



Australian Government Productivity Commission National Transport Regulatory Reform Draft Report November 2019

Supplementary submission

Australian Maritime Safety Authority

January 2020

Introduction

Thank you for the opportunity to comment on the draft report released by the Productivity Commission into the National Transport Regulatory Reform.

AMSA welcomes this opportunity to further contribute to the Commission's review.

AMSA wishes to provide the Commission with additional information in support of what we consider to have been an enormously complex but still very successful transition to the national system for commercial vessels.

The Commission's final report should reflect more positively on the successful achievements - nationally consistent regulation, improved safety, enhanced productivity and efficiency with minimal regulatory burden and cost.

Further evidence of how we are effectively delivering the intended outcomes of the reform are contained in the case studies and examples in this supplementary submission.

We broadly agree with the Commission's findings and recommendations with regard to transitioning away from grandfathering arrangements, in consultation with industry but note that removing all grandfathering provisions would be a substantial change for some parts of the industry, and that may require a longer time frame than the five years proposed in the draft report.

We welcome the draft recommendation that COAG consider the return of regulatory responsibility of some vessels to the states and the Northern Territory, where appropriate (4.3 and 5.5). For example, small human powered vessels that operate within the states limits such as kayaks, canoes and some hire and drive vessels. Such a review would ideally conclude prior to the sun-setting of the National Law Regulations in 2023.

We appreciate the Commission's work to address those aspects of the draft report that AMSA has identified could benefit from greater balance, and offer a response to the Commission's requests for additional information at Attachment 1.

AMSA's additional comments relate to the outcomes reflected in the draft report on:

- nationally consistent regulation
- enhanced safety outcomes
- grandfathering provisions
- vessel data
- workforce preparation
- engagement and delivery of services from 1 July 2018.

Nationally consistent regulation

One of the early benefits of the national reforms was the removal of the intrastate regulatory boundaries enabling crew and vessels to operate across jurisdictional waters, under one set of regulations.

The Commission's draft report notes that the ability to recognise marine qualifications nationally has improved operators' ability to hire staff from interstate (p12). Another very tangible benefit has been the simplification of certificate of operation requirements for large fleet operators that previously held individual certificates for each vessel. This was achieved by issuing a single certificate for their entire fleet and removing the schedule of vessels from the certificate. This same process is being offered to operators that have fleets of human powered or small sail non-survey vessels.

The consolidated certificate provides more flexibility for operators, simplifying the process to make changes and amendments to their fleet. This results in large savings in costs and administration to operators that will no longer need to vary their certificate every time they remove or add a vessel to their fleet.

While the Commission's draft report (p12) notes that it is not easy to measure these efficiency gains, and that is correct from an economic perspective, the gains for commercial operators are evident to the following large fleet operators that have recently moved to a consolidated certificate:

April 2019 - Volunteer Marine Rescue New South Wales has been permitted to operate up to 100 vessels on a single certificate and as a result AMSA has revoked 61 certificates that they no longer need.

August 2019 - Bhagwan Marine Pty Ltd has been permitted to operate up to 200 vessels on a single certificate. AMSA revoked or is revoking 25 certificates that they no longer need to manage.

May 2019 - Huon Aquaculture Company Pty Ltd has been permitted to operate up to 200 vessels. This company already had a consolidated single certificate of operation. Their efficiency gain is realised by alleviating the need to manage the schedule of vessels.

June 2019 – The Western Australian Department of Primary Industries and Regional Development has been permitted to operate up to 100 vessels. As a result AMSA revoked two certificates, and they no longer need to manage a schedule of vessels.

Enhanced safety

AMSA has taken significant steps to lift safety standards and implemented measures through new requirements for safety management systems, contemporary safety equipment and periodic surveys (refer to next section detailing an end to certain grandfathering arrangements).

Another strong example of the advantages of a nationally consistent approach to safety, is AMSA's regulatory reform mandating the use of float-free automatically activating emergency position indicating radio beacons (EPIRBs) on certain classes of vessels from 1 January 2021.

On a more case by case basis and localised level, there are numerous examples that demonstrate how AMSA's focus on safety has and can be implemented. Following is an example of safety improvements in one of the regional South Australian fishing areas.

Lakes and Coorong Fishery, South Australia

Regulation of maritime safety in the Lakes and Coorong Fishery, was problematic prior to the National Law being implemented. On 1 July 2013, many of the operators were not meeting the state maritime rules and the industry had not developed a positive safety culture.

The fishers in the Lakes and Coorong Fishery primarily target Pipi, Golden Perch, Mulloway, Mullet species, European Carp and Bony Bream. The fishery has 36 commercial licences - many licence holders owning more than one vessel. These operators face numerous challenges with varying water flows from the River Murray producing changing depths in some fishing grounds, cold water dangers, and lack of communication methods in some areas. In recent years the influx of seals to the area has adversely affected their operations, limiting their ability to invest or upgrade in new equipment.

Once the National Law was implemented in 2013, many of the operators' vessels in the fishery were not covered by 'grandfathering provisions' because they were not legally operating on 30 June 2013 or for the two years prior. Due to a lack of information about many of the vessels, it was unclear whether they could meet contemporary safety requirements.

The best approach for these operators to both meet the National Law requirements and ensure safety was to work with the fishery association to meet a set of agreed requirements that would improve safety on the fishery operations.

For the operators that agreed with this arrangement, it included meeting the majority of the non-survey vessel requirements, as well as stipulating that all people wear life jackets, one person carries a personal locator beacon, and have a system of reporting daily to someone who can raise an alarm in the event the vessel did not return from a day of fishing. AMSA worked with 26 of the 36 licence holders to get 44 vessels to meet an agreed set of rules.

