

**THE NAUTICAL INSTITUTE**  
Cracking The Code Book Launch IMO 14<sup>th</sup> October 1730  
President Captain R. B. Middleton

I wish a warm welcome to you all at this launch of “Cracking the Code”. This the title of a new book which will change the way the industry sees safety management in the maritime industry. The book has three main components.

- An analysis of what managers and seafarers currently think about the ISM Code
- A demonstration that the ISM Code can be a most effective framework for improving safety standards
- An understanding that real commercial benefits are derived from personnel who share common aims in improving safety who thus actively contribute to the success of the shipping company

The secret unlocked by this book is that by developing an effective safety management system a company releases the potential energy within its work force who share common values and commitment to the company.

Improvements are required. It may surprise some people to learn that shipping is the second most dangerous occupation and the mortality rate from the world fleet is estimated to be 2500 deaths per annum.

Death at work is the ultimate accident, but the dictionary definition of an accident is, “an unforeseen occurrence, that which cannot be predicted ” By my definition therefore 80% of these so called accidents are not accidents at all but events that should have been foreseen and quite possibly predicted. If a proper risk assessment and a good Safety Management System is in place, and being effectively used, accidents could then properly be called accidents.

It is saddening to realise that these levels of so called accident appear to be accepted in the shipping industry because liabilities are limited and there is compensation to hand: so solving the issue commercially. Why else does nobody take responsibility for recording the loss of seafarer’s lives and targeting the companies and ship owners with above average death rates? If we accept that behind every fatality there are thirty near misses and three hundred unsafe acts, it becomes evident that the industry’s safety culture is sadly lacking in many respects compared to many other industries.

In this context we can conceive an industry average and this average can in turn be assigned to companies. I would prefer not to assign safety performance indicators to flags states because many ship management companies today operate ships under many different flags making it difficult to make real comparisons. However, the key point to be made is that there are many excellent companies with enviably good safety records, and that makes me aware that the under performing companies simply should have no place in our industry.

Cracking the Code is a tough book. In the legal section it explains in plain language why the days of the irresponsible owner are numbered. The reason is quite simple. They will be exposed to address litigation and they will be obliged to demonstrate the effectiveness of their safety management system in court.

Until now nobody seems to have been able to demonstrate what an effective safety management system should be and what it should deliver. The industry has been churlish in not providing professional guidelines and there has been a trail of humbug and deceit as certificates have been awarded allowing sub-standard ships to sail. How can it be that Port State inspections still reveal alarming deficiencies amongst ships that have valid ISM certification?

The audit process is of course largely to blame for this. In this book we gain a clear picture of what seafarers really think about audit standards and company management. Underlying these negative comments is the feeling that they, the seafarers, are just being asked to comply with a new set of obligations. The administrative burden, writes one shipmaster, “takes all my time and diverts my attention from more important operational considerations. This can hardly improve safety”.

Looking on the other side of the coin we can find comments in the chapters which sparkle with enthusiasm and a shared commitment between sea and shore staff who have been able to improve all aspects of performance. The helpful procedures, the useful safety discussions, the readiness to change unsafe practices and the support from head office to improve safety management practices gives one faith to continue in the knowledge that, in the right hands, the ISM Code can work and can produce excellent results.

If all this was easy and obvious, there would be no need for a book such as Cracking the Code, but the reality is that our predominant culture in shipping seems to be one of achieving compliance, minimising liability and coping with situations. We have to change this because frankly it is not acceptable to pile on more and more regulation whilst reducing crew manpower and onboard empowerment.

It will give you some idea of how out of control the regulating field has become if I tell you that the Institute I serve is producing the second edition of The Shipmasters Business Companion. Six years ago the first issue contained 420 pages, the new edition will be 900 pages long, more than a 100% increase.

Of course each regulator thinks they are improving their own area of activity, and they can unwittingly become the worst offenders for enlarging sectional interests. Those engaged on load lines and sub division will have no concern for employment law or immigration, while the master has to take it all in and respond appropriately. The list is endless and a solution to this worsening situation is to dump most of the superfluous legislation, improve shipboard and shore-management standards and then move more towards goal setting safety management evident in other industries such as the self motivated Offshore Oil Industry. On many rigs and platforms the first thing that greets the visitor is a sign almost boasting on behalf of the crew, "235 days since the last reportable accident" or the likes. There are strong well-trained safety committees and a pride culture.

This philosophy is so absurdly simple that it is hard to understand why the maritime industry has not rebelled against this burden of creeping legislation years ago. If a company has an accident and an unacceptable loss rate today and if it puts into effect a safety management system to reduce these things tomorrow, it quickly becomes evident that it does not need any additional legislation to improve its performance.

If our industry does not put itself into a position whereby it can demonstrate that it can, and is, successfully implementing the ISM Code then we may find that, if there are many more major maritime disasters particularly on our doorstep, the politicians / media etc. will conclude that we have been given an opportunity to manage safety ourselves through the ISM Code and failed. Consequently we will have imposed upon us a whole new set of inappropriate and useless regulations telling us how we are to manage our shipping companies. That alternative does not even bear thinking about but is a very real possibility and is already starting to happen through misguided political pressure within the EU Commission from some countries in the aftermath of such a disaster.

I live in the hope that in a few years time a speech like my one tonight might well be redundant. If this were to be so I believe that we would wonder how we ever managed before, but for the time being our problems remain very real. Many attitudes in our industry are unfortunately conditioned by past practices, and in the past there were no enlightening guidelines to show the way forward. Through the ISM code there is now such guidance and our main enemy for the future can be named; it is complacency.

It takes real courage to challenge existing industry practices and so I want to congratulate Dr. Philip Anderson for his determination to find out what the real situation at sea is today and how ISM has integrated itself into our lives and thinking. The result of his 70,000 strong survey makes it necessary reading for us all. Philip has also had the foresight to invite three other authors with direct exposure in effective safety management to show how safety and company performance can be improved with the right approach and techniques. To Captain Stuart Nicholls, Captain John Wright and Captain Sean Noonan my special thanks for sharing your expertise. As I would have expected your chapters are well informed and inspiring.

Management change is a demanding discipline and there are a number of phases, which are typical to most organisations. First, there has to be the concept and the intention, secondly the strategy has to be formulated and communicated. At this point any extra work on already stretched staff is likely to be met with resistance. However successful implementation depends upon staff seeing the benefits and wanting to adopt better practices.

As those of you who have undergone industrial management training will know, there are two kinds of change, accepted change and unaccepted change. Within the context of Safety management Systems, the latter quite simply does not work.

In industry terms the problems are considerably amplified: so it was evident that changes to safety management at sea would need a champion. That person, pushing against the full weight of institutional inertia, was IMO Secretary General Bill O'Neil and it was primarily through his drive and commitment that we have were given the ISM Code in the first place. It is now up to us, the practitioners, to make sure that it works.

In recognition of this it was the unanimous wish of the authors that this book be dedicated to you Secretary General. We all wish to make a very public statement of our appreciation on this occasion and it gives me great pleasure to present the first volume signed by the authors and myself on behalf of The Nautical Institute, in recognition of your outstanding leadership and commitment to this topic.

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My next pleasant and final duty tonight is to thank the authors Dr. Philip Anderson, Captain Stuart Nicholls, Captain John Wright and Captain Sean Noonan for their individual contributions in writing the book. The best response you can give is to applaud them now and read the book later. I am sure your view about safety management will never be the same again.