**Andrew Stewart**

I was just going to say that we can get helicopters on and off these things and submarines. There's plenty of technological answers and materials for making cabins and bunks that come apart and can be changed. The same with crew areas—there's lots of materials now and design options for that. So you don't have to necessarily get stuck with one type of format in your cabins.

**Martin**

So, a yacht from IKEA?

**Andy**

Precisely, yes!

**Tork**

Actually Andy, I've got a question for you. When we get to smaller sizes of yacht, this is not practical but let's say from 50 metres up, when you look at the GA, it seems to me that it's not that hard to create small individual cabins with shared heads which 90% of non couple seafarers would prefer. From a designer's perspective why do you think we see this so rarely outside of the commercial world?

**Andy**

I think it's still because these GAs are being sold directly from the shipyards and the shipyards don't really have, or maybe they should develop, more of an interest in how these areas should be finished now. Because without the crew, an integral part of the industry, we're going to slow down our growth. So I think it's an issue that's been arising over the last 5 years, culminating now with some people actually talking about it, which is good. And hopefully they'll come up with some solutions. Or give people the opportunity to provide those solutions to the client.

**Martin**

Thank you. We have a question there from Alan Gilbert I think.

**Alan Gilbert** Gilbert Yacht Design

To respond to what was just raised, I find a lot of the owners have a preference for the relationship of the captain to whoever might or might not be sharing their stateroom. But my question from before is this, to the panel and to the attendees: a comment I get from a lot of crews is that they're not being provided enough time to properly maintain the boat. Now I don't know if part of that is their burnout and a wish to get time out under the guise of a different excuse, but my question is, are you finding there's enough time to properly maintain the vessels, have them hauled, etc, given their rigorous schedules?

**Martin**

Mike?

**Mike Hitch**

I think if you were following the pattern of what I talked about, back to back chartering, throughout the summer then trying to squeeze owner's visits in, because as I said before, there does seem to be a lack of charter vessels on the market, there's always people wanting to charter boats, and I think that's why you find that yachts seem to spend quite a lot of time in refits, in between seasons, because not only is that the only time that they can sit down and do things properly to the boat but it's also the only time that these burnt out crew can actually get any time off.

**Tork**

I've got 3 emails here. The first is a comment with a question at the end. This one is anonymous: the problem is that brokers and designers sell projects to clients who are not up to speed on regulations. I presume they mean that none of those three that are getting it wrong are up to speed on regulations. This audience appreciates that things like working our regulations ISPS etc mean that the workload on all yachts has increased. Currently crew accommodation has not increased to match the workload. So current crews are finding life too difficult at busy times. Eventually the yachts will all need to get bigger or owner's areas smaller. The next one is on the subject of crew training presumably from a captain, who says: "On my boats we paid for one class per year provided they stay one year". Which is in line with what we discussed before. And this final one, which is also anonymous, says: it's vital to look to the future and ensure that young people are aware of the yachting industry and the wonderful career opportunities available. Which I would say a sincere here here to. I personally have been in contact with sailing schools and higher education establishments in the UK to promote our industry with the hope of encouraging more yachtsmen to follow in our footsteps, for what is an expanding industry. It's not just for crew agents it's for all of us to do that, he says.

**Martin**

Any more questions out there? We've mentioned back to back charter twice. Should it be banned? Can it be banned? The idea of back to back charter? Is there a legal obligation to prevent it happening? Any lawyers out there who can comment?

**Mike Hitch**

There's certainly not a legal obligation to stop chartering but there is a legal obligation regarding hours of work. I was watching the TV this morning and somebody was commenting that the airline industry was the most regulated industry in the world. We find ourselves slightly the opposite. We have the regulations but we

have nobody checking up on them. I mean there's absolutely no port state control in the South of France. And I think if there were a little bit more port state control then we would find things just possibly balancing themselves out a little bit.

**Martin**

Yes. Some comments from the floor please.

