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DANISH MARITIME AUTHORITY

ADMINISTRATIVE BURDENS IN SHIPOWNERS' OFFICES

DANISH SHIPOWNER'S ASSESSMENT OF ADMINISTRATIVE
BURDENS IN THE MARITIME SECTOR

REPORT

COWI

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FINAL REPORT

CONTENTS

1   Introduction

This report summarises a study initiated by the Danish Maritime Authority (DMA) as part of an explorative process of learning.

The study represents a unique feedback *from* Danish shipowners *to* authorities and all those involved in the maritime sector on important issues and trends regarding administrative burdens. Many people in the maritime sector have contributed valuable time and effort in contributing to the study, and have come forward with many well-intended points of view that can inform authorities in their future reflection and decision-making.

Aim of the study   The aim of the study is to:

›   Identify those areas of work in shipowners' land offices in which the load of perceived burdens is high

›   Provide an understanding of why some procedures, requirements and working arrangements are perceived as burdens

›   Initiate a process of consideration as to how the administrative burdens may be eased in the areas mapped.

The report is not intended to present clear-cut conclusions or a list of ready-to-implement recommendations. Deliberately so, since this would not pay justice to the complexity of working procedures from a variety of shipowners' offices, and because it would not be in line with the premise of the study – namely that the study aims to start a process of consideration of how administrative burdens in the maritime sector can be reduced, to improve efficiency and ultimately competitiveness in the sector.

Thus, this report is a beginning and an invitation to further dialogue and investigation of a series of important issues related to how shipowners land offices perceive administrative burdens in the maritime sector.

Defining 'administrative burdens'

Burdens arise from the resources that land office employees must use to meet requirements and rules imposed by national or international authorities or market demands. In this study, burdens are defined as *"administrative work which in the opinion of the employee does not add value proportionate to the resources that the person will have put into the work to comply with specific rules and requirements"*.

A *burden* is thus work affecting both efficiency and job satisfaction in a negative way.

This study is limited to the land offices of Danish shipowners. This means that it is not necessarily representative of the situation in other flag states.

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2   Approach to analysing administrative burdens

A user-centric
approach

The study is inspired by the user-centric approach[1] to identifying burdens and improving regulation. This approach puts users at the centre when identifying new initiatives to reducing burdens. The rationale is that companies and employees, in this case shipowners, are best qualified to come up with ideas for reducing burdens, since they are familiar with the day-to-day routines and all the practical complexities when dealing with rules, requirements and procedures.

The user-centric approach focuses on qualitative methods and the collection of data on the users' perceptions of burdens. Using the end-users' perceptions is a method of looking at real-time data. Where other classic analytical approaches have a tendency to focus on retrospective data, the real-time data this provide fresh and relevant feedback on important issues of administrative burdens.

Our study has employed a four-stage approach which has led to a deeper understanding of the perceptions of burdens in shipowners' land offices (see figure 2-1 below).

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[1] http://www.regelforenkling.dk/graphics/Regelforenkling/The_burden-hunting_technique.pdf. An alternative approach would be the standard cost model (SCM) seeking to quantify burdens caused by legally induced information and reporting obligations.

Figure 2-1   *The hermeneutic spiral applied to the study perceived burdens in land offices*
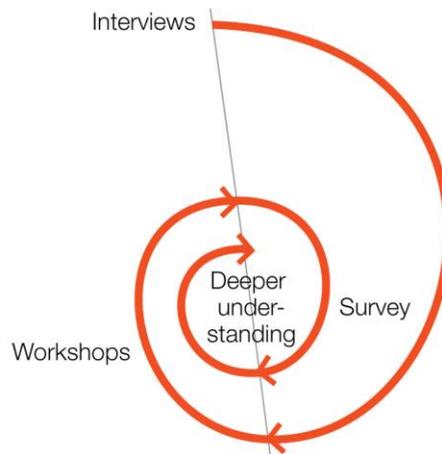
To get a first grasp, we conducted initial meetings and dialogue with the DMA, Danish Shipowners' Association (DSA) and representatives from four different shipowners, representing different sub-sectors and company sizes among shipowners.

Then, to arrive at a more detailed understanding, a survey among employees in shipowners' land offices was implemented. Building on the data from the survey, we carried out workshops with a group of shipowners to verify and gain a deeper understanding of the perceptions of burdens, and importantly, to collect suggestions for reducing these burdens.

2.1   Data collection

The data collection process consisted of four steps:

1   Meeting and interviews with the DMA, DSA and staff from different personnel groups in four different shipowner organisations
2   A survey targeted at personnel working in the land offices
3   Workshops with various personnel groups
4   Consolidating data and cross-referencing.

Cross-referencing, also known as data triangulation, was used to explore and validate our observations. The purpose of triangulation in studies is to increase the credibility and validity of the findings. By using several methods and combining these to get findings to questions, we aim to produce more solid and valid data. In particular, we have employed a combination of both quantitative (survey) and qualitative (interviews, workshops) methods in order to do this.

