



Port levies and sustainable welfare for seafarers

A report commissioned by the International Seafarers' Welfare and Assistance Network

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The arguments and views expressed in this report are not necessarily those of the ITF Seafarers' Trust.

Foreword

Treating people with dignity, compassion and respect is a sign of a civilised society and is something we should all do. Seafarers are no different from anyone else. We depend upon them for the smooth and efficient running of the thousands of ships that are responsible for 95% of the world's trade. We should all be concerned about their health and welfare. In particular, we need to ensure that seafarers have access to welfare services and facilities ashore after a long voyage.

Many seafarer welfare organisations around the world are having problems funding their services and facilities in existing ports, let alone establishing a presence in some of the newer expanding ports.

Port levies for welfare are one way of providing sustainable funding for seafarers' centres, ship visiting, and other welfare services ashore. The Maritime Labour Convention (MLC, 2006) protects the welfare, living and employment conditions of seafarers all over the world. The MLC's guidelines include, "levies or special dues from shipping sources" to pay for port welfare facilities.¹

A number of ports around the world, however, already operate welfare levies on a voluntary or compulsory basis, and many to good effect. The International Seafarers' Welfare and Assistance Network (formerly the International Committee on Seafarers' Welfare and the International Seafarers' Assistance Network) commissioned this research in order to examine where and how these levies operate,

the difference they make and some of the issues involved in their instigation and implementation.

While port levies are not a panacea, they do provide welfare organisations with a stream of sustainable funding that enables them to plan and develop their services. With pressure on other sources of funding they can ensure the continuance of services that are a lifeline for seafarers. We hope that the findings will alert the industry to the real and potential benefits of welfare levies to fund services and facilities of value, not just to seafarers, but also to employers and other stakeholders. We intend to work in partnership with others in the maritime industry to extend welfare levies to other ports.

The International Seafarers' Welfare and Assistance Network (ISWAN) is grateful to the ITF Seafarers' Trust for its generous support of the research and report, and to the representatives of welfare organisations, port authorities, shipping companies and other individuals who took the time to participate.



Roger Harris
Executive Director
International Seafarers' Welfare and
Assistance Network

1. See Appendix 1.

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Summary

- 46 out of 132 ports (35%) participating in the research currently operate port welfare levies.² Eight have plans for a levy in the future and 78 have neither past or present levies, nor plans for one in the future.
- Based on the survey data, it is unusual for a country to have welfare levies operating across all of its ports. This suggests that few countries underpin port welfare levies in statute.
- The data shows no clear correlation between the existence of port welfare committees and/or national welfare boards on the one hand and port welfare levies on the other.
- The vast majority of existing port welfare levies among participating ports operate on a voluntary basis.
- From the data a mean average levy of US\$58 emerges, while the mode and median are both US\$40. Most are charged per docking. Almost none are capped.
- Approximately the same number of respondents indicated that the port authority invoiced ship agents for the welfare levy, compared to those who indicated that welfare organisations undertook this task.
- Payments were mainly described as being transferred by cheque or electronically, usually from ship agents to welfare organisations or port welfare committees, typically at monthly intervals.
- No port reported any organisation other than welfare organisations, port welfare committees, or less commonly, port authorities, being able to use levy funds.
- In almost all cases, there are no restrictions (eg in capital or expenditure terms) on the use to which levy proceeds can be directed. At the same time, levy revenue is almost always used for the general maintenance of seafarers' centres, the operating of seafarer transport, and/or staff salaries.
- Mean and median averages of 65% of levies are paid among participating ports, while the mode is 30%.
- 10 ports reported voluntary levy payment rates of between 75 and 99%.
- A mean average of 24% of participating welfare organisations' port operations are covered by a port welfare levy; the mode is 15%.
- In addition to concerns about welfare and health and safety, a pertinent reason for employers to support port welfare services for seafarers is the fact that these services are often directly beneficial to ship agents, operators, charterers, owners and other companies linked to a port.

2. The terms "levy/port levy/welfare levy/port welfare levy" are used interchangeably in this report.

Introduction

The International Labour Organisation's Maritime Labour Convention (MLC, 2006) was finally ratified in August 2012 and is in force from August 2013. The MLC is often referred to as the seafarers' bill of rights and covers areas such as shore- and ship-based welfare services, employment contracts, health and safety, medical care and crew accommodation. The MLC lays down minimum standards in these and other areas.

The MLC, 2006 states: "Every seafarer has the right to health protection, medical care, welfare measures and other forms of social protection."³ Regulation 4.4 of the MLC covers access to shore-based welfare facilities. The regulation is divided into the "Standard", which is obligatory, and the "Guideline", which is advisory. In the standard it states that countries should promote the development of welfare services, while the guideline outlines how they should finance these facilities. The guideline provides four funding sources, one of which is "levies or special dues from shipping sources". The MLC provides a unique opportunity to discuss how vital seafarer welfare services can be sustained into the future through port levies.

Aims & objectives

At the outset of this research a maritime union employee recalled attending a meeting of one of the main seafarer missions some five years ago, when approximately half of the attendees raised their hands when asked whether the ports in which they worked operated welfare levies. This remark seemed to imply that port welfare levies were commonplace and yet there is little consensus within the shipping community about where they operate, how they operate, and what difference they make to the provision of welfare services and facilities.

This research, which ran from November 2012 to January 2013, is intended to begin to address that gap. Port welfare levies are fees, usually paid by shipowners (via ship agents) to port welfare organisations or port authorities, that contribute towards the cost of providing welfare facilities and services for seafarers in port.⁴

This report is intended to provide an industry resource detailing best practice that can be used to support a greater number of ports to put welfare levies in place. Through the recommendations the research promotes best practice in relation to the administration and governance of port levies. This report is aimed at stakeholders keen to establish and/or increase the effectiveness of levies in their own ports, those who may not have considered levies previously but are open to learning about how they can be implemented and used, as well as others with an interest in this important area of policy.

Research methods

The majority of data informing this research was gathered using an online survey (see Appendix 2) that was sent by email to 533 welfare organisation contacts primarily from ISWAN's database. Of these, 489 emails were received and 96 prompted a reply. In cases where recipients replied providing alternative contact emails, these secondary contacts were sent the survey details and are included in the 533 cited above. The International Association of Ports and Harbors also distributed a link to the survey among its members. The penultimate question of the survey asked participants to list any other ports they knew or believed to operate welfare levies. If these ports were not among respondents to the survey, they – along with others the author knew anecdotally to operate welfare levies – were contacted individually by the author via email, (using the ISWAN database) or by phone (again using the ISWAN database) by helpline staff at the International Seafarers' Assistance Network (ISAN – now part of ISWAN). Using ISAN staff offered the advantage of its multilingual team being able to make calls in the appropriate first language when possible. The data gathered from these follow-up calls and emails was added to the survey data.