Feedback from these fishery operators has been very positive about the collaborative approach taken to support the operators to understand and meet the requirements of the National Law.

Following are several examples of tailored and focused safety campaigns design by AMSA to improve safety in different type of operations, or to address specific risks, including for passenger vessels and vessels operating in the fishing industry.

Operation Holiday

On 2 September 2019, thirty-three passengers and one crew member died on board the dive vessel *Conception* as a result of a fire and subsequent sinking of the vessel off the Californian coast.

As a local response to this international incident, AMSA conducted 'Operation Holiday' - a targeted inspection campaign focussing on vessels with berthed passengers, or 'live aboard' charter boats. The campaign focused on fire safety and means of escape for passengers from accommodation areas.

Since the campaign, AMSA has conducted 326 targeted inspections of vessels with berthed passengers. The inspections have highlighted a number of deficiencies across the fleet - the most common being:

- emergency fire pumps being unable to supply adequate water pressure to fight a fire
- portable extinguishers not being maintained in accordance with Australian standards
- missing or unmaintained fire insulation/protection or suppression.

Many passenger vessels which were constructed to the Uniform Shipping Code laws, and which are currently 'grandfathered', do not require the fitting of smoke detectors in accommodation spaces.

Although not specifically required, AMSA is encouraging operators to fit such detectors given their relatively low cost and with the additional benefit of addressing the operators' general safety duties under the National Law.

Fishing Vessel Stability

In February 2018, we released a guide for fishing vessel owners, operators and crew to help them better understand the key elements and hazards that influence a vessel's stability. The guide was based on a version created by Maritime New Zealand.

Over 2500 copies were distributed to operators around Australia through our network of regional liaison officers and compliance partners and made available at local offices. The publication has been reprinted twice due to demand and interest from fishers.

Over 28,000 subscribers were notified on the new publication and were directed to a dedicated web page for resources and related information, including dealing with vessel hook-ups, and around 2,000 people have visited the web page to find out more information.

AMSA is currently working with the Australian Maritime College to develop a video for fishing operators to show through modelling the effects of weather, sea conditions, loading or other fishing operations on a vessel's stability. AMSA also has plans to undertake further research to help improve the guidelines for fishers.

Dory Safety Campaign

In 2016, AMSA conducted a safety campaign around dory fishing - in particular, the Queensland reef line fishery made up of approximately 60 vessels each with a usually fairly transient crew of about 5-7 people.

The campaign was highly successful and there was a documented decrease in incidents involving dory operations.

In 2019, AMSA noted that search and rescue incidents involving dory operations were trending upwards with a number of safety issues unique to dory operations in Queensland.

Incidents were largely due to lack of effective communication between the dories and mothership, some of which resulted in search and rescue operations when emergency position indicating beacons were activated. Roughly two thirds of the distress beacons (15) were also non-GPS, which meant that to locate the vessel in distress search and rescue operations were required for a far larger area.

A number of search and rescues were also needed as a result of breakdowns from insufficient fuel or other mechanical issues.

As a result, AMSA revisited the safety campaign for dory fishing, with a view to investigating other actions that can be taken to improve and maintain safety in the dory fishing sector. This was a joint safety campaign between AMSA, Queensland Police Service, Queensland Fisheries and Boating Patrol, Maritime Safety Queensland and the Great Barrier Reef Marine Park Authority.

The campaign included targeted compliance operations and a supporting safety education campaign.

During the compliance operation conducted in September 2019, AMSA inspected 70 per cent of the Queensland parent vessel fleet which dories operate from and 50 per cent of those vessels inspected were found to be in breach of their safety requirements.

In collaboration with the Queensland Police Service, AMSA also conducted dory safety workshops in Cooktown, Cairns, Bowen, Mackay and Gladstone between 24 and 28 November 2019. These workshops provided operators and crews with a supportive environment to learn about the rules that apply to their operations and how they can improve safety on their vessels.

Participants were encouraged to discuss safety implications for the dory fishing industry and learnt about safety culture and risk awareness.

Following are some direct quotes from the feedback received from the dory workshops:

"I learnt more in the past few weeks from AMSA than I have in my previous 20 years in the industry."

"This campaign is the best thing to happen to our industry since the Diesel fuel rebate"

"I have never been inspected, When Can you come inspect my vessel?"

"AMSA are the only ones that have shown any interest in listening to dory fisherman and working with us."

Hook-up Response for Trawlers

From October 2018 to February 2019, AMSA ran an education campaign to provide guidance to fishing trawler owners, operators and crew on the steps to follow in the event of a hook-up situation and as an aid to train crew on these vessels.

3,200 'hook-up response for trawlers' guides and stickers aimed at simplifying the eight step response were distributed through AMSA regional offices, liaison officer network and through compliance partners.

A dedicated web page containing guidance, tools and a video describing the first four critical steps was established and promoted to fishers and crew using multiple channels.

- over 1,800 people visited the page during this period
- over 9000 subscribers opened the notification to find out more.
- facebook posts reached 13.5k people, predominately males aged 25-54 years located in Queensland and New South Wales (the highest population of trawler operators)
- advertisements were placed in our Working Boats publication distributed to over 28,000 people electronically and 2,300 in print

Electrical Safety Campaign

In 2013, Ryan Donoghue was using an angle grinder plugged into this power outlet, while working on a prawn trawler in the Gulf of Carpentaria. When a wave washed over the boat, Ryan was electrocuted and tragically died.

The outlet was not protected by a residual current device (RCD). An RCD is a circuit breaker designed to cut power to prevent electrocution. The Coroner found that an RCD may have saved Ryan's life.