Table 1   *Illustration of steps in data collection*

	First grasp	**Inspection of detail**	**Global inspection**	**Deeper understanding**
Step/method	Dialogue with DMA, Danish Shipowners' Association and 4 shipping companies	Survey	Workshops	Cross-referencing and structuring of data and reporting
Output	Identification of key issues	Hypotheses, hierarchy of issues/problems	Test of ideas, descriptions	Understanding the complexity of issues
Knowledge level	Explorative, but directed by hypotheses	Hypotheses	Verifying hypotheses	Understanding and perspectives

A more detailed description of data collection is presented in appendix A.

3   What we learned – observations of burdens for shipowners' offices

This chapter provides an account of the data collected through the interviews, survey and workshops.

The section first provides a comparative overview of the key data obtained on the main types of burdens analysed. In section 3.2 we go into more detail about the characterisation of each of the burdens which the study has evolved around. We will look at how the burdens compare in the survey and at the qualitative data on each of the burdens.

3.1   Comparative overview of burdens

3.1.1   Time on burdens

An important indication of the burden load experienced in shipowners' offices is found in the amount of time which the staff assess that they spend on administrative burdens.

As shown in Table 2, the survey indicates that respondents use approximately 7-11 per cent of their annual working hours on tasks which they consider to be burdens. The most common amount of time to spend on burdens is 3-5 per cent of working time. 40 per cent of respondents spend 5 per cent or less of their time on burdens, while 50 per cent spend more than 5 per cent. 10 per cent of the land office employees that were interviewed spend more than 20 per cent of their time on perceived administrative burdens.

This does not constitute a particularly high level of burdens, but it does point to there being some relevant issues that may have to be resolved.

Table 2   Percentage of working hours spent on burdens (%)

How many of your daily working hours do you on average spend on burdens? Please state how many per cent of working hours?[2]		
Average share of working time spent on administrative burdens	**# Number of respondents**	**% Share**
0%	2	3 %
1 - 2 %	8	10 %
3 - 5 %	21	27 %
6 - 10 %	11	14 %
11 - 15 %	13	17 %
16 - 20 %	8	10 %
Total 7-11 %	**70**	**91 %**
Don't know -	**8**	**9 %**

3.1.2   Survey results

In the survey, 11 types of working tasks are described, and for each of these, we asked the respondents about the perceived burden level relating to each area of work. The selected areas of work are the ones which were assessed in the preliminary qualitative work to be those in which burdens are most intense. Only respondents with sufficient knowledge of each area were asked to reply to a question. Please see appendix A for more information on the survey and survey design.

Table 3 provides an overview of survey responses for each of the 11 tasks and the burdens relating to them.

The second column from the left shows the perceived irritation of the burden. The respondents were asked: "How do you perceive the level of irritation from this administrative task?" The third column shows the shipowners' assessment of the share of work taking place at shipowners' offices for the particular burden: "What proportion of time spent on these tasks will take place on land (as opposed to the ship)?" The fourth column gives an indication of how easy or difficult shipowners think it will be to reduce the irritation of the burden: "How easy or difficult would it be, in your view, to make changes that could reduce the annoyance factor?"

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[2] The calculation of the total range is done in this manner: For the lower figure, the lower figure of each of the above intervals has been used in an average. For the higher figure in the range, the highest number in each of the ranges above has been used. For the 'Above 20 %'-interval the figure of 21 per cent and 30per cent have been used as the low and high figure.

Table 3   Summary of survey responses by type of burden[3]

Burdens related to…	Irritation of burden	Share on land (%)	Degree of change difficulty
Signing on/off of seamen	2.8	66	2.4
Danish requirements for training	3	68	2.6
Other HR-burdens (sick leave, tax)	3.3	88	3.0
Maintaining quality assurance systems in accordance with national and international regulation	3.3	70	3.2
Maintaining an overview of current Danish regulation	2.8	70	2.7
Inspections of all types	2.8	55	3.2
Communicating with DMA	2.7	80	2.4
Reporting to Statistics Denmark	3	99	2.6
Port papers and documentation	2.9	27	2.7
Freight papers and documentation	2	73	2.4
Operation of the ship(s)	2.5	47	2.7

* Categorising the burdens according to the answers provided according to a " very small (1), small (2), medium (3), large (4) and very large (5)" scale. The next column 'share on land' indicates how much of the burden takes place on land. The last column describes the change potential according to a "very easy (1), easy (2), medium (3), difficult (4) and very difficult (5)" scale.

The general picture of administrative burdens in shipowners' offices is that they consist of a complex range of administrative activities that vary widely from shipowner to shipowner depending on the type of shipowner (i.e. container, tank, offshore, passenger). Also the size of the shipowner and its administrative capacity to deal with administrative tasks seem to influence how the shipowners perceive the burden. Moreover, differences in organisational structure and job description mean that there are many variations in who does what, when and how.