In total, 155 responses to the survey were gathered and, once void and duplicate port entries had been removed, 132 entries remained, upon which the charts, graphs and discussion that follow are based. In ports

3. Maritime Labour Convention (2006) – Article IV.

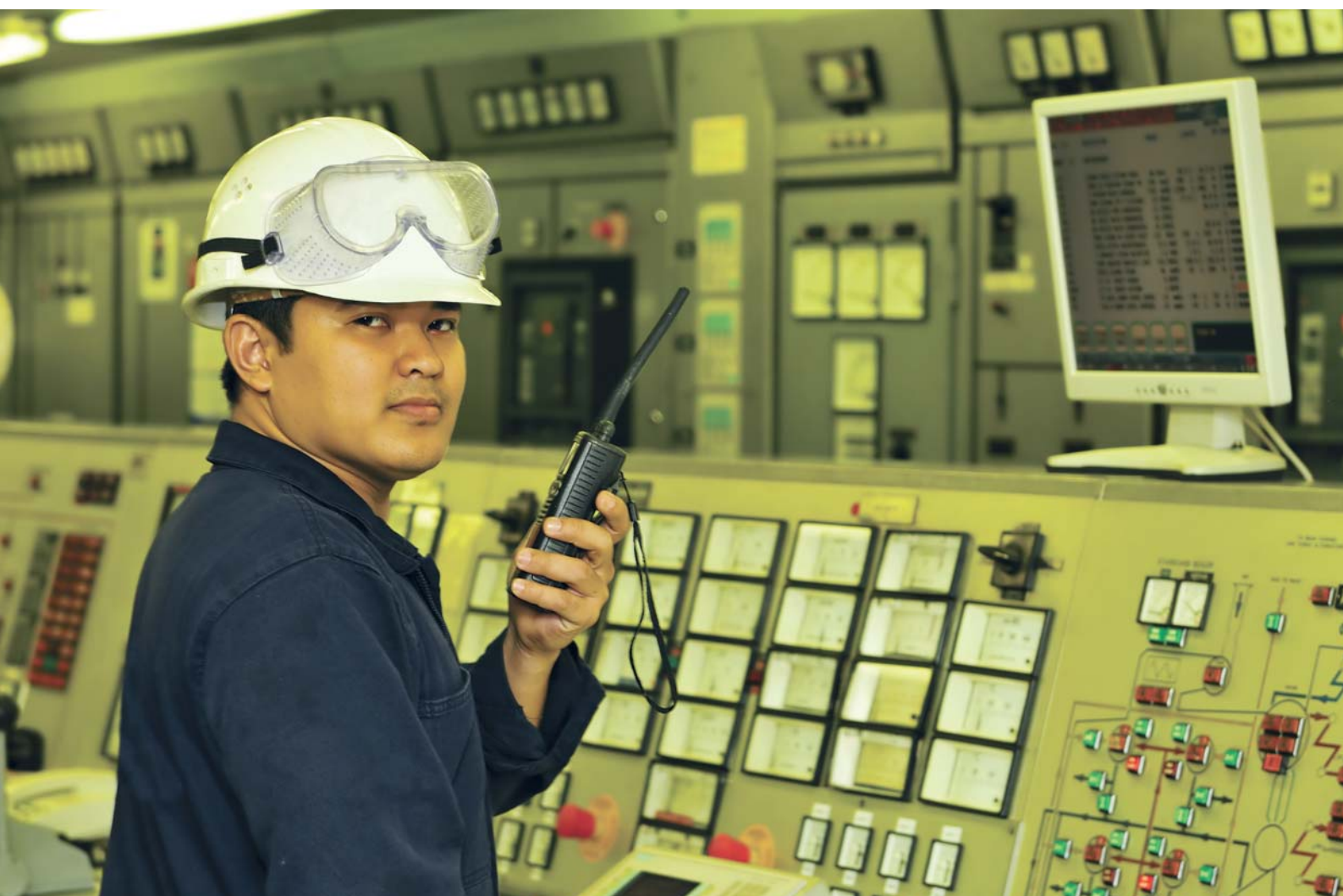
4. Throughout the report, welfare services for seafarers "in port" includes those within the confines of an actual port, as well as those ashore outside a port's parameters.

where welfare levies operate and respondents gave permission for further contact, the author emailed to ask further questions regarding the number of welfare organisations in the port; the way in which proceeds from the levy are split between them; which organisations can apply for funds from the levy; the part played by the port authority (if any) in providing welfare and administering the levy; and the proportion of welfare organisation(s)' annual costs covered by levy revenue. These questions had not been included in the survey in order to keep it concise.

In addition, the author interviewed a number of individuals within the industry representing welfare, employer and other organisations, by email or phone, and these views are included in the report where relevant. A selection of ports that operate welfare levies were also selected as brief case studies that punctuate the discussion. These were informed by survey data, as well as further insights gleaned from email exchanges with port welfare workers, and from information provided by Dr Cilla Ross in the Working Lives Research Institute (2012)

report for ISWAN. The author would like to thank all those who contributed to the research, particularly Alèxe Finlay of Harbour Management Solutions in Stockton on Tees, UK, as well as the welfare workers who took time from demanding schedules to enter into sometimes prolonged and ever-helpful email discussions. In accordance with the wishes of research participants, some respondents' identities are not specified in order to maintain their anonymity.

Needless to say, the research results are not comprehensive in that they represent only a segment of the world's ports, and it has not been possible to verify all of the information provided by participants. Furthermore, because the survey is written in English there is an over-representation of English-speaking countries among respondents. Nonetheless, the discussion that follows goes some way towards revealing how and where welfare levies operate. Moreover, it raises a number of issues central to addressing how best to guarantee the ongoing support of seafarers' welfare around the world.