AMSA launched a safety campaign in 2016 that focussed on providing clear information about the importance of having a residual current device protecting every power outlet on board vessels. We developed an instructional video and utilised social media, a fact sheet, various newsletters, our own Working Boats magazine and our website to promote the message.

In 2018, we revised Marine Order 503 (the National Standard for Commercial Vessels (NSCV) subsection C5B) to align with the electrical requirements in the NSCV with the current Australian Standard and state and territory work health and safety (WHS) requirements. We ran a public consultation to obtain industry feedback and initiated a social media campaign to promote the consultation that reached 53,327 people.

An example illustrating the support AMSA can and does offer to operators in remote regions of Australia is summarised in the approach taken on Christmas and Cocos Islands.

Christmas and Cocos Islands

AMSA visited Christmas and Cocos Islands to assess their local vessel fleet for suitability for transfer from regulated Australian vessels to domestic commercial vessels under the National Law.

This involved considerable community engagement as well as working closely with the Department of Infrastructure and Regional Development (Indian Ocean Territories) to facilitate the change.

This was given effect in 2018 with AMSA facilitating the 'existing vessel status' changeover with AMSA-appointed accredited surveyors and the issue of new certification.

The outcome was that local operators could move their vessels to a modern certification regime better suited to their operations, providing the same advantages available to mainland operators.

This included access to private marine surveyors, use of non-survey vessel arrangements, and reduced survey and certification costs.

Grandfathering arrangements

Since 2013, AMSA has ended grandfathering arrangements in relation to:

- safety equipment
- float-free emergency position indicating response beacons (EPIRBs)
- operational requirements
- survey frequency.

Winding back grandfathering provisions

The grandfathering arrangements adopted under the Inter-Governmental Agreement (IGA) on Commercial Vessel Safety Reform which established the national system meant that existing vessels were allowed to continue to operate after the commencement of the national law under standards and conditions that applied by the states and Northern Territory at that time (1 July 2013).

Since then, the grandfathering arrangements in relation to safety equipment and operational requirements have been phased out.

The transition to contemporary safety equipment requirements for all domestic commercial vessels commenced on 1 January 2018 and is progressing according to the timetable set out in the National Standard for Commercial Vessels (NSCV) Part C7A, Annex I, and the equivalent provisions in NSCV Part F2 (for hire and drive vessels). Different items of equipment have differing transitional timeframes and the transitional periods have elapsed for the majority of equipment types.

Contemporary operational safety requirements (the mandating of safety management systems) have applied to Class 1 (>12 passengers) vessels since 1 July 2013 and to all domestic commercial vessels since 1 July 2018.

Nonetheless, as the Commission has acknowledged in the draft report, grandfathering has potentially negative implications for improvements to safety to be fully realised. AMSA would support a recommendation to incrementally wind-up grandfathering arrangements, with a focus on enhancing safety and priority given to ending exemptions for vessel survey requirements, subject to government support and appropriate resourcing.

While AMSA agrees that open-ended grandfathering maintains the inconsistencies of previous state and territory regimes and discourages investment in new vessels and equipment, extensive consultation is needed to assess the potential impacts to operators of existing vessels.

As noted (draft recommendation 5.5), the cost impacts will also need to be assessed (in accordance with Office of Best Practice (OBPR) requirements) and a public cost-benefit assessment conducted to determine and agree an appropriate phase out period.

The Commission's draft report (p124) notes that the number of grandfathering provisions was expected to fall over time. However, the Intergovernmental Agreement on Commercial Vessel Safety Reform did not envisage an end to grandfathering.

The need for grandfathering to facilitate transition to a consistent national standard was unanimously supported by states and territories (p123) through the Transport and Infrastructure Council (TIC). The 2011 Joint Standing Committee on Transport papers states:

The national system is ultimately intended to cover all commercial vessels in Australian waters. However there will be arrangements covering transitional/grandfathering provisions to ensure introduction of the national system from 2013 occurs in a progressive and structured manner.

Consistent with the view at the time, AMSA's 2012 regulatory plan took this approach that:

Grandfathering arrangements would continue to apply unless incident data dictated the need to adopt an alternative approach.

Consistent with that evidence-based approach, the changes AMSA has under active consideration focus on the areas of highest risk such as fishing vessel stability, fire safety and electrical safety. Further changes may involve:

- moving vessels up to the contemporary crewing and crew competency over an appropriate period
- moving vessels up to the contemporary survey and inspection requirements
- requiring all vessels to have an approval or certificate of survey, and
- requiring all vessels to meet an acceptable baseline set of design and construction standards.

Before any regulatory changes are made, they are subject to extensive consultation to assess the potential impacts to operators of existing vessels, cost recovery implementation statements and the cost impacts would also need to be assessed with OBPR requirements. Any amendments to legislation also require scrutiny and passage by Parliament.

Vessel data and analytics

Between 2013 and 2018 effective management and analysis of data was restricted by the delegated service delivery arrangements in place during that time. State and Northern Territory marine safety agencies (MSAs) transacted using their own systems and, in most cases, provided AMSA with historic extracts of records in a variety of formats and levels of sophistication.

AMSA invested in systems prior to the July 2018 transition to amalgamate state application data (records).

However, the data inherited from the state maritime safety authorities lacked consistency and completeness. Each jurisdiction had different approaches to the amount and type of data they collected. For example, some jurisdictions issued the applicant back the non-survey or restricted C application form with the “office use only section” completed as their permission. These were not necessarily captured in full in record keeping systems. Some state maritime safety authorities issued a certificate of operation for these permissions and listed the vessel exemption on the certificate of operation itself, which was not then captured in any database. Some jurisdictions did not generate vessels in their systems for some non-survey vessels – such as in one jurisdiction where tenders were not created as vessels. They were instead listed on a certificate of operation or certificate of survey as ‘free text’ conditions.