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[3] 95 people have responded to the first question in the survey and 78 to the last question. This means that some people have dropped out of the survey along the way. For each of these burdens a different number of respondents have answered, since only those who have reported knowledge of the work area are asked the questions.

Most of the burdens in Table 3 are categorised on average as being between small (2) and medium (3) in irritation, and no burdens are seen to be significantly more burdensome than others. The burden levels range from 2.7 to 3.3, which allows us to get a rough impression of which burdens are the heaviest (especially when comparing the 'smallest' and 'largest' scores). However, differences are not large in general, so ranking burdens should be done carefully.

The questions on 'share of burden on land' tell us that burdens related to the following tasks are experienced mainly on the ships:

› Operation of the ship(s)

› Inspections of all types

› Port papers and documentation.

This matches the data from the previous study on seafarers.

The final column on difficulty of change is also quite homogeneous with averages scores between 2.4 and 3.2. Nevertheless, it seems to be the case that burdens that are shaped by international conventions, organisations or markets are assessed as more difficult to change. This can be seen in 'inspections' and 'maintaining quality assurance systems in accordance with national and international regulation', which are influenced most heavily by international legislation and requirements.

The survey also supplied a plethora of fruitful input at a qualitative level, allowing for a better understanding of the nature of each burden, also providing suggestions for reducing burdens. These inputs are included in the discussion in the next section, where we describe, one by one, how each burden is perceived by the staff in the land offices of the shipowners.

3.2   Qualitative assessment of burdens

The subsequent sections provide a description of each type of burden. Each section is organised according to the following structure:

1. The nature of the procedures and requirements and their origin

2. Account of the extent to which the respondents experience the procedures and requirements to constitute a burden

3. Suggestions for or reflections on changes that could help to reduce the burdens described.

3.2.1 Signing on/off of seamen, medical examination and certificates

This burden consists of different administrative activities, primarily taking place in the human relations (HR) and crew offices in the shipowners' offices.

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Signing on/off
seamen

Shipowners record and handle data on crew members' sailing history in order for authorities to be able to monitor manning, sailing time and rest hours for each individual seaman. This special Danish requirement is is used, among other things, to secure a high level of competence among the seafarers.

This is considered primarily to be a burden for larger shipping companies or companies with frequent changes of personnel. A specific (but significant) problem, according to the employees, is that the system and processing time is too slow. Furthermore, shipowners experience that the system for handling the reports - MARTHA, does not function well, especially in the case of reports with many seafarers. The problem seems to be that the system handles single occurrences of erroneous data by rejecting all data. For large shipowners, a list with for example 1,000 people may be rejected because of one error. For instance, an error could consist of a missing email among hundreds of pages. Handling these rejected data may demand a manual work to locate the error. This can be time consuming, tiring and frustrating for the employees, especially for larger companies with many hundreds of seafarers in their report every week.

The shipowners wonder why Denmark is the only country which requires these data and suggest that this procedure could be revised or removed altogether. If removal is not an option, the shipowners' assessment is that it would also help to lower the frequency of reporting and improve the system MARTHA to make it more convenient, user-friendly and time-saving for the users.

Certificates

Shipowners are obliged to send original certificates of proper education and training of the personnel in order for them to be approved for voyage. Different certificates, depending on rank, are mandatory on issues such as navigation, safety, environment, security, fire-fighting, radio-handling, medical health and care among others. Moreover special certificates are needed for tankers and passenger ships.

According to shipowners, the burdensome part of this is that it is often a slow process to get certificates of recognition. It is characterised by manual paperwork, and shipowners sometimes experience a lack of flexibility and understanding from the authority on the importance of meeting specific deadlines for shipowners.

Shipowners suggest different possibilities for improvement:

› A higher degree of acceptance of certificates from other maritime schools, primarily outside the EU – allowing them to recruit personnel more broadly (and save on costs of education).

› A digital platform where certificates can be scanned and sent to authorities.

› The introduction of an up-front, preliminary approval from authorities upon receipt of certificates (which is possible in some other flag states). This would give the ships the possibility to sail right after sending certificates and while still awaiting final approval by authorities. This would signal more trust from the authorities and give a lot more flexibility to ship owners, but would not reduce the level of control, according to shipowners.

› In the long run, an EU or global database of active seamen and their certificates could be established with great gains in efficiency for the sector as a whole.

Medical examinations

Danish regulation requires a special certificate of medical examination. This medical examination needs to take place every two years. Shipowners find this is both costly in terms of direct expenditures and in terms of seafarers' time. Shipowners find it odd that authorities do not accept other countries' medical examination even though STCW[4] is implemented in these countries.

Suggestions from the shipowners on ways to reduce the administrative burdens are either to prolong the valid period for the medical examination[5], or to simply drop the special Danish medical examination and allow any standardised medical examination living up to STCW demands.