Research findings

Welfare levies, port welfare committees & national welfare boards

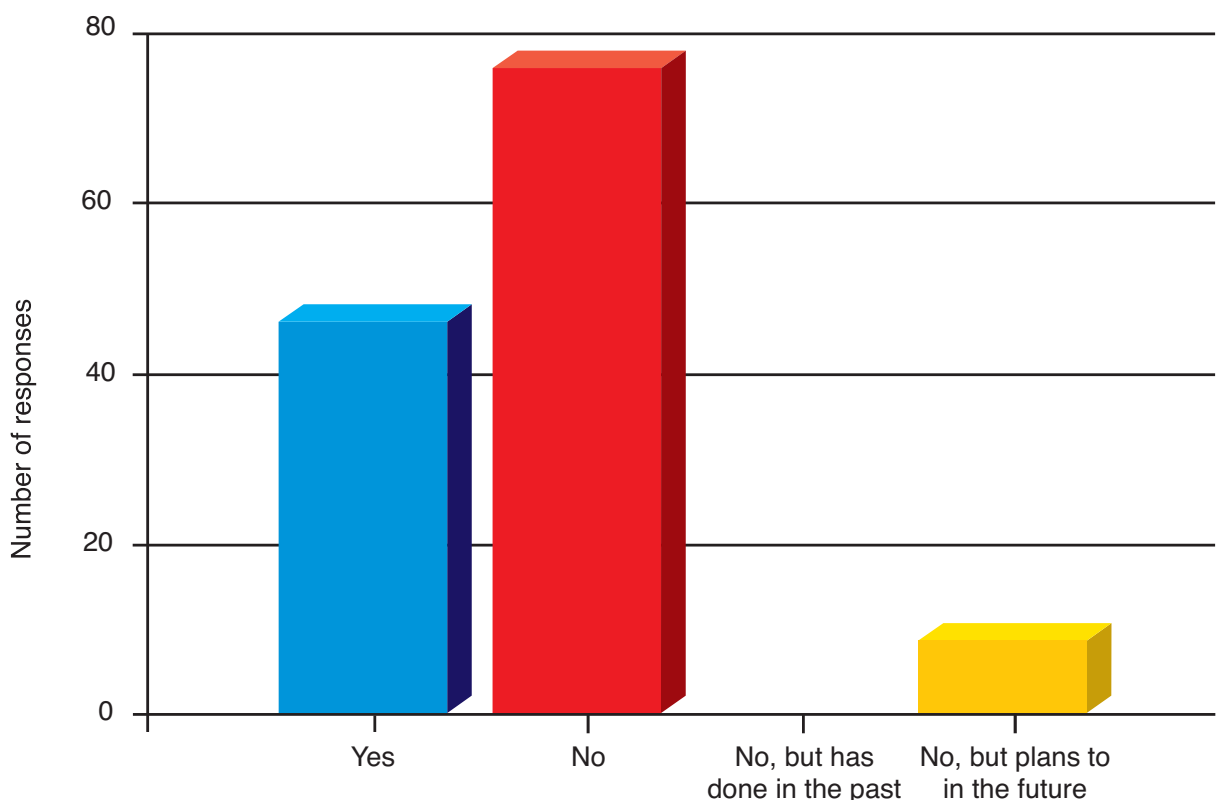
The research shows that 46 out of 132 participating ports currently operate welfare levies (35%), eight have plans for a levy in the future, and 78 have no past or present levy and no plans for one in the future. Participating ports are listed in Appendix 3. These numbers are mapped out on the graph below. While no specific question asked how long levies had been in existence, anecdotal remarks indicate that some levies date back to the post-war era, while others are recent innovations responding to current need. Not too much can be made of the eight ports indicating plans for future welfare levies since further questioning revealed disparity in the extent to which these plans were imminent or merely indicative of a more abstract desire. That no port had a levy in the past which was discontinued suggests

that welfare levies, once established, tend to prove beneficial and do not meet undue opposition from those asked to pay them.

It would be expected that the existence of port welfare levies would relate to the existence of port welfare committees (PWCs) and national welfare boards (NWBs). Regulation 4.4 (Guideline B4.4.3 – Welfare boards) of the MLC clearly refers to the establishment of welfare boards at national and port levels, which “should include among their members representatives of ship owners’ and seafarers’ organisations, the competent authorities and, where appropriate, voluntary organisations and social bodies”. These structures benefit all those they represent. In particular, they enable the adequacy of existing services to be reviewed in terms of meeting seafarers’ needs, and provide a forum for facilitating routine cooperation and coordination at national and

“That no port had a levy in the past which was discontinued suggests that welfare levies, once established, tend to prove beneficial and do not meet undue opposition from those asked to pay them.”

Does your port have a seafarer welfare levy (ie are visiting ships asked to pay a small fee that goes towards supporting the welfare of seafarers)?



“How one defines ‘compulsory’ as opposed to ‘voluntary’ arose as an issue during the course of the research.”

port level helping to make the delivery of welfare more effective and efficient, particularly in times of crisis. They also act as entities where advocacy can take place, and can partner with those in other countries, thereby facilitating global cooperation.

Welfare levies may be thought more likely to operate in ports with PWCs because the existence of the latter implies that port stakeholders routinely cooperate on welfare matters, thereby helping to facilitate the setting up and running of levies (not least because “the search for funding dominates many activities of PWCs and NWBs”).⁵ The data presented in Appendix 3, however, does not show any marked correlation between the existence of PWCs and/or NWBs on the one hand and port welfare levies on the other. In fact, in South Africa and the US, whose ports are well represented in the research, levies are common while PWCs and NWBs are not; and in Italy, where these structures are widespread, only one participating port (Ravenna) operates a welfare levy.

Among survey responses it was common for different ports in the same country to provide conflicting answers about the existence of an NWB in their country. While it was usually possible to verify NWB statuses, there are cases in which some kind of national seafarer welfare body exists without being sufficiently representative of a range of stakeholder interests to be listed as an NWB. Confirming the existence or otherwise of PWCs proved more difficult and so the PWC data should be read as that directly transcribed from the survey data involving the inevitable miscommunications to which online surveys are prone. Questions about PWCs and NWBs tend to cause confusion because many ports and countries have seafarer welfare structure(s) in place without them necessarily being labelled as such. Alternatively, the make-up and/or mode of operation of these structures differs to that described by the MLC (which is not overly prescriptive in any case) or to that displayed by the British PWCs and their coordinating Merchant Navy Welfare Board, upon which the MLC guideline is

thought to be modelled. Furthermore, the existence of a PWC and/or NWB does not necessarily predict the agenda of those sitting on them. A welfare worker in Taiwan,⁶ for example, remarked that the NWB was made up of “business-minded” individuals who were averse to the idea of a welfare levy for fear of diminishing ports’ competitiveness. More commonly, the existence of welfare structures on paper says little about their effectiveness on the ground. In particular, strong leadership and relationships within these structures have been shown to be central to their successful operation,⁷ including winning support for port welfare levies (see the example of the Indian port of Kandla on page 8).