**Eric Goldring**

I think Martin you have a number of issues here. Back to back charters are wonderful but what are the charters? You can have a 10 day charter or a 60 day charter and something back to back with it. You can have wonderful guests, easy as can be, or you have the other ones who are partying until 4 in the morning and want a full breakfast starting at 4 and going on till the ones who went to bed at 4 wake up at 2pm and want to have a fully catered cocktail party. So it really depends. What it does come down to is, as was mentioned by Mike, regulation of what the crew is actually doing. How much time the crew is spending and what off time really is. Because when you have a very intense charter your crew may actually have just the time they're lying down, which may be 3 hours of off time, even though they're in the crew area, they are by need forced to do other things. And the captain has a problem with having to produce a product for the charterer but at the same time protect his crew. You could say to the charterer sorry I'm not doing it, I can't do it—but I think we know where that one goes. And I think that's the problem. Because you're out there and there's no employment police going excuse me, charterer, you can't have that because you're violating regulations. I don't know what the answer is, but I know that is the problem, why you can't say back to back you can't do.

**Tork**

I'd like to put a point out around that for discussion, which was actually recently in the magazine. You're right Mike, there is no actual inspection and control. But perhaps we're looking at it the wrong way around? Perhaps the answer isn't regulation but actual market forces. Because certainly if I were honest, if I were going to go and charter a boat and I'm being looked after by a burnt out crew, I'm not happy. I don't feel I've been getting what I'm paying for. So perhaps the answer is that properly rested properly treated crew become an actual marketing asset for the yacht so that you would always prefer to take this yacht rather than that one, because these guys have got bags under their eyes and those guys are happy campers. I'd be interested in broker, captain, anyone else's opinion on that.

**Martin**

I'm clearly paying you too much if you can charter a boat!

**AJ Anderson**

A couple of things. First on this, somebody, I think Mike, mentioned about maintenance of the boats, the yachts. We've established a pretty clear point of reference in our experience, which is that at around 16 weeks in a 12 month period, starting in January and ending at Christmas, is 16 weeks of use—and that means whether it's chartered or the owner is using the boat, not transatlantic time, 16 weeks of use—at that point you can see a demarcation where the maintenance costs curve starts to go up a little bit more dramatically and it's partially because if you look at 16 weeks, when you use the boat at least 10 weeks of those are during the summer months. And so when the boat does go into the yard at the end you're compressing, you're trying to have a lot more trades working on top of each other, your expenses of doing the same work is more. So you do have a financial curve that takes place. It can be offset by the charter revenue, but still it's there. As far as the crew go, which we obviously up here have a personal interest in, is in a charter situation there is no

reason why there can't be rotation when you have more than 12 or 14 crew. With the smaller boats I can't speak for, because I don't know if there's a solution other than to say give them 72 hours between trips. But on the larger yachts where you can throw another individual in each department to give rotating breaks to the regular folks on board, I think you can have a rotation system that will help solve, it doesn't resolve it, but it helps solve some of the symptoms of what is. And the final comment is that maybe someone out there can remind us what the situation is, but some months ago they were talking about a super convention which had been passed by the IMO Maritime Group, and I think in February it's going to go out to the treaty phase. And once that super convention is signed off, then the ILO standards, as far as hours of work and hours of rest, are going to be much more stringent.

**Martin**

The problem is policing it. Alan, do you have another question or comment? Or is that someone from Cayman?

**Peter Southgate** Cayman Islands Shipping Registry

I just wanted to come back on the comment made about hours of work and how it's apparently not enforced. I can assure you that it is by the flag states. This is a regular item on the annual inspections and ISM audits. The comment about port state control—we don't want to invite port state control on yachts. I mean yachts are fairly low risk in terms of the overall port state control scheme and I think the longer it stays that way the better. But I can assure you that we are enforcing the hours of rest requirements on our yachts.

**Martin**

Can I ask how you do it?

**Peter Southgate**

We inspect the records. We inspect them and try and identify if there are areas of where the hours of work are being exceeded on a regular basis.

**Martin**

Who keeps the record?

**Peter**

The master. So at the end of the day—

**Martin**

Is that open to abuse?

**Peter**

No comment.

**Martin**

OK. There's one in the middle I think.