3.2.2   Danish requirements for training

Courses

EU regulation lays out requirements for seafarers to participate in courses on occupational safety and health (OSH). DMA is the national focal point for coordinating courses to fulfil the EU requirements, but in the shipowners' opinion this could be implemented better in Danish legislation.

According to shipowners, the §16 courses are of limited value to the seafarers, and many shipowners label them as pointless. Part of the frustration is that an unnecessarily large part of the crew is required to attend these courses. Certain foreign employees will need to get a single entrance visa and wait up to six weeks in order to take the relevant courses. Furthermore, shipowners of passenger ships suggest that foreign courses to be accepted by the authorities.

The courses on medical care receive mixed reviews, and quite a few employees actually find these courses useful and valuable for seafarers to attend.

Some suggestions from the shipowners for improvement in this area are to:

› Include the contents of §16 courses as an integral part of the relevant training

› Consider using e-learning and distance-learning methods to lower the expenses

› Recognise relevant foreign courses.

Some of the shipowners have wished for a more proactive and service-oriented approach from the authorities, which would allow them to make use of existing

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[4] Standards of Training, Certification & Watchkeeping (STCW)
[5] However to prolong the valid period for the medical examination is not in accordance with the Maritime Labour Convention and will therefore be difficult to change.

data on courses and for example give prior notice to shipowners when courses need to be renewed. As mentioned previously, a common database containing all certificates could be useful.

3.2.3   Other HR burdens

This section deals with a selection of other tasks and the related administrative burdens. Like the previous two sections, these tasks have to do with HR and general administration of matters related to individual seafaring employees.

Sickness benefits

In Denmark, a unique system exists where seafarers have the right to receive sickness benefits from the state or the municipality. Also shipowners are allowed to apply to have part of their salary expenses refunded from the state if seamen fall ill.

For many employees at the land offices, tasks related to the refund of sickness benefits entail too many administrative burdens. In their view, too much communication back and forth regarding each specific case is required. They feel that this has to do with the amount and type of documentation required for the special case of seafarers, and the fact that the process is not fully digitalised. It is also the experience of some respondents that they are often sent back and forth between the municipality and the state level, because the areas of responsibility between the two are unclear. Some add that they feel cases are most easily resolved when the public authority is a municipality, as opposed to the state, where it is the perception that cases are dealt with in a way that is slower and more burdensome.

Suggestions for future action include:

›   Is it possible to digitalise the submission[6] and accompanying annexes? Maybe the shipowner could also track the status of each case as it is being processed.

›   Could the state authorities, like municipalities, make use of virk.dk in the case of sickness benefits?

›   Maybe virk.dk[7] could be adjusted to be able to take into account non-Danish EU-citizens in a more flexible way than is the case today?

›   Could a shipowner-based office (like 'Udligningskontoret') possibly facilitate a reduction in burdens?

Tax for personnel

A specific and quite complex set of rules in relation to tax exists for Danish seafarers. Burdens related to handling personal income tax issues are perceived by some respondents as significant – even though many also give credit to 'Udligningskontoret' in DSA for doing a really good job. The burdens that are

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[6] Known as "anmodning om refusion"

[7] Virk.dk is a danish e-platform for business reporting to public authorities.

assessed as unsolved primarily pertain to shipowners that have non-Danes signing on and off – often for shorter periods of time on ships under Danish flag.

At a more general level, there is a feeling that tax authorities do not understand well enough the special conditions under which seafarers work. This lack of understanding, many feel, also extends to more general issues relating to corporate tax.

Suggestions for future action include:

› Could Danish tax authorities (SKAT) establish a separate team, where competencies related to the marine/offshore sector are concentrated? This team could provide swift assistance in personnel and company related tax matters.

› Is it possible to introduce alternative ways to report information regarding each foreign seafarer to the tax authorities? Could a submission every six months work instead of having reporting obligations for each separate period of work? Or could there be a lower limit for working days where shipowners would not have to report to SKAT at all?

Cases related to injuries

In Danish regulation, there is a right to compensation in case of injuries. When injuries are sustained by seafarers on ships under Danish flag, a number of administrative tasks follow. These tasks are perceived by many in the land offices to be too burdensome. Fortunately, these cases are not that common. However, this seems to be part of the problem in that many feel that routines are not in place in the shipowners' office or in the public authority to handle these cases smoothly. Respondents ask: Could these processes be standardised more? Or could they somehow be run as a project by the shipowner and the public authority together – resulting in clearer roles and faster workflows?

3.2.4 Maintaining quality assurance systems in accordance with national and international regulation

The issue of keeping quality assurance systems up to date with various national and international regulations is one of the heaviest burdens for shipowners. The international ISM[8] code provides a standard for the safe management and operation of ships and for pollution prevention, but nevertheless many specific national rules and circumstances will have to be included in shipowners' quality assurance systems. Many consider this something they have grown accustomed to and to some degree do not think will change.