Voluntary/compulsory welfare levies

Of the 43 respondents answering whether the welfare levy operating in their port was voluntary or compulsory, only seven indicated their ports’ levies to be compulsory (see pie chart on page 9). (Of the nine ports reporting plans for future levies, four said the levies in their ports would be compulsory and two, voluntary. These figures are too small to make inferences.) Based on the survey data, the vast majority of existing port welfare levies operate on a voluntary basis, which usually means ship agents have an element of choice as to whether they pay the invoice issued to them by port authorities or welfare organisations. There are two possible, related reasons why voluntary levies predominate: voluntary levies are more readily instigated and implemented; and voluntary levies are likely to be perceived as having less of a negative effect on a port’s competitiveness compared to compulsory levies.

These assumed justifications need scrutinising, however. How one defines “compulsory” as opposed to “voluntary” arose as an issue during the course of the research. “Voluntary” welfare levies can include those that are discernible as discretionary in the way that they are invoiced. Or if one takes “compulsory” to imply a legislative backing, then “voluntary” may also refer to those levies that are neither described as optional nor underpinned by statute. If discretionary welfare levies are invoiced in a manner in which their discretionary nature is not transparent, it could have a negative effect on shipping companies’ willingness to pay.

5. Ross, C. (2012) Maintenance and Development of National Welfare Boards and Port Welfare Committees. Unpublished. Working Lives Research Institute.

6. Ibid.

7. Ibid.

Kandla Port, Gujarat, India

The port of Kandla has been celebrated for its welfare practices in past publications by the International Committee on Seafarers' Welfare (ICSW). These practices include the use of wireless technology, which enables seafarers to access the internet aboard ship within the port, as well as a compulsory welfare levy that raised Rs 1,197,000 (approximately US\$22,500) in its first nine months of operation.

Each ship calling at the port is charged Rs 1,000 (US\$20) by the Kandla Port Trust as part of the wider service charge for using the port. The levy is not capped, and only after a ship has paid the levy will it receive port clearance to exit Kandla. If a ship enters the port to offload, retreats to anchor, and then returns to load, it is charged the levy twice. A small amount of the service charge is paid as Service Tax to the Indian government while the welfare proportion is transferred to the Kandla Seafarers' Welfare Association (KSWA) at the start of each month. There are no restrictions on the levy's use, which is decided by KSWA's managing trustees, including representatives of the Kandla Steamship Agents' Association (KSAA); Kandla Port Trust; the Transport and Dock Workers' Union, Kandla; Kandla Stevedores' Association; the International Transport Workers' Federation; ship owners; local doctors; and the Port Health Office. According to its administrator and treasurer, Joseph Chacko, KSWA hopes to raise Rs 2,000,000 (US\$25,000) each year, depending on the number of visiting ships (which currently averages 2,000 per year).

KSWA proposed the idea of the levy at the second meeting of the then newly formed

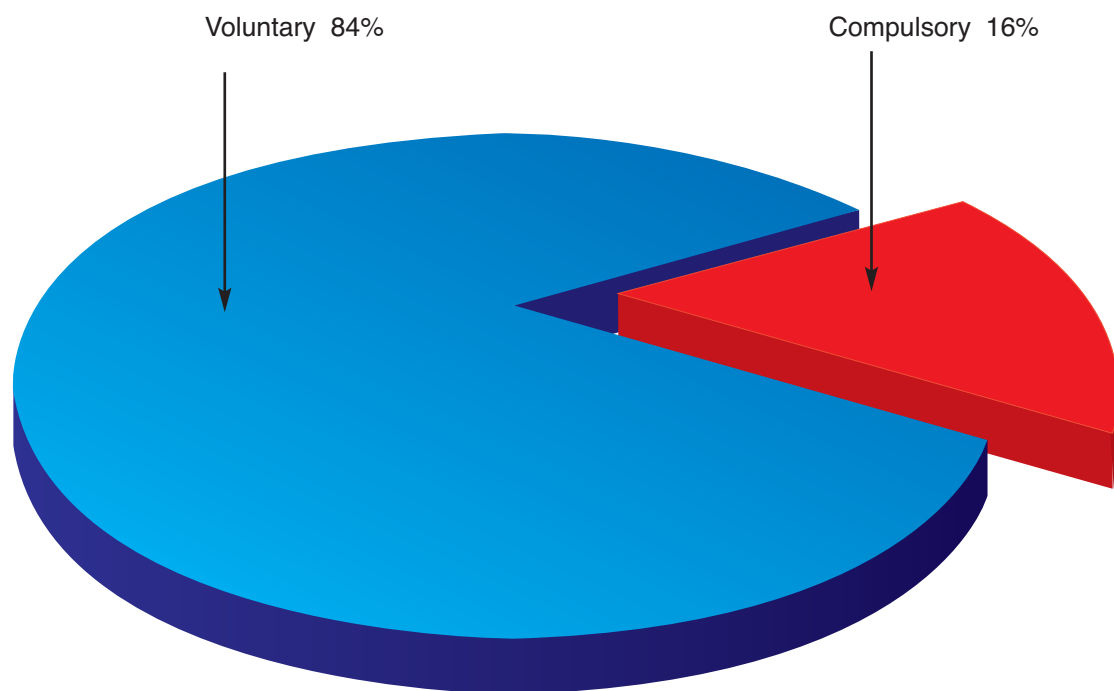
Kandla Port Welfare Committee in February 2009. (The Kandla PWC is one of an estimated dozen in India with strong links to the national welfare board.) A representative from KSAA agreed to consult its members about the proposal. After some initial resistance from ship agents, the levy came into effect in February 2012, once ship agents had built their trust in the KSWA and the services it provided. A change in leadership at KSWA also helped: the Chairman of Kandla Port, Dr PD Vaghela, took over as President of KSWA in February 2011. Under Dr Vaghela, plans were initiated for a new seafarers' centre, which opened in January 2012, and the port's users had authorised the welfare levy by the end of 2011.

The seafarers' centre in Kandla Port provides free high-speed internet access and Wi-Fi connections, and seafarers can also call their family and friends in privacy. Seafarers have access to a mini cafe, mini shop, prayer room, reading room, and sports facilities including basketball, table tennis, table football and chess. The centre's minibus transports seafarers, free of cost, between the ship and the centre, and to a place outside the port from which they can catch transport to the city.

Centre staff provide daily ship visiting. Wi-Max equipment facilitates the mess room and adjoining cabins to become a Wi-Fi zone, enabling 15–20 seafarers at a time to use the internet on board the ship. Ship visiting also provides seafarers with access to newspapers, magazines, information about the city and counselling.

“A compulsory welfare levy raised Rs 1,197,000 (approximately US\$22,500) in its first nine months of operation.”

Is the levy voluntary or compulsory?



“It follows logic that compulsory levies do not reduce ports’ competitiveness if sufficiently commonplace.”