In addition, there were significantly more ‘in progress’ applications handed over from the marine safety agencies than was predicted – over 1,500 incomplete applications were handed to AMSA, some dating back to 2015.

The volume of work in progress was not the main hurdle. It was that the quality of applications inherited from the jurisdictions that was poor, with most applications requiring some sort of request for further information from the applicant. This added significantly to the workload required to process applications.

AMSA recognises the impact of poor data and the scale of this challenge and established a specific team to continue improving the quality of data beyond transition. AMSA has also embedded data quality checks within every application made as part of business as usual.

As of 13 January 2020 the team have reviewed and reissued over 2,113 certificates to ensure their accuracy. This is in addition to the certificates that are reviewed as part of an application or renewal process. This is a resource intensive activity as much of the required information needs to come from the vessel owner, accredited marine surveyors and from archived files held in one or more jurisdictions.

Despite the fact that AMSA has been managing the data directly for only 18 months there has been a significant improvement in quality, completeness and our ability to analyse trends.

AMSA has recently conducted analysis into the fleet dynamics and estimates that as of 17 January 2020 there are 22,556 vessels that are subject to some level of certification or permissioning under the National Law. Vessels can be certified in multiple classes and operating areas.

Measured Length Groups	1A	1B	1B Extended	1C	1D	1E	2A	2B	2B Extended	2C	2C Restricted	2D	2E	3A	3B	3B Extended	3C	3C Restricted	3D	3E	4C	4D	4E	Tender	Total			
(Blank)			2		4	3	2		10		250		9	454	75		4		194		49	8	28	88	201	3	1384	
0-7.5m	58				4	13	103	10		2	1766		101	2649	1173		41		2474		173	1384	297	100	493	1303	73	12217
12-24m	6	1	126		1	326	176	347	1	246	1	442	3	247	90	1	1078	3	472	1	51	1	31	52	369		4072	
24-35m			27		51	96	89	1	137	1	71		38	16		72	4	6		1	6	1					617	
35-45m					5	12	16	1	16	1	9		11	4		4		2			3						84	
45m+	1				7	11	11		34	1	23		15	1		4				1							109	
7.5-12m	10		4	3	170	165	346		44		1044	13	451	179		71		578		15	418	63	52	81	164		3871	
Other						1	1		3		4	1	81	13				4		36		2	22	34			202	
Total	75	1	159	4	567	477	915	3	500	6	3609	127	3946	1551	1	1274	7	3730	190	1948	370	213	736	2071	76	22556		

Further analysis indicates there may be as many as 8,693 vessels that are subject to standing exemptions where no application or approach to AMSA is required. Work continues to assess this group of vessels and the analysis will be used to inform future policy and operational decisions.

While acknowledging the customer complaints reflected in the draft report are genuine examples, we have also received some very positive feedback, and for balance offer some quotes from AMSA's compliments and complaints register to include in the final report for balance.

"Thanks for your very professional monitoring on our vessel AB Explorer. Yours comments and advice on the day showed AMSA's willingness to provide a service without the ego and intimidation that the domestic industry have come accustomed to. I found you a very pleasant young man and very easy to communicate with, with a wealth of knowledge and experience."

"I just wanted to drop you a quick note to let you know that I have had the pleasure of meeting with Simon and Jim from your team over the past couple of days. Both have been a terrific help in clarifying the issues that I had with regard to the new regulations and have allayed many of my concerns in relation to how the new regulations would impact upon the Oyster Industry. Jim was also able to assist us with some specific advise in relation to our own operations which was a great help. If you could pass on my thanks to both I would greatly appreciate it."

"I just wanted to take this opportunity to formally thank you for the information provided at the Lord Howe Island Commercial Vessel. Your and Simon's visit to the Island has been very timely and has greatly assisted me as a commercial operator in understanding our new legal requirements and developing a more robust and practical boating operation."

"Thanks a lot for your fast response Rob. And can I say that now I'm up to speed on MARS and the boat builders are using the online application, I'm finding the whole process fairly simple and efficient."

"Jaclyn wanted to make sure that very positive feedback for one of our marine inspectors, Damian Pudney, was passed on. She said that Damian has been an excellent contact who was easy to communicate with. They were quite impressed with both how knowledgeable he was in regards to what their business and vessels require in regards to the national law, and how helpful he was in helping them get it done. All-in-all she said he was a fantastic representative for AMSA."

"After being in the maritime industry for the last 11 years finally I believe we have a body that actually assists you in every way and I have no hesitation in talking and discussing matters with AMSA. In particular I found Alan Britz from Cairns to be excellent in assisting us with our new business"

"Thank you for all your help with everything over the last couple of weeks, it has been pretty full on.

I think as a industry we were probably in the dark ages with something's due to the kind of industry it has been where the fisherman are usually generation fishes, but if it saves a life then it's all well worth it. Now for us going forward it's a matter of using the log daily, training and using the tools we've out in place ... Have received our survey notice so have now lodged that and will organise a survey in the next couple Of weeks Thanks"

"I just wanted to let you know, I was down at my marina today doing some work on the boat and we were approached by two of your AMSA marine inspection agents Damian Pudney & Tom. They approached us and requested if they could arrange to carry out an inspection when we are ready. They had such a great positive approach, they came across as they are here to work with us. Instead of a hard headed attitude that isn't necessary. I just felt I needed to advise you. Great approach of working with industry. They were very well informed of what is going on the harbour."