The shipowners consider it a great frustration that interpretations of international regulation from flag state authorities vary as much as they do. In large companies they have department units working specifically to   analyse changing regulations

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[8] International Safety Management (ISM)

and adapt them in a smart way to the shipowners' quality management system (QMS). They have to do this without pushing too many administrative burdens to the seafarers, who are already stretched to the limit with paperwork. For small shipping companies the problem is more significant, because they do not feel they have the administrative resources necessary to constantly adapt their QMS. This can in turn result in the risks of overlooking specific national interpretations or requirements of regulation which can prove costly to them.

Solutions for this burden are not simple because of the complexity of dealing with many different stakeholders, administrative cultures and even political agendas. Shipowners are sceptical towards the possibility of change, but indicate that one way that this could be improved would be for international organisations to work towards increased harmonisation through for example the IMO and the EU and to limit the national room for manoeuvre for special requirements and interpretations.

3.2.5   Maintaining an overview of current Danish regulation

Current and historical Danish regulation is available to shipowners for reference in the database of rules and regulation on the DMA homepage or through Retsinformation[9]. The database of rules is a working tool for many shipowner employees, whenever they have to check up on general regulations or regulations relating to e.g. a specific ship or specific class of vessels.

Many respondents feel that it is unnecessary difficult to:

1   find information in the database

2   stay on top of changed regulations.

In relation to finding information, some respondents/employees relate that the search function is not good enough in their view. They say that it is difficult to search in general, that search results contain too much old and irrelevant material, and that they lack the opportunity to refine searches to a more specific level. They feel that they spend too much time looking through search results – or end up having to call the DMA to get clear information. They ask*:* "Could the search function be refined and improved?"

A group of respondents/employees point to specific information that they cannot easily find. In their perception, there is a lack of quick access to 'to whom it may concern'-notes and to class circulars. When they cannot find these, they may end up delaying processes onboard one of their ships – or taking time from themselves and someone at the DMA by having to make a phone call. The employees at the land offices propose to include this information in the searchable items on the homepage.

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[9] The official legal information system of the Danish state, available on retsinformation.dk

Many shipowners also ask: "Could rules be translated into English?" Some say that this can be done in a partnership between the DMA and the shipowners, and most feel it would save much time if there was one common translation made at the outset. This would also guarantee that there was one authoritative translation that everyone could refer to.

A separate issue has to do with changes in rules and the communication of new regulation. Many refer to the fact that the DMA no longer sends out a newsletter, and state that this is a step backwards. They feel that it is more difficult now than before to stay abreast of developments in rules and regulations. In some cases shipowners are confronted with rule changes only at the time of a class inspection – which then results in more use of time than necessary. This is especially a perceived challenge for smaller shipowners, who do not have the resources to invest in keeping track of information on their own.

Suggestions for future action include:

›   Could a newsletter (in English) be reintroduced, highlighting relevant changes in rules and regulations?

›   Could this newsletter possibly be targeted so that only relevant information is sent to each shipowner? Some say they hope that this could even be done at the level of each ship, when there are changes pertaining to or relevant to that ship.

3.2.6   Communicating with the DMA

Most, if not all, shipowners are in regular contact with the DMA. It may regard matters of urgency, technical questions and many other issues. In general, shipowners' staff feel that employees at the DMA are competent. However, they also have a few concerns and feel that the DMA's practices result in unnecessary burdens in some cases.

One area in which land office personnel experience a potential for improvements in the DMA has to do with response times. Many of the workshop and survey participants state that they feel that too often, response times in DMA are too slow. This mainly has to do with the time that it takes to get an answer to a specific question – often of a technical or legal nature. The participants feel that it is a burden for them to follow up on their questions and that the response times actually impedes their progress in some of their work. Many ask: "Is it possible that DMA could introduce a faster track for responses to questions?" "Is it possible that 'tickets' and 'status orientations' could be introduced along the lines of how some IT service desks operate?" "Could the DMA introduce answers to frequently asked questions (FAQ)?"

Another practical point from many shipowners is that they use significant resources on translating Danish into English which is the working language of the majority of shipowners. This is considered rather meaningless by the shipowners and they therefore suggest for the DMA to communicate in English, which would make it

easier and more effective to disseminate information from the DMA internally in the shipowners' organisations.

A last issue that was raised by the participants in workshops and by survey respondents has to do with the availability of staff in the DMA. They relate a number of stories about situations where they have not been able to get into contact with staff of the DMA, or when it was difficult to find out who to call to ask specific questions. In relation to getting into contact, many say that from their perspective, the DMA staff is too often in meetings or away on other business. Again they perceive this as burdensome, because it limits their own ability to work efficiently if they cannot get a hold of the DMA when they need it.