Compulsory levies are deemed as such because ports or welfare organisations oblige ship agents/others to pay them, as ports do other fees. Such is the case in Marsden Point, New Zealand, as described by a welfare worker in the port:

“As far as Marsden Point is concerned, Northport is the managing company and port authority for operating the port at Marsden Point. The Labour Department has banned anyone walking through the working area because of the dangers with straddle trucks, etc, so Northport has provided a minibus to transport seafarers from ships to the seafarers’ centre (located just outside the Northport bounds). The centre provides a driver for this service and is given a monthly grant by Northport dependent on the number of ships berthed that month. To recoup this cost, plus the running costs, Northport levies each ship per 1/2 day in port and adds this to the berthing charges. Thus it is compulsory in that the ship owners have no option other than to pay it, but it is not a nationally recognised or compulsory levy [ie the levy is neither statutory nor described as discretionary].”⁸

8. In the case of Marsden Point, where the levy does not support any other aspect of port welfare other than recouping the port’s investment in a minibus required because of restrictions on pedestrian access, the label “welfare levy” could be read as misleading, and the case could be made for the port to fund the minibus without passing the cost on to employers. This is a tentative reading of a situation that has not been researched in-depth for this research; it is cited only to highlight the potential for increased support of welfare by port authorities, a point explored further in this report.

9. Ross, C. (2012) Maintenance and Development of National Welfare Boards and Port Welfare Committees. Unpublished. Working Lives Research Institute.

Less commonly, welfare levies have a statutory underpinning, as is the case in Romania (see page 10). From the list of ports participating in this research in Appendix 3, it is clear that it is usual for welfare levies to operate in some but not all of a country’s ports; in other words, it is unusual for a country to have welfare levies operating across all of its ports. This would seem to reflect the rarity of statute-based levies. In Australia, three levels of governance (local, federal and state) were reported as making it difficult for individual welfare organisations to advocate for the desirability, or otherwise, of welfare levies, particularly on a compulsory basis. As a result, it is down to the Australian Council of the Mission to Seafarers to take up such work at a national level. In Mexico, a welfare worker proposed⁹ that the reason his port lacked a levy was because it would be impossible for a levy to operate in one port without all Mexican seaports being legally obliged to impose the same levy (not verified within this research). Several respondents from French ports expressed frustration at the inconsistent existence of welfare levies across the country’s ports. In October 2012, a meeting of the National Congress of French Seafarers’ Centres made the case to port and government officials for an amendment to the Harbour Code to allow for a national, compulsory welfare levy; this is currently awaiting a reply from government. In Brittany, where a voluntary levy already exists



Constantza Port, Romania

Romania’s compulsory port welfare levy system applies by law to seagoing, foreign-flagged ships calling at the seaports of Romania, excluding warships and ships under 500 tdw. This arrangement dates back to 2002 when Romania ratified ILO Convention 163. In Constantza, the Port Authority provides the administrative secretariat of the Seamen’s Club with a daily list of ship arrivals. The levy rates are decided by law and vary according to a vessel’s tonnage:

Ships between 501 and 5,000 tdw	€40 (US\$54)
Ships between 5,001 and 30,000 tdw	€60 (US\$81)
Ships between 30,001 and 100,000 tdw	€80 (US\$109)
Ships over 100,000 tdw.....	€100 (US\$136)

The administration of the Seamen’s Club invoices the ship agents, who pay the levy as part of the costs passed on to shipowners. Between 2003 and 2005, a handful of ships were unable to pay the levy as a result of a shipowner declaring bankruptcy. Since 2005 the payment rate among eligible ships has been 100%.

Levy payment is made within 48 hours of a ship mooring, directly into a general welfare

bank account, with the PWC paying the transfer fee. This payment system is part-computerised.

The welfare levy also applies to ships visiting the port of Mangalia, to the south of Constantza, which falls under the same PWC. With only two berths, Mangalia generates a fraction of the funds raised in Constantza from the welfare levy; the port’s predominant function is its shipyard.

Proceeds from the port welfare levy cover the cost of running and maintaining seamen-centre buildings, including the cost of building insurance, employee salaries, volunteers’ expenses, affiliation fees to national and international organisations, taxes etc. The seafarers’ centres no longer receive funding from the ITF Seafarers’ Trust.

According to one welfare worker:

“The Seamen’s Club Constantza and Agije provide a range of services. Internet access, transport to and from the centres and places of interest, and recreational facilities including a gym, table tennis, pool, TV, karaoke and a library, are available for use free of charge. In emergency situations, food, accommodation and airport transportation are provided for seafarers. Low-cost pre-paid phone cards for international calls are also available. And for some religious festivals, gifts are provided for seafarers.”



“Since several countries are currently reviewing their compliance with the MLC, the issue of whether a statutory basis to welfare levies can and should be provided is timely.”

in Bayonne, the regional port authority would like to roll the levy out across the region to help support its seafarers’ centres. While seafarer clubs and ship agents agreed in principle to this proposal in Saint Malo and Lorient, the ship agents in Brest were reportedly divided in their response to the idea, raising fears about the port’s competitiveness suffering as a result.

The legal situation regarding compulsory levies has not been a focus of this research and is likely to vary between countries (and in some cases between ports, particularly in countries with federal governance). Since several countries are currently reviewing their compliance with the MLC, the issue of whether a statutory basis to welfare levies can and should be provided is timely. It follows logic that compulsory levies do not reduce ports’ competitiveness if sufficiently commonplace. Certainly no known research has shown levies to have a negative impact on ports’ abilities to compete.

Levy rates, capping & payment percentages

Of the respondents, 42 (32%) answered question 10 of the survey about levy rates. From this data a mean average levy of US\$58 emerges, while the mode and median are both US\$40. Although levies are charged in the port’s national currency, respondents were asked to provide figures in US\$ for the sake of comparison. (That each respondent undertook these conversions implies a degree of inconsistency depending on the rate of exchange they employed.) Other answers not included in these averages indicate that several ports charge levies on a sliding scale: one port charges US\$34–88 and another US\$40–100 (but it is not clear on what basis each ship’s levy is determined). Responses to the survey question about the basis on which levies are charged were not sufficiently clear to make inferences. However, from anecdotal discussions with welfare workers over email, coupled with survey responses, levies charged per docking appear to be the norm (certainly in

the US), although charging per welfare worker’s ship visitation also arises. One port charges US\$40 per day in port. Another bases its levy on the length of vessels: US\$27 for ships less than 100m and US\$41 for those over 100m. Another still, charges a standard rate of US\$25 per ship, per visit but makes separate arrangements for ships that visit the port frequently, such as ferries. Six ports said they base their welfare levy on tonnage: US\$0.31 or US\$0.41 per 100gt, to cite two examples (not included in the aforementioned averages). One respondent gave a more complex example:

“It depends on the type of ships, US\$40 for the big ships including fishing boats per entrance; US\$30 for coastal fishing boats whose gross tonnage is 150 and less; US\$30 for coastal fishing boats whose gross tonnage is over 150; US\$20 every month for the tugs, also based on tonnage – starting with US\$3.80 for 500 tdw up to US\$115 for 73000 tdw.”