**David Reams** Camper & Nicholsons

I'm a former yacht captain on basically smaller vessels with 6 or 7 crew and from experience will say that if you're working on a charter or even an owner use of the boat and the crew is working 16 or 17 hours, there is no way you're meeting any conventions as far as work load or anything else. This is actually the comment that I sent in by email a moment ago, and it's great that not port state, but flag states, are attempting to regulate through ISM but the vessels that are really most impacted by the lack of rotation, lack of extra crew, are the vessels that don't fall under ISM and

although mini ISM is in the works and possibly a good solution in point of fact owners want charters, charter brokers want charters, and owners hire captains who produce charters.

**Martin**

Any comment?

**AJ Anderson**

I'm glad you brought up the charter—did you say charter broker? But this is a role that, I don't know if you're in management at Camper Nicholsons, but it's a role that the manager and the charter manager, at the centre, can help keep things a little cooler. You know, when they get these inquiries that the guy says oh I need to get on the boat on the 11<sup>th</sup> and the captain's saying well, I don't drop off until the 12<sup>th</sup>—well, you can kind of work it in there somehow. So you get these extreme compressions, and I think that the managers can kind of educate the owner, they can kind of talk to the potential charter client and say you know, can't you start on the 13<sup>th</sup> instead of the 11<sup>th</sup>. Can't you try to work in 24/48 hours if possible. 72 in the Caribbean would be nice—it's a little bit tougher down there.

**Tork**

I've got 2 email comments here. The first one is: work hours are mandated yet if a yacht attempts to abide by those rules we need to double the crew complement. The second one, which is also anon, says: if we want to manage crew expectations, we need young people coming into the industry without preconceptions of what their job should or should not entail, or what they should be paid. The downside is that young people will be relatively inexperienced. If captains and owners are not willing to invest in their crew, what message does this send to them? It continues: it is expected that crews should have to train themselves at their own cost. If so, then they deserve to be rewarded by an industry structure that offers them a long term career that does not just terminate when they want to have a family and/or move ashore. The industry needs to adopt working practices that will enable a full working career at sea, rather than losing experienced crew because their circumstances change.

**Martin**

Is there a comment at the back there?

**Gail Carpenter** AIP Consulting

I'm from Newport, Rhode Island, and I'm very happy to see that the captains and you are all bringing up about master rotation and burn out. I'm in the mental health field and the reason my company came about was because I had so many from the yachting industry during refits come into my office as patients. Now what I offer is to go out to the boats for short periods of time and problem solve so that crews don't have to break up—because it saves the owners money when they can all stay together and the longevity works both mentally and monetarily. One of the things about the master rotation that I think some people forget about is the mortality rate for men has gone from everybody dying at about 47 years old to everybody living to be much older and with the type of medical care we have now everybody isn't forgetting everything all the time either. So one of the things that the gentleman next to you brought up was well, if I were an owner, I'd want to be hiring someone young right away and what I'm finding is that the young people who are smart in the industry are seeking out very competent older captains because they want to learn from them and eventually be able to do rotation with them. And it also helps with someone who wants the experience and the sea time that the older captain has. They can pass that along. So the other thing that comes into play as far as keeping crew that I'm seeing

in my office—and Mike Hitch brought this up—is healthcare is only now just being dealt with in your community. And I think one of the things that can keep crew on longer—you can't necessarily offer them health care right away, but as far as them jumping ship, a lot of them will stay who are very good if, after 6 months, health care is offered. The other thing that's come up a lot is exactly what you're talking about regarding space. I had a very prominent captain in who came very close to turning down a job—the majority of the people I have, around 120 foot sailing yachts and above—and he came very close to not taking a job because they wanted to put him in a very small berth. Luckily that was corrected and they have a very good working relationship. So I'm just very glad to see all these points come up, because you've actually created a company for me because of the problems that you have!

**Martin**

Any comments?

**Mike Hitch**

Yes. I'd like to thank you very much for your comments, you're absolutely right. I read an article in one of the American press that said people were now coming into the yachting industry as a second career, having done their first career, they're now coming in as a second career. I feel captains have a moral obligation to impart their knowledge and experience on to young people. I mean, the yachting industry has personally been very kind to me and if I can give anything back then I certainly will do. Healthcare, for me, is I think—the problem is health care in America is so expensive that's why it's more of a valuable commodity than it possibly is in Europe, but I mean we offer a BUPA health care as a standard thing for all the crew.