"That's great, once again I appreciate your assistance in getting these sorted and please pass on my appreciation to the certification team as I understand it must be a busy department.

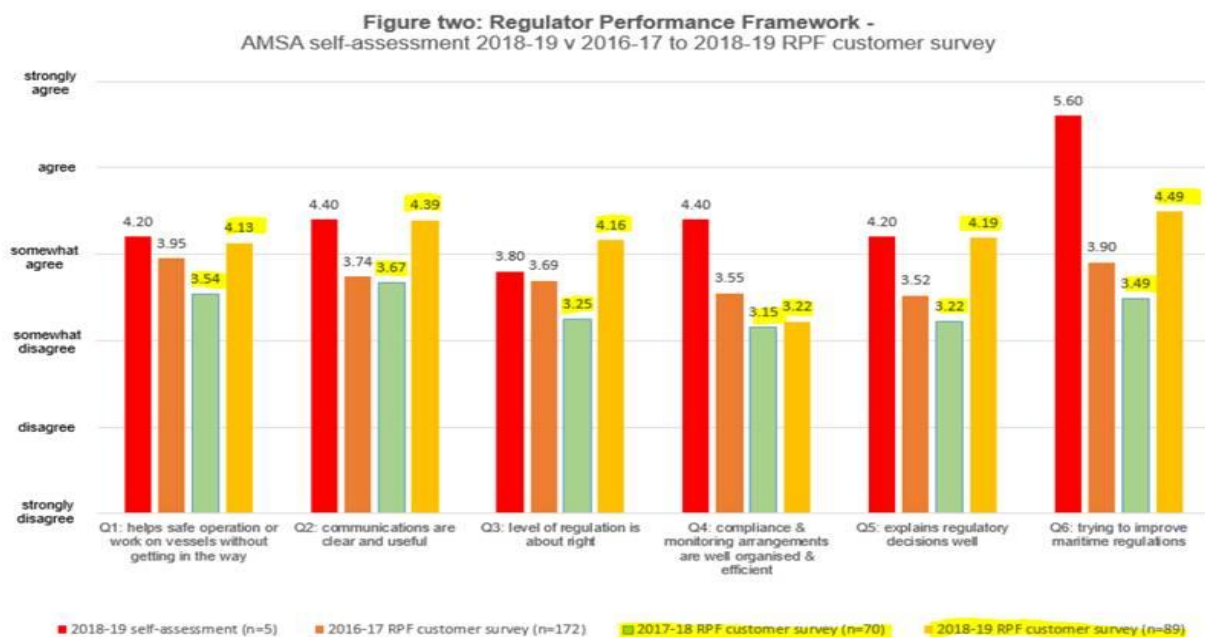
It is a relief to know that we will have qualified crew ready to go for our busy season."

Of the submissions made to the Senate Standing Committee on Rural and Regional Affairs and Transport for the current inquiry into the Performance of the Australian Maritime Safety Authority, the Maritime Survey Australia submission has not been referenced in the Commission's draft report. Under the section of their submission titled "The Good Things" (page 1) Maritime Survey Australia states:

"AMSA are doing a better job than the states did, simply because they apply the rules as they should, without prejudice."

Measuring performance

The Commission's draft report cites the 2017-18 Regulator Performance Framework (RPF) customer survey results (green bars) but incorrectly relate it to AMSA's responsibilities under the Navigation Act *only* (p 252).



The detailed 2018-19 RPF customer survey results (orange bars) paint a more positive picture. While AMSA assumed full responsibility for National System service delivery on 1 July 2018, as the national regulator for commercial vessels since 2013 the RPF survey responses – while relatively low numbers – capture domestic commercial vessel stakeholders. For 2018-19, over half were from the domestic commercial vessel sector.

The RPF report is informed by survey results, is endorsed by the AMSA Advisory Committee, and by AMSA's Board and published on AMSA's website. For the Commission's reference, the 2018-19 report includes the following quotes from members of AMSA's Advisory Committee:

"I, along with others in the industry, have enormous respect for the role AMSA plays and the leadership team responsible for delivering on their demanding objectives."

"Generally, I believe that AMSA is doing a very good job on DCV's given the task it was handed by the states. There has to be a point when AMSA MUST regulate when it has exhausted educational options."

Workforce preparation

Prior to transition of services in 2018, all AMSA staff attended training to introduce AMSA's new regulatory role and in the principles underpinning a modern regulator. Those employees with greater involvement in operational aspects of the national system attended more comprehensive programs to build a detailed understanding of AMSA's new regulatory responsibilities. In addition to 'classroom' learning, AMSA developed and introduced e-learning modules to develop and reinforce employee understanding of AMSA's role in regulating the national system. 92 per cent of all AMSA staff completed both classroom and online training modules.

In addition, customer awareness/service training programs were delivered to the majority of AMSA employees and included as a component of AMSA's ongoing leadership development program.

This, together with regular staff communiques from the Executive, and targeted development programs, was a substantial effort in building awareness of the changes brought by the national system and importantly, an organisation-wide cultural shift towards a more customer-focussed regulator.

In addition, AMSA undertook a workforce planning exercise to ensure a whole of AMSA approach to building capability and capacity and undertook a comprehensive review of the organisation structure. As a result, changes were made to minimise duplication and increase collaboration across domestic and international areas of regulatory responsibility.

In specific readiness for national system delivery AMSA introduced new liaison officer roles based in key locations around the country. This staffing enhancement has been particularly well received across all states.

AMSA also stepped up recruitment across the organisation to support the national system and released the Strategic Workforce Plan 2018–21 which outlines how AMSA will continue to recruit and develop the right people Australia-wide.