Of the ports with future plans for welfare levies, only one knew the amount of the future levy (US\$15), while a further three stated that the future levy would be based on tonnage but were not able to provide figures at this stage.

Clearly there is considerable variation in the amount levied for welfare between ports and the basis on which this is decided, which would be expected to alter according to a number of factors, including the type and size of vessels visiting a port, the frequency with which they visit and the welfare services and facilities provided in the port. Such factors will also relate to whether or not, and on what basis, a port welfare levy is capped. Of the 34 ports responding to question 11 of the survey about whether levies are capped, 30 answered “no” with four exceptions or qualifications: one was the German port of Bremerhaven, where the welfare levy is capped, as described in the case study (see page 13). A respondent from a South African port flagged up how a ship that visits more than one port in the country is not always charged for more than one visit. Another port caps the levy such that a ship only pays once for each calendar month. A further port grants ships a grace period in which they are able to dock without charge before the welfare levy takes effect. Of ports with plans for future levies, one port reported



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no capping on the future levy while the remainder were unable to say whether or not capping would come into play.

Discussion of levy rates and capping policies begs the question of what percentage of levies is actually paid. A small-scale study (Seafarers’ House 2004: 12) of port support for seafarer missions in the US found that approximately half of the invoices for welfare levies across 25 ports were paid, although the precise figure varied considerably between ports. The figures from our survey are slightly more encouraging: based on the 33 responses provided to question 9 of the survey, a mean and median average of 65% of levies are paid, while the mode is a more modest 30%. The research did not ask whether the percentage



Port of Bremerhaven, Germany

The port of Bremerhaven operates a voluntary welfare levy of €0.25 (US\$0.33) per 100gt paid by an estimated 80% of ships. A large ship may contribute as much as €200 (US\$262) per visit. While the levy has operated since the post-war period, the current rate has been in place since 2001. The levy is capped at 90,000 tonnes or once a ship has visited the port six times in one year. Proceeds from the levy, which amount to approximately €250,000–300,000 (US\$390,000–465,500) per annum, go towards supporting Bremerhaven's German Seamen's Mission (Deutsche Seemannsmission).

Bremerhaven's port authority collects the welfare levy, as part of invoicing ship agents for other port costs, and then transfers it to the mission. The mission is free to use the levy's proceeds for revenue or capital expenditure as necessary. The mission operates transport to its seafarers' centre, which includes 24 rooms of accommodation and a seamen's club with an estimated 12,000 annual visitors. A second club close to the port hosts 30,000 seafarers annually. Five staff members are full-time employees, including a pastor and four deacons (with psychology/social-work backgrounds). The 11 part-time staff members include a centre manager, drivers and cleaners, and are supported by some 15 volunteers as well as six young people serving a voluntary social year [*reiwilliges soziales Jahr* – a state-funded voluntary work programme designed for young adults].

A stakeholder committee supports the mission and meets three to four times per year. There is no national welfare board in Germany.

The levy accounts for approximately one-quarter of the mission's annual running costs. Other sources of income include charitable donations, the sale of phone cards, and proceeds from the German church tax system (whereby employees' tax deductions include contributions towards the support of the church to which they were linked at birth, unless the employee opts out).

One welfare worker described the services available.

“Deutsche Seemannsmission provides free pick-up from the port, and transportation to the seafarers' centre and for sightseeing. Low cost internet access and telephone facilities are available enabling seafarers to contact their family and friends. Sports facilities such as billiards, table tennis and basketball are available, as well as international newspapers, books, magazines and musical instruments. The centre provides a money exchange, postal service, room for silence, and counselling. Centre staff carry out ship visiting, and support is provided for hospitalised seafarers through visits, translation, and access to the internet, phone and reading materials. We offer a place where seafarers can spend their free time – away from their daily routine on board.”

of levy payments was going up or down and no respondent remarked on the topic, although the US mission survey cited previously does report a slight increase in the number of levies paid among its respondents in 2004 compared to earlier years.

Three figures of 100% contribute to the average payment rates previously cited, all of which correspond to ports operating levies on a compulsory basis. It is not possible to speculate from the data whether lower levy amounts or more commonplace use of capping would result in higher payment rates. A total of 10 ports reported voluntary levy payment rates of between 75 and 99% (Reunion Island; Tees & Hartlepool; Dunkirk West; La Pallice; Belfast; Wilmington;

Hamburg; Cardiff; Halifax; and Lake Charles). A focus on these ports reveals a range of possible explanations for this success. These include factors mentioned earlier regarding the extent to which welfare levies are discernible from other port services within methods of invoicing (and hence the extent to which they are routinely paid without question), as well as the extent to which ships are effectively obliged to pay levies in order to receive port clearance. They may also relate to the efficiency of the levy system; a 95% payment rate is achieved in Tees and Hartlepool (see page 19) even though the levy is voluntary, and this success is widely attributed to the efficiency of this well-established levy. Payment rates may also be influenced by the

“In addition to concerns about welfare and health and safety, another pertinent reason for employers to support port welfare services for seafarers is the fact that these services are often directly beneficial to ship agents, operators, charterers, owners and other companies linked to a port.”

number of ships visiting a port, and hence the strength of the relationship between representatives of the bodies invoicing and being invoiced. Welfare workers in ports with low traffic are more likely to be able to maintain a good rapport with those they levy, thereby achieving a higher payment rate, particularly in ports where the need for welfare services and facilities for seafarers is apparent, such as the case of Saldanha Bay. The case of Baltimore (see page 17) illustrates

Port of Saldanha Bay, South Africa

Mashellino Clarke, Port Chaplain, writes:

“The Mission to Seafarers, Saldanha Station, was started with the welfare of seafarers visiting the Port of Saldanha in mind. The port at Saldanha was originally built to export iron ore that was transported down the dedicated railway line from the mine at Sishen, approximately 850km inland. The main export market for the iron ore is China and Japan and thus the ships coming to load have been at sea for approximately 28 days. The iron ore cargo is loaded at almost 10,000 tons per hour so a ship is loaded in approximately 36 hours and its crew then has a 28-day passage at sea back to the discharge port, trip in, trip out. As iron ore is a dirty commodity, it was felt that seafarers on these ships would like to spend a few hours in port in peace, quiet and above all clean conditions where they can talk to their families by telephone or computer. It was also felt that they would like to be able to shop for necessities in safe and pleasant surroundings.