In addition, shipowner employees also indicate that it is sometimes difficult to find the right person to ask a question. Some feel that it is now their own task to locate the right contact person in a specific matter, and they would prefer that their first point of contact could redirect them to where they need to go.

Specific suggestions for future action include:

› Is it possible that each staff member of the DMA could have a profile and their email and telephone number on the homepage?

› Could the DMA possibly introduce teams that are the contact point for specific types or groups of shipowners, where they could build up specific competences, and where contact was always easy?[10]

3.2.7 Reporting to Statistics Denmark

All the shipowners have some degree of statistical reporting to do in relation to Statistics Denmark and other public authorities. Some have more, some have less, and different types of shipowners may have to report different kinds of information. This is reported as quite a heavy burden by those who have assessed it in the survey. The major reason for this is that the shipowners generally do not feel that they get any benefit from spending many hours gathering information and reporting it to Statistics Denmark.

In sum, participants perceive this reporting to entail administrative burdens that could be eased. One large shipowner indicated at the workshops that they spend 3-4 weeks a year in man-hours reporting to Statistics Denmark.

Participants/employees from workshops and survey interviews:

› think that reporting should be done less often. Is it, as is the case for some types of information, really necessary to report on a monthly basis?

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[10] It seems that the DMA has already introduced this type of team work organisation.

› find that requirements to reporting for some types of information are unnecessarily detailed and time consuming. For example: Could shipowners possibly report foreign trade at a regional level – and not at a country level?

› experience that they have to report the same data (e.g. regarding individual seafarers) to different authorities. Is it possible that authorities could share their data – and thus not require shipowners to do the same work twice?

3.2.8 Inspections, port documents, freight papers and ship operation

These burdens, with the exemption of inspections, were considered rather small for the employees working in the shipping offices, mostly of concern to the seafarers or agents and are therefore not directly relevant for the shipowners. Burdens regarding inspections, port documents and ship operation are described in detail in a previous report on burdens in the Danish maritime sector "From Craft to Control"[11].

Inspections

Inspections consist of port state control (PSC), flag state control (FSC) and vetting inspections, and deals with all aspects of ship standards. According to shipowners, inspections and especially vetting inspection is a huge frustration point mainly for the seafarers, but also to some extent for the shipowners, because many of them have personnel employed to support crews in preparing for vetting. Vetting inspections are extremely important to the financial performance of the specific ships. Some shipowners perceive vetting inspection as a market demand they simply accept, while others say that the vetting regime has become excessive. In their opinion even to the extent that it has become counterproductive to everybody involved in the maritime sector.

Suggestions from shipowners include:

› increased cooperation and partnership between the IMO and oil companies to reduce the demand for documentation and paperwork and focus more on actual safety and quality

› better coordination and pooling of resources between classification societies, authorities and vetting companies

› introduction of one certificate which approves that all other certificates are valid and approved.

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[11] Publication from DMA 2012.

4   A way forward

Having presented the main observations from the shipowners' point of view, we will now outline some preliminary perspectives on how to make use of the input and ideas generated as part of this study.

4.1   Making use of ideas generated as part of this study

This report is deliberately written in a cautious tone, respecting the fact that we are addressing a complex issue with different interests and many stakeholders. Also, we are fully aware that listening to the shipowners has given us important information, but not necessarily the full story. To better advance – also in relevant international fora – the issue of administrative burdens in the maritime sector, the knowledge base could still be strengthened. Inspired by the study, there appears to be a need to push some issues forward and possibly establish more documentation. The three most relevant are:

›   Digital solutions – how digital systems could be better suited for work-smart solutions for shipowners reporting to and interacting with authorities

›   Standardisation and alignment of interpretation and enforcement of national and international rules, not least the elimination of country-specific rules

›   Improved cooperation, communication and alignments of working procedures between authorities and the different maritime stakeholders, reflecting a more service-minded public organisation.

We will go through these three issues briefly one by one.

Digitalisation of administrative procedures

In the study, we have identified different burdens and administrative activities which still require old-fashioned stamps, hand signatures, manual archiving and troublesome reporting procedures. Moreover, manual reporting and the lack of coordination between authorities and different stakeholders often mean that data and information could just as well be available from a database instead of having to be reported again and again.

Instead of these more or less outdated procedures, new or modified digital solutions could focus on being more user-friendly for end-users, i.e. the shipowners, but also for the authorities themselves. Digital solutions would allow easy access for other institutions and authorities who need to collect data or information.

To ensure that a digital solution becomes successful, it is extremely important to develop it through a 360 degrees approach involving all stakeholders. They should cooperate in planning and adjusting the solution in order to realise the full potential for work-smart procedures and fewer administrative burdens for both the authorities and the maritime stakeholders.

A preliminary study of the costs and benefits of digital solutions for different administrative procedures should be a first step in establishing a view as to which solution is the best, taking in to account all aspects of the particular issue.