The broad cultural shift brought by these efforts is evident in the results of AMSA's 2017 staff engagement survey which showed staff were highly engaged in the areas of customer and stakeholder focus when compared to other organisations - noting this result was achieved in a period of significant change for AMSA.

The strong focus on the customer and staff engagement with AMSA's role as a regulator was further strengthened once service delivery commenced with a subsequent engagement survey in 2019 showing 94 per cent staff engagement in response to the item *'I am committed to doing what is required to help AMSA succeed'* and substantially improved overall engagement on previous years (more than 70 per cent) yielding top percentile results against comparative organisations (including other regulators).

These markers are indicative of AMSA's progress in developing the culture of the organisation at all levels to enable AMSA to operate as an effective regulator.

Engagement and services

In readiness for its new regulatory responsibilities and in recognition of the different customer/stakeholder profile of AMSA's new Australian regulated community, AMSA undertook a complete redevelopment of its website to modernise and enable better access to information. The new website, which is being increasingly complemented by other systems, enhanced the customer experience and is enabling fast and secure services to be delivered online. AMSA recognises that it is essential for people to be able to access online services and support – from anywhere in the country or on the water.

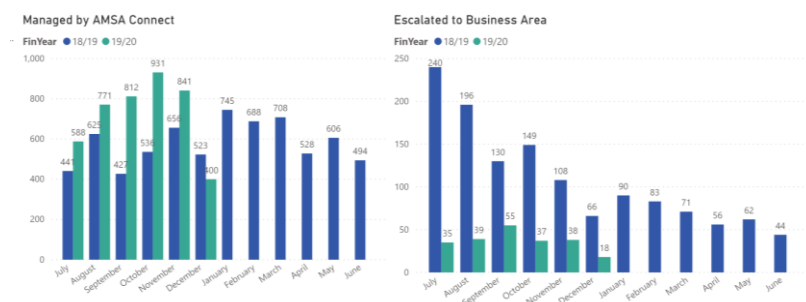
As part of the preparedness for service delivery for the national system, AMSA established a contact centre to respond to telephone and email contact from AMSA customers during business hours, Monday to Friday around Australia. AMSA Connect operates between 8.00 am and 8.00 pm to ensure customers in Western Australia are supported. The table below shows the call traffic managed since service delivery commenced and importantly the improvement in service effectiveness.

The figures are evidence of the gains – illustrated by the trend towards reduction in call duration, the decreased percentage of cases required to be escalated to officers outside Connect, together with an increase in customer satisfaction ratings since transition.

	Inbound/outbound calls handled (total)	Emails	Average speed of answer	Average call duration	Customer satisfaction average	% of cases escalated to L2	Average number of CSOs
1 Jul 18 – 31 Dec 18	95,195	8,043	39 seconds	8 min 14 sec	83%	21%	42
1 Jan 19 – 30 Jun 19	92,935	7,714	12 seconds	7 min 50 sec	87%	13%	38
1 Jul 19 – 31 Dec 19	78,326	8,156	11 seconds	7 min 15 sec	90%	7%	34

AMSA receives 2,000-3,000 enquiries per month and has demonstrated its processes are becoming more efficient. Enquiries to AMSA Connect and escalation to business area rates are a key indicator as to how effective AMSA is managing service delivery. While vessel related enquiries have remained relatively stable at between 1,400 per month, the escalation rate has fallen.

This graph illustrates that more queries are being able to be addressed at first contact.



AMSA currently also has customer service officers who are available to assist local customers in some regional locations as part of the transition from the previous state-based arrangements.

The work of the AMSA Connect team is supported by customer relationship management (CRM) software, introduced prior to the commencement of service delivery as part of the structural preparations for national system. This was a substantial investment, in the order of \$7 million and its introduction delivered a necessary 'step change' in AMSA's customer management capability.

The CRM enables a single view of customer/vessel data, transactions and monitoring to ensure adherence to quality standards and response times in customer interactions. The CRM has been key to AMSA effectively managing the exponential increase in volume of transactions and, together with AMSA Connect, was instrumental in the provision of a seamless (and in most cases an improved), service experience for national system customers as a result of the transition.

During our first year of service delivery, AMSA managed approximately 20,000 applications for certificates, permissions and exemptions. The application process is accessible online and is available 24 hours a day, seven days a week. During this period, the turnaround times for the majority of these applications was within 20 working days.

Despite the data challenges and the backlog of applications that built during transition, certificates and permissions were issued and in many cases these were issued faster than the previous arrangements.

One customer offered the following feedback:

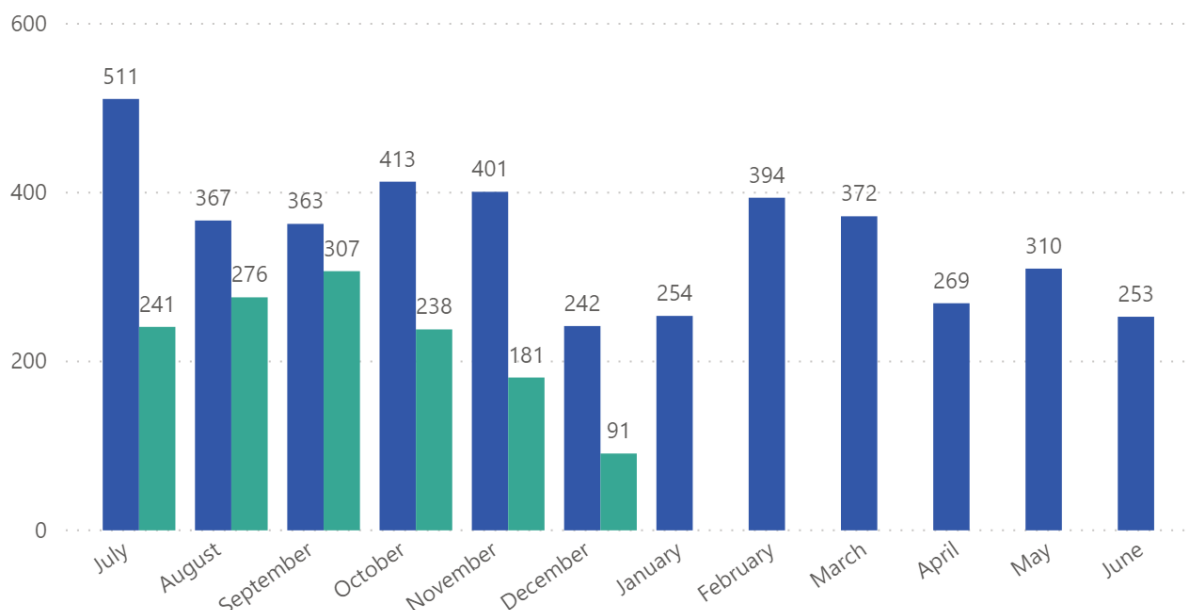
"Just wanted to sling you a quick email to say my experience this week with applications for a Class 4 addition was fantastic. Four day turn around, bypassed TOE and had an amended COO issues. This is a great improvement on experience last year post transition. Whatever has been done is working."

This was achieved in a year that was busier than normal as it marked five years since the requirement to hold a certificate of operation had been introduced as part of the national system. This meant all those certificates were due for renewal, creating a spike in workload.

Six months into AMSA's second year of service delivery show those rates slowing. In 2018-19 AMSA processed 4,149 certificates of operation. So far for 2019-20 AMSA has only received 1,334 - indicating a 35 per cent reduction in applications from last year.

CoO Applications by Month

FY ● 18/19 ● 19/20



Certificate of Operation - applications by type

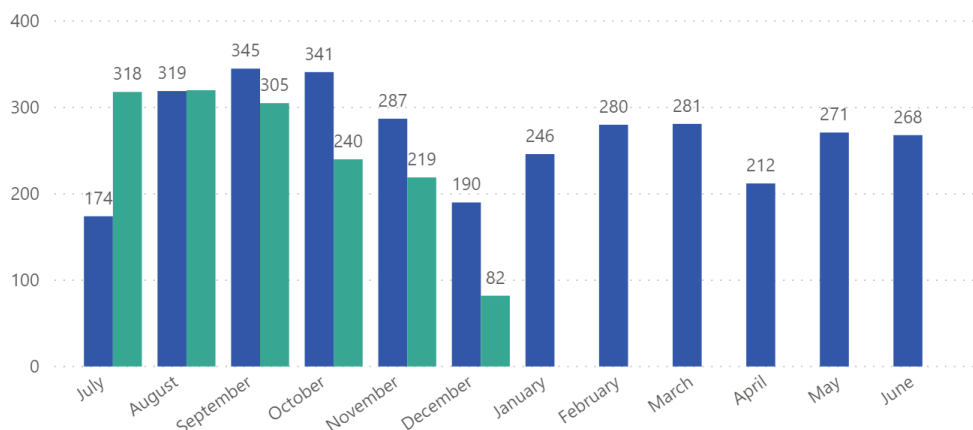
Type	2018-19	2019-20
Certificate of Operation - variation	322	208
Certificate of Operation - application	3,827	1,126
Total	4,149	1,334

For certificates of survey AMSA had an additional challenge of implementing Marine Order 503 – for survey frequency. This involved reissuing all existing certificates as part of the transition and generated a higher than expected correction rate based on poor quality and incomplete data (evidenced by the number of certificate of survey initial transactions in 2018-19).

The statistics below show where new applications were required from the vessel owner. Despite this, and dealing with 'in progress' applications, AMSA managed the workload and is now seeing a more sustainable level comparative to the fleet size.

CoS Applications by Month

FY ● 18/19 ● 19/20



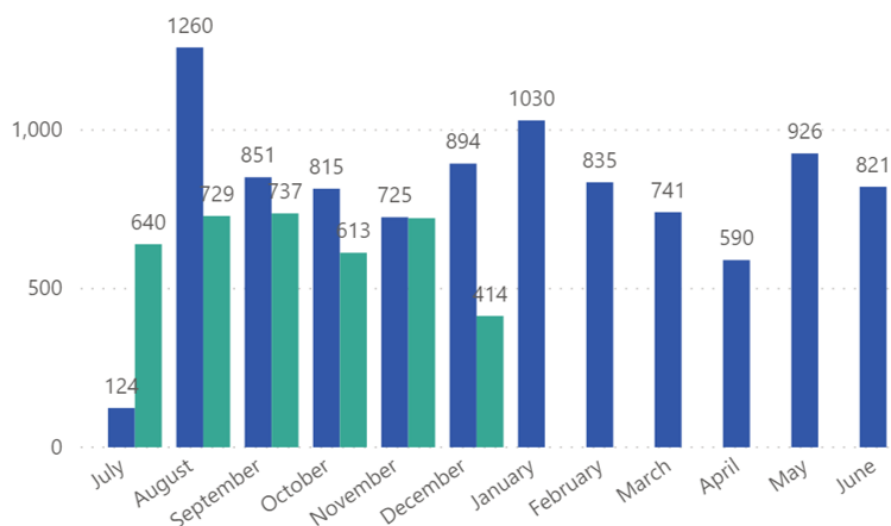
Certificate of Survey - applications by type

Type	2018-19	2019-20
Certificate of Survey – initial	894	382
Certificate of Survey – renewal	1,773	833
Certificate of Survey – variation	547	269
Total	3,214	1,484

In 2018-19 AMSA managed 9,612 certificates of competency and conducted 291 examinations. While the current year has seen a reduction in applications, AMSA expects applications to increase in the latter half of 2019-20. Examination rates have remained constant.