“There was an old building that was not being used in the grounds of St Andrew’s Anglican Church in the main street of the village of Saldanha, which is situated approximately 20km around the bay from the berths in the port. Use of this building was obtained with the help of the rector of the church. The Central Committee of the Mission to Seafarers put up the capital required for the renovations to the building. The ITF Seafarers’ Trust was approached and it agreed to sponsor the informal bus

service needed between the berths and the Mission to Seafarers.

“It was decided to charge shipowners of visiting ships a voluntary levy for the operation of this bus service. The ship agent of each ship is sent an invoice for US\$40 (not capped or based on tonnage) as soon as the ship sails, which approximately 95% of the visiting ships pay. This levy is the sole income of the Saldanha Station and while not ring-fenced for a particular expense, is used to pay for the cost of running the bus and the centre’s maintenance. We are self-supporting apart from major vehicle break downs when we have to approach the Central Committee for financial assistance. Unfortunately this is a very worrying problem now as the vehicle ages. The Apostleship of the Sea used to have an outreach in the port area but this has closed down.

“A port welfare committee does exist on paper under the auspices of the South African National Port Authority, the port operators, but rarely, if ever, meets and there is no national welfare board in South Africa. The Saldanha Mission to Seafarers is not supported by the port authority financially. An application for a replacement bus has been submitted to the ITF Seafarers’ Trust with the necessary support from the local unions. The Port of Saldanha now has an additional one-berth oil terminal for the import of crude oil and also four general cargo berths for the export of steel coils manufactured at the local steel mill. Approximately 30 ships use the port each month.”

the time and effort needed for welfare organisations to sustain ties with those they invoice, as well as the importance of welfare organisations remaining flexible about who to invoice (ship agents, operators, charterers, etc) on a case-by-case basis. A respondent from Rotterdam reported a welfare levy being instigated in the early 1980s, but not developed, which serves as a reminder that establishing a welfare levy is no guarantee of its success without the ongoing efforts of those administering it.

High payment rates may of course also reflect employers' support for the welfare of seafarers. Other research includes sentiments to this effect. Consider these words, for example, offered by a ship agent in Constantza, Romania:¹⁰

“The amount [welfare levy] is not too big... And it's good that...the people who work onboard of the vessel...have the chance to go somewhere and to have another activity, to contact their family. That means it's good for us...it's good for the shipowners to have someone in good physical and mental health, everything is in good order to fulfill his obligation onboard of the vessel. Otherwise if he is sick or he is thinking too much to his family, he is not thinking to his work and we know that 80% from all the accidents on the ship, they are from the human factor. That means something happened during living onboard of the ship, something happened with his family, he received maybe an email or a telephone. Then his mind is there, not onboard of the vessel and can create problems. For that reason it's good that also someone coming and help us trying to keep them in the good shape and facilitate to have a good contact with that city. To transport them from the vessel. I already heard about, from the port workers and they said that all these days more and more vessels stay less and less in the port. And only for few hours even it's good that if they are in the terminal which is

far from the city, someone to come to pick them up and to bring in the club, to have the possibility to contact them by the email or the Skype or something like that. Anyhow, it's something else that they see that someone cares about them.”

In addition to concerns about welfare and health and safety, another pertinent reason for employers to support port welfare services for seafarers is the fact that these services are often directly beneficial to ship agents, operators, charterers, owners and other companies linked to a port. A port-wide wireless system, for example, can be used for company business, as well as by seafarers for their personal use. A port transport system run by a welfare organisation ferries seafarers to seafarers' centres and town centres but also facilitates crew switchovers. Other examples of mutually beneficial services exist and there is scope for further collaboration in this vein. A spokesman for an international shipping employer organisation agreed:

“No one likes to be charged extra money without seeing real value in return. Having said that, if the value is tangible... if there is a working internet connection, a bus service to the town, other meet and greet arrangements, all included in the levy, then our members would welcome such services. It is important how this service is being billed. Please note that some of the port costs can/are being charged to the charterers and from the ship managers' point of view are definitively welcomed.”

A representative of another leading employer organisation concurred:

“I agree [with the colleague's comments above] and believe the port authorities need to take more responsibility for welfare provision, specifically free Wi-Fi access, which should not be difficult to achieve. Also getting port workers involved in ship visiting would be very welcome and not costly to anyone.”

10. Ross, C. (2012) Maintenance and Development of National Welfare Boards and Port Welfare Committees. Unpublished. Working Lives Research Institute.



“The case of Baltimore illustrates the time and effort needed for welfare organisations to sustain ties with those they invoice, as well as the importance of welfare organisations remaining flexible about who to invoice (ship agents, operators, charterers, etc) on a case-by-case basis.”

Levy administration & spending

The administration, like other aspects of welfare levies, varies between ports. Of the 40 responses to question 12 of the survey, approximately the same number of respondents indicated that the port authority invoiced ship agents for the levy compared to those who indicated welfare organisations undertaking this task. Of ports with plans for future levies, only one was certain of who would administer the levy – the port authority. The study (Seafarers’ House 2004) of port support for seafarer missions in the US cited earlier reported a norm in which welfare organisations invoice ship agents directly: 19 missions (out of 25) invoiced ship agents themselves, while only five received funds from the port authority who invoiced on their behalf. Factors involved in deciding whether

Port of Baltimore, Maryland, USA



A voluntary welfare levy of US\$110 exists in Baltimore, which is paid by an estimated 65% of ships after, to quote a welfare worker in the port, “years of networking and considerable effort”. The port’s seafarers’ centre sends Quickbook [an accounting software] invoices electronically for each crew served by its staff or those of the port’s other welfare organisation. For crews served by only one of the two centres, the full payment goes by cheque, or occasionally Automated Clearing House, to that centre. For crews served by both organisations, payment goes to the invoicing centre, half of which is then forwarded to the second organisation (without attempting to determine the precise division of labour between the centres). In the words of one welfare worker:

“This takes quite a few hours/weeks of staff time, given that we have only about 1.5 paid staff and we had to spend years building up relationships to convince companies to pay, but it has been worth it. We don’t have enough volunteers to get to every vessel and we don’t invoice for ‘no-thank-you’ type visits (where we stand on the ramp and they say thanks but they’re busy or sailing soon, etc). There’s no cap to the levy; the amount is the same each time they dock in Baltimore. There’s no distinction between a one-day visit and a week-long sugar ship, where we might provide more service. The

per-vessel-docking basis we decided on mirrors that which we’re aware of in other US ports. Of course, crew whom we serve a lot may donate more toward gasoline (but it doesn’t always happen and we don’t push them). The levy covers about 40% of our annual costs as a center and it isn’t limited to a particular kind of expenditure. We have had to figure out on a case-by-case basis when it works better to approach the agent, operator, etc with the invoice. We’ve been working on this for eight years, invited our neighbouring mission into the process as soon as their Baltimore ministry was up and running, and it’s still a work in progress.”