Harmonisation of national rules

This report, as well as the former study on seafarers, concludes that variation between countries in rules, procedures, systems, reporting templates etc. results in many administrative burdens for the maritime sector. In a globalised business such as the shipping industry, this high level of variation in interpretations, standards and reporting systems employed by both national authorities and stakeholders such as vetting companies constitutes a major frustration point for shipowners. Many shipowners seem rather apathetic towards possibilities for change, and remark that the system is not controlled by rationality or common sense, but by various political and national agendas and interests.

Danish authorities in particular the DMA can play a key role primarily in looking into the possibilities for harmonising Danish special regulation with international standards and requirements. The shipowners' view on this is clear: It would make operations less burdensome and save resources for the shipowners if Danish special requirements were altered or removed. A further analysis of harmonisation options for the DMA should also reflect potentially negative trade-offs from harmonising Danish special requirements and also include broader socioeconomic factors.

A move towards more harmonisation and standardisation at the international level would greatly help both seafarers and shipowners. If the IMO and especially the EU would emphasise harmonised rules and procedures on the international and regional level in the maritime industry, it would reduce the administrative burdens for the whole sector. The DMA could play a role in putting the issue on the political agenda.

DMA as a service agency

During this study, we have heard many examples of how shipowners would cherish a higher level of service orientation from authorities. Shipowners would like for authorities to move in the direction of seeing shipowners more as clients who need a service or assistance, instead of seeing them as operators who need to be controlled. Shipowners acknowledge that authorities often have constraints on resources, but also say that they might be willing to pay for more and better service. This raises the question of the extent to which the authorities can simultaneously play the role as a regulatory authority and at the same time be an agency characterised by being service-minded. We will briefly look into a few

options for authorities such as the DMA to improve the service offered to shipowners and the maritime industry.

One of the first steps to improve the service to stakeholders is to assure a rapid response to inquiries and to engage in a continuous dialogue with stakeholders on how to improve service. Another step could be to deploy an annual survey to key maritime stakeholders, asking them to assess the level of satisfaction with the service provided, and allowing stakeholders to submit suggestions for improvement and changes. There are at least two potential benefits for the authorities:

1   The authorities would clearly demonstrate to their stakeholders that they are interested in and work actively to improve their level of service

2   It gives the authorities a tool for management and organisational development, clearly indicating where performance is good and where it could be improved.

A final idea is to look into best practice examples from other maritime organisations. Despite the national particularities, it is probably worth the effort to identify relevant maritime authorities in other countries, and to analyse their efforts to reduce burdens and be more service-oriented. Perhaps best practice workshops with other maritime authorities also interested in reducing administrative burdens could be held. To study smart digital solutions or simple ways of reporting data in these entities would be another option. When seeking inspiration from others, benchmarking often becomes possible as a useful tool to initiate a potentially difficult dialogue – *"If they can do it, why can't we?"*

Appendix A   Data collection

The data collection process consisted of four steps:

1   Meeting and interviews with the DMA and staff from different personnel groups in four different shipowner organisations

2   A survey targeted at personnel groups working in the land offices

3   Workshops with various personnel groups

4   Consolidating data and cross-referencing.

Below we have described the four steps in further detail.

Interviews with interest organisations

In this phase the aim was to get a first grasp of the issues of burdens for the shipowners' personnel. Through meetings and interviews with key stakeholders a preliminary list of key issues was identified. The meetings with interest groups served as the first step in the project's process of fine-tuning questions, indicators and hypothesis.

The meetings and interviews identified the following 11 groups of burdens for the shipowners to be investigated further in the survey:

› Burdens in relation to signing on/off of seamen, Danish medical examination, requirements for manning and certificates
› Danish special requirements for training
› Other HR burdens (sick leave, taxes, claims for insurance and sickness)
› Maintaining quality assurance systems in accordance with national and international regulation
› Maintaining an overview of current Danish regulation
› Inspections of all types
› Communication with the DMA
› Reporting to Statistics Denmark
› Port papers and documentation
› Freight papers and documentation
› Operation of the ship(s).

Survey

A survey approach was employed in order to achieve the greatest possible validity of results across the sector as a whole. The intention was to provide insight into perceived burdens in a broad range of shipping offices, thus providing firm general indicators of burden levels in the sector.

Target population   The overall target group for the survey were employees at the land offices of Danish shipowners. More specifically, we wanted to target persons who were familiar with or in charge of burdensome areas in the business.

By targeting persons with the most knowledge and experience with tasks that are perceived as burdensome, we hoped to get as precise an assessment of burden levels as possible. Also, it was our expectation that these people would be able to provide good suggestions for changes that could ease burdens.

Distribution

It was not practically possible to identify the specific persons to send our questionnaires to beforehand, i.e. before the launch of the survey. Information did not exist regarding who was responsible for which of the subject areas in each shipowner organisation. This necessitated a different approach, where the Danish Shipowners' Association was asked to distribute the questionnaire to their contacts, and then ask these contacts to distribute the questionnaire internally to the people who were in the target group.