CoC Applications Issued by Month

FY ● 18/19 ● 19/20

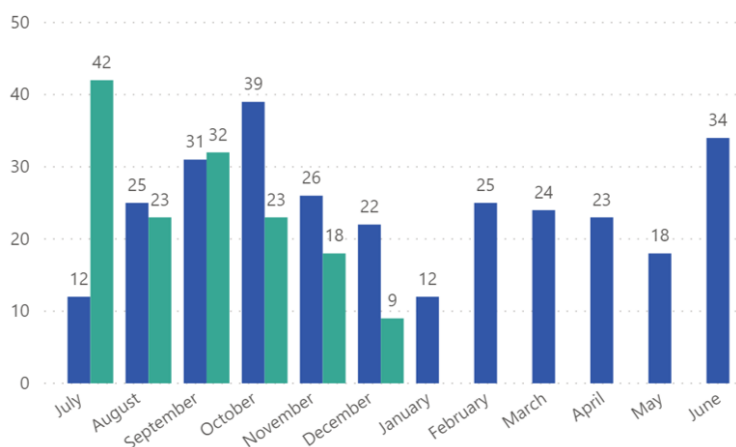


Certificate of Competency – applications by type

Type	2018-19	2019-20
Coxswain Grade 1 Near Coastal (NC)	2,207	828
Coxswain Grade 2 NC	809	319
Engineer Class 3 NC	187	75
Engineer Watchkeeper	7	
General Purpose Hand NC	544	227
Marine Engine Driver Grade 1 NC	298	140
Marine Engine Driver Grade 2 NC	1,575	640
Marine Engine Driver Grade 3 NC	735	307
Master (Inland Waters)	26	12
Master <24m NC	2,220	894
Master <35m NC	901	385
Master <80m NC	90	22
Mate <80m NC	13	6
Total	9,612	3,855

CoC Exams By Month

FY ● 18/19 ● 19/20



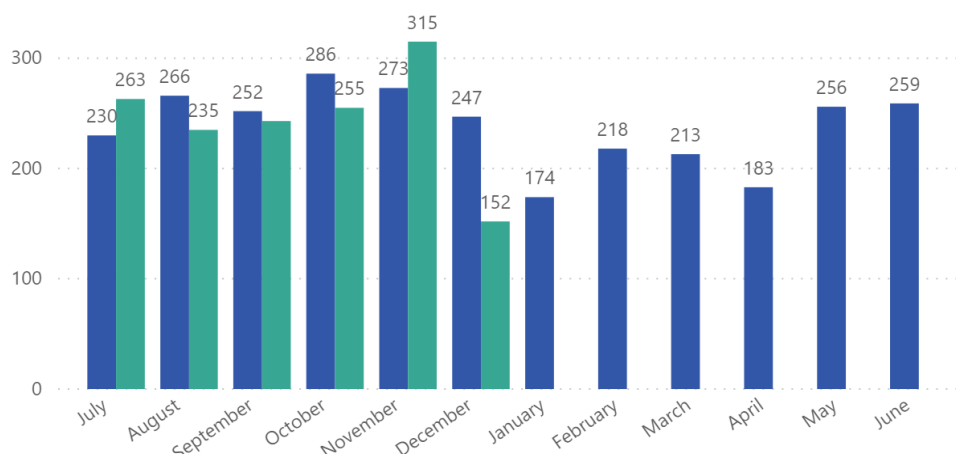
Examinations – by type

Type	2018-19	2019-20
Coxswain Grade 1 NC	2	-
Engineer Class 3 NC	31	25
Marine Engine Driver Grade 1 NC	53	38
Marine Engine Driver Grade 2 NC		1
Master <35m NC	189	77
Master <80m NC	7	1
Mate <80m NC	9	5
Total	291	147

Exemptions and other applications processed remains at a constant level of activity. Temporary operating permits (EX07) are the most common application – accounting for approximately 47 per cent of applications. EX07 is used by the industry to temporarily operate either outside of existing certification conditions or where they are not yet certified.

Other Applications by Month

FY ● 18/19 ● 19/20



Other applications – by type

Type	2018-19	2019-20
Equivalent Means of Compliance - application	10	6
Exemption (EX) EX02 application	702	376
EX02 variation	43	35
EX06 application	102	28
EX07 application	1,339	703
EX40 application	138	75
EX40 variation	36	8
SPEX application	173	138
Unique Vessel Identifier (UVI) application	314	138
TOTAL	2,857	1,473

In addition to the certification effort outlined above, an indication of other activities provided include the facilitation of safety management workshops and marine safety inspections.

In 2019 alone, AMSA facilitated 58 safety management system (SMS) workshops for 615 people working in industries reliant on commercial vessels.

Between 1 July 2018 and 1 November 2019, over 330 AMSA appointed maritime safety inspectors (both externally and internally appointed inspectors, excluding police) conducted 6,693 inspections to check for compliance with commercial vessel regulations.

Effort

AMSA has recently assessed the effort currently required to deliver the services mentioned above and the other responsibilities we have as the national regulator.

The national system runs with 123 full time AMSA employees (FTE). When canvassed in 2016, in preparation for levy subsidy contribution levels, the state maritime safety agencies indicated they delivered services with approximately 140 FTE.

In addition, AMSA has absorbed the role formerly undertaken by the National Maritime Safety Committee which employed about 10 people at some points.