A welfare worker from the Baltimore International Seafarers’ Center describes the facilities they offer:

“The Baltimore International Seafarers’ Center provides free transportation to the center, shops and places of interest. An authorized security escort/transport can cost a seafarer up to US\$100, if the center transport is unavailable. Mobile phones are sometimes lent out enabling seafarers to contact family and friends, and schedules permitting, seafarers are brought to the center to use landlines, and access the internet free of charge. The center offers a space to relax, worship, discuss personal or work related concerns and to seek advice.”

welfare organisations or port authorities are best equipped for this task will be numerous and port-specific and include whether or not welfare organisations are legally able to collect revenue from levies. In France, where they are not, port authorities administer levies on behalf of welfare organisations partly because of this restriction.

In most ports, invoicing is conducted electronically using specialist software such as Quickbook, or invoices are distributed by hand, although no research question specifically addressed the method of invoicing. Payments were usually described as being transferred by cheque or electronically from ship agents (or their representative body, such as the Shipowners’ Association in the case of Barcelona) to welfare organisations or PWCs, typically in monthly intervals. These were sometimes accompanied by a list of ships that

had paid. Welfare organisations or PWCs may then undertake the distribution of funds, as in the case of the northern English ports of Tees and Hartlepool (see page 19), for example. In Vancouver, Canada, the port receives the levy proceeds, which it forwards to the bank accounts of the port’s seafarers’ centres. In the US port of Baltimore, where more than one welfare organisation also operates, one organisation issues invoices and collects funds from ships they both serve, which it splits equally with the second organisation regardless of the division of labour between them (see above). In Hamburg, the division of levy proceeds between the port’s missions is determined by the number of visitors to the missions’ establishments, whereby two visitors to a centre equates to one overnight guest at a seafarers’ hostel. No port reported any organisation being able to spend levy funds

“We had to spend years building up relationships to convince companies to pay, but it has been worth it.”

other than welfare organisations, or less often PWCs (to cover the cost of their administration) or port authorities (in the case of Marsden Point, New Zealand, where the levy is used to recoup the costs of the minibus provided by the port, as discussed earlier).

While the research did not ask whether ship agents collected the levy from ship captains or from shipowners electronically, both scenarios arose among respondents' comments. Some respondents said that only ships or ship agents that had already agreed to pay welfare levies were invoiced, which again raises the issue of the importance of personal relationships between port stakeholders if welfare levies are to succeed. Private terminals, where they existed within participating ports, were never said to be included in the collection of levies when this arose in conversation (rather than being something asked of all participants with levies).

Of the 38 respondents to question 13 of the survey, *Are there limitations on how the levy can be used?* all except for two (one stated levy expenditure to be limited and the other was unsure) answered “no” but that the levy tended to be directed towards the general maintenance of seafarers' centres, the operating of seafarers' transport, and staff salaries.

Examples of responses are as follows:

- “No limitations, but we use it to pay for seafarers' transport and maintenance of the centre.”
- “No limitations but in this port, the levy is used to pay for seafarers' transport/mini buses.”
- “No limitations but it is used to pay port security.”
- “The purpose of the tariff is to operate the seamen's centre (transportation, phone cards, internet, etc). It also pays part of the salary of the workers.”
- “The club treasurers decide how the money is used.”
- “For salaries and vehicles.”
- “No. Levies are used for the general management of the club.”
- “Can be used only [in relation to] welfare port services and facilities.”
- “It is used to pay salaries.”
- “It was not limited before. It is different/limited now. Now it is used to pay the salary of the minister.”
- “All levies are put back into the centre to assist with its running and providing facilities for seafarers.”
- “We only use the levy to fund transport for seafarers as we offer a free bus service. In other words it pays mainly for our diesel account and if possible for the maintenance on the bus.”
- “No limitations – it can be used for day-to-day use like salaries, etc. To use it for any capital projects we need the approval of trustees.”
- “Used to provide the vehicle and its running expenses to transport crews to the seafarers' centre.”

Of the ports reporting plans for future welfare levies, three said the levy would have no spending limitations, one was unsure, two predicted limitations – one specifying capital expenditure as being disallowed – and a seventh explained that the levy would have to be directed towards the cost of building maintenance, vehicle operating, support of abandoned seafarers, as well as volunteers' expenses and staff salaries. In two cases (Constantza in Romania and Milford Haven in Wales), welfare levies are thought to have generated more money than was needed for the cost of welfare in the ports. According to a welfare organisation representative, the levy in Milford Haven has consequently been revised and is now based on need. In such cases it is clearly important that the use of levy revenue is not excessively constrained and that new sources of expenditure are considered, such as port-wide wireless networks.



Ports of Tees & Hartlepool, UK

The UK's longest-running port welfare levy has been in existence since the post-war era on the River Tees. The levy is voluntary and based on tonnage without capping, such that ships pay in the region of £5 to £25 each (US\$8–38). An estimated 95% of ships pay the levy, which supports the four welfare organisations working in the port: Mission to Seafarers Tees and Hartlepool; Mission to Seafarers South Tees; German Seamen's Mission; and Apostleship of the Sea. Two seafarers' centres operate on the Tees: one on the north side of the Tees, and the other on the south side.

PD Ports (the port authority) collects the levy from each ship entering the Tees. The money is deposited with the Institute of Chartered Shipbrokers (ICS) who, with the Tees and Hartlepool Port Users Association (THPUA), jointly decides on the amounts to be paid out to each of the four missions. The use of ICS in this capacity pre-dates the formation of THPUA, which began in the late 1980s.

At present the ports' welfare levy provides £9,000 (US\$14,000) to each of the four missions per year. Any annual surplus is discussed by the ICS and THPUA and then paid as a lump sum to each mission: in 2012 each mission received a £7,000 (US\$10,850) surplus, taking their total annual revenue from the levy to £16,000 (US\$24,800) per mission. Other sources of revenue are mission specific and include government funding in the case of the German Seamen's Mission,

central funds in the case of the Mission to Seafarers and Apostleship of the Sea, donations and grants from the UK Merchant Navy Welfare Board. No other organisation may apply for funding from the port levy; alternative sources of support are available for other charitable projects in the