**Martin**

There's one question there with Sylvia then we have 3 comments here on the text and email.

**Andrew Schofield**      *White Rose of Drachs*

I just wanted to comment about the hours of rest in my experience, which is that it is policed, the surveyor will come on and look straight at *show me your records for August*—and go and look at the engineers. And that forced me to rearrange the daily schedule and make sure people got more breaks. I found it actually helped, it's not something to be scared of, it's easy to manage, it's easy to deal with. And it helps the crew far more than it does me dealing with the surveyor every time he comes on every 12 month period. It hasn't resulted in an increase in the complement of crew and we don't do rotation. So it's not something to be feared at all. A couple of other points; there was a question—does the panel at the moment, are they representative? And I'd say yes, if you're operating a commercial yacht then that management structure is imposed. That's what you have to do. Those are the rules. A couple of little points about repatriation—under UK law as I understand it you can define the point of repatriation at the point of employing the seafarer. So if you want to make it Nice, you can make it Nice. If you want to make it New York, you can make it New York. It doesn't have to be Brisbane. And also repatriation is the responsibility of the ship to organise, but it is at the cost of the individual to get them back to the point of repatriation.

**Mike Hitch**

I'm not quite sure whether that's exactly right but I will look into it. And I'll discuss that with you, because I'm fairly sure that it is the ship's financial responsibility. But as I say, I don't have the text in front of me but I will check it because it's an interesting point.

**AJ Anderson**

I'm sure I saw somebody in maritime law out there. Of course I'm an American, I wouldn't want to make a comment about British law, except you have two things that you have to deal with. One is immigration which is the country that you're in, so you can't drop someone in Nice because you'd be breaking France's law. So you must repatriate them back to their originating country, as far as France is concerned. As far as your flag state is concerned it is to the contract point, so you end up doing the greater of the two. As far as who pays for it—if a crew member—again, I just did one of those little law CDs—if a crew member leaves before their contract is expired then my understanding is that that crew member is responsible for their repatriation—in fact I think that British law says that the crew member is responsible to help find their replacement, which is a ridiculous concept. If a deckhand that is mad at you is going to leave the boat or is tired or burnt out and is going to leave the boat, he's not necessarily the person that you want to go recruit your next deckhand.

**Tork**

I've got two comments here. One is in response to my comments about burnt out crew—they say you've raised the issue in the magazine of guests unhappy with burnt out crew—where does the concern come from? Have you had charter guests complaining about this? Well, not specifically, it's more that I've been served and looked after by tired people and it's not what you expect to pay for when you're the client. And I'm proposing the concept as being a very sound way of benign self interest, looking after crew. Because it's like giving up real estate for crew accommodation. You want to have the best experience when you charter—to have that, you need safe, happy, bright eyed crew. He also goes on to say: crew on busy charter boats are aware of what their business is, serving guests, and can't afford to let the guests see that they may be tired. The crew that tend to burn out are the ones that don't manage their time off properly, instead sit on email or skype when they should be sleeping or go out and drink themselves silly at the first opportunity. Professional career-minded crew tend to look at the bigger picture, focus on the charter season and do their partying after the season is over (I don't totally agree, but I don't totally disagree either). The second one which I haven't had an answer to, and I'll explain what the question was when I've read it is from a gentleman here who is also anonymous, who says: having captained busy charter yachts successfully and managed to provide the crew with the hours of rest required, without the standard of service suffering, I wish to point out that we, captains and safety officers, can all achieve this with proper onboard management. The question I sent back to him was asking him at what size? Because obviously that's quite critical on a 60 or 70metre, when it's considerably more practical than it might be on a 25metre. But unfortunately the system hasn't allowed him time to answer me.

**Martin**

Duncan has a question—a British lawyer--

**Duncan Bateson**      Constant & Constant—TLT

Just a small point really about repatriation—I'm afraid English law is silent on the subject of where you have to repatriate to. It was designed in the days when all the ships left the UK and came back to the UK so I guess the assumption was they'd be repatriated back to the UK. But in the absence of any specification—

**Martin**

It's strange to have an archaic law, isn't it? Sorry. I have one more little thing here which is: isn't the captain the one who's responsible for the wellbeing of the crew on

board and to manage the amount of hours they're doing. At what level of workforce is the ship getting unsafe?