As a consequence, we could not track the distribution of the survey past the first point of contact for each shipowner. Since instructions were quite clear, we assume that this first point of contact distributed the survey in their own organisation to all relevant persons.

Survey design

The preliminary interviews gave COWI a thorough understanding of the tasks that were associated with burdens by the shipowners. During the questionnaire drafting process, COWI worked to clearly formulate questions that were targeted to each of the areas where most burdens are to be found. The DMA and DSA commented on different draft versions of the questionnaire.

Finally, the survey focused on the 11 different areas of work in which burdens were found to be substantial during the workshops. For each of these areas, four identical questions were asked in order to allow for cross-comparisons:

› A question about the perceived load of burdens within the specific area of work (very small – very large)
› A question about the ease with which burdens could be eased (very easy – very difficult)
› A question about the distribution of time spent on burdens either on land or at sea (0 per cent on land – 100 per cent on land)
› A text box for providing concrete suggestions for actions and changes that could reduce burdens.

Each new section of the questionnaire was started off with a filter question gauging the respondents' knowledge of the area of work and the burdens involved. If they indicated little or no knowledge of the specific area of work, they were not asked the other questions related to burdens.

Before the launch, and during the design phase, two pilot trials were conducted, where the questionnaire was sent in its intended form to people in the target group. They provided comments and feedback on layout and on wordings. Their input was used to adjust the questions so that they were easy to interpret and easy to answer for the respondents.

Survey responses

A total of 95 persons responded to the survey, and these persons worked in 38 different shipowner organisations.[12] This number is not as high as expected or hoped, but the employees of shipowners who responded nonetheless represent 95 per cent of gross tonnage in the Danish commercial marine. 72 per cent of the members of the Danish Shipowners' Association responded and 23 % of the members from Shipowners Association of 2010[13] responded. The major players in the sector are thus better represented than the smaller players in the sector. For the largest shipowners, we often had responses from 5-8 people, which tells us that the questionnaire has probably been forwarded to the most competent and relevant persons, and that these people have reported on the burdens that they know the most about. The large coverage among major shipowners is very positive, and the fact that so much of the tonnage is also included in the survey lends credence to the results.

Table 4   Shipowners represented in the sample

Participating shipowners in alphabetical order		
A.P. Møller - Mærsk	Herning Shipping	OW Bunker & Trading / OW Tankers
A2SEA A/S	Investeringsgruppen danmark A/S	Rederiet junior Aps
Copenship	J.Lauritzen A/S	Rederiet Otto Danielsen A/S
Corral Line	J.Poulsen Shipping A/S	Royal Arctic Line
D/S Norden A/S	JMB Bjerrum & Jensen ApS	Scandlines
Dannebrog Rederi	KIRK Shipping A/S	Sirius
Dansk Rederi A/S	M.H. Simonsen ApS	Special rederi
DFDS A/S	Navision	Svendborg Bugser A/S
Erria A/S	NCC Roads A/S	SVITZER
ESVAGT A/S	Nordane Shipping A/S	Torm
Fjord Line Danmark A/S	Nordic Tankers A/S	Ultrabulk Shipping A/S
H. Folmer & Co	Norient Product Pool	OW Bunker & Trading / OW Tankers
Hanstholm Bugserservice A/S	Northern Offshore Services A/S	Rederiet junior Aps

Survey data analysis

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[12] As has been explained in the main text, there were 95 responses to the first question in the survey and 78 answers to the last question. This difference is due to survey drop-out.

[13] Representing shipowners with small and medium-sized vessels.

The analysis of survey data comprised a simple descriptive analysis, where the distribution of all questions was plotted in graphs.

In order to facilitate comparisons, in some cases the qualitative categories were converted to numeric categories. For example, 'very small' (indicating the level of burdens) was coded 1, where as 'very large' received the numerical value 5. This conversion made it possible to compute average answers for each question.

Mathematically, it is not entirely accurate to convert qualitative categories to numerical ones, but in this case it serves the purpose of easy comparison, and the averages are only used to indicate levels – not as substantial figures for e.g. burden levels.

Workshops

We held two workshops each with representatives (6-8 participants) of employees from the shipping companies.

The purpose of the workshops was to:

› Test the results of our survey against opinions, interpretations and hypotheses from different participants and stakeholders

› Qualify and deepen our understanding of the background for the respondents' answers to the survey

› Get participants' input in terms of ways to reduce burdens.

Cross-referencing and structuring of data

Cross-referencing or data triangulating was used to explore and validate our observations. The purpose of triangulation in studies is to increase the credibility and validity of the findings. By using several methods and combining these to get findings to questions, we aim to have produced solid and validated data. In particular, we have applied a combination of both quantitative (survey) and qualitative (interviews, workshops) studies to do this.