**Mike Hitch**

Yes, I agree. It is the captain's responsibility to manage his ship and to manage the time effectively with his people. It goes back to charter and possibly unrealistic expectations that charter guests have when they come on some of these boats. They've been promised all sorts of things by whoever has arranged the charter, whether it's a charter broker—and it's very difficult as a captain to stand in front of a charter guest and say well I'm terribly sorry we can't do this. We can't go here, or there, because of this or that. It becomes very difficult to do that.

**AJ Anderson**

With STCW, the rest hours outlined are flexible. They leave it up to the captain and what's happening on board to decide which 6 hours of continuous rest the person is going to get. So it is absolutely up to the captain to manage the situation the best he can. It should be remembered though, and again this is for boats and crew of 12, 14 or say 18—is that if you look at what they're doing on board that boat and you look at what the 500 foot container boat is doing on board with the same 12 or 13 man crew, it's completely different. The folks on the yacht, you guys know it, the boat maybe anchors 4 or 5 times a day. They launch two wave riders, two tenders, a couple of windsurfers, a kayak, they have a picnic on the beach. Those are the same people that are responsible for moving the boat from point A to point B. And on the ship of course you know what they're doing. They're punching in the numbers, making sure the thing sails safely from point A to point B. So it is a challenge in the yacht world and I think for the larger yachts it is being managed pretty well.

**Mike Hein**

What we're doing to combat the rest thing is we rotate, when we have guests on board—who stays up with the guests at night, and whoever stays up with the guests at night then the next day we make sure they get a rest in the middle of the day to compensate for those hours that they stayed up with the guests. And one other comment I have about the repatriation—I think sometimes the national law of where the vessel is comes into play as well. We had a situation where we were in Australia and an engineer was relieved of his duties and we actually had every intention of flying him back to where we hired him from. And he went and saw the engineers' union in Australia and explained the situation and the Australian law definitely came into play in that particular situation. So I think that depending on where the vessel is it might be different. There's not always one steadfast rule.

**Martin**

Two more questions or comments?

**Tork**

I'd like to say sorry to all the people whose comments went into my junk mail. It wasn't me, it was the software. I've got two comments which are almost contradictory. They do ask some questions, but because we're running out of time I think you're going to have to discuss that amongst yourselves over tea. The first one, which is anonymous, says: how does a private yacht differ from a commercially registered one when it comes to regulation and crew work times etc? The next question is: why is this industry not regulated? Or is it simply that no-one bothers to apply the rules ?

The slightly contradictory one is from someone else, who is also anonymous, and this says: one key aspect of the yachting experience is or should be an exceptional level of service provided to the owner or charter guest. Which is what they pay for. It's only natural that crew go the extra mile, as such long hours are part of the job. Commonsense solutions should be perused rather than trying to legislate to the point of counter productivity.

**Martin**

Gentlemen—any further comments before we close? I'm going to ask one question as a closing question. What do you think the fundamental thing is that needs to change in this industry from a captain's perspective? Just one answer.

**Mike Hitch**

I think we need to go and find more crew, I think we're looking in the wrong places, I think we need to pay them in the correct manner and obviously I think we should be looking more at a rotational type of operation these days than we were ten years ago when we were offering 2 to 4 weeks off a year.

**Martin**

OK. AJ?

**AJ Anderson**

I'll go back to expectations. I think it would be terrific if we could manage and mentor these folks in the early stages and let them know what their expectations should be, and try to give them a parameter for their long term thinking.

**Mike Hein**

I think we should just take away from this experience what we've talked about, and we should follow through with what we've learned here. And when someone makes an offer I think they should follow through on what they've offered, in a timely manner. And I think we should be honest with our owners, because if we're honest with our owners then they're going to figure out that you need to give the crew the time off, you need to make the boats accessible and you need to give them proper time to maintain the boats.

**Martin**

Gentlemen, thank you very much. Thank you for stepping up at the last minute, as well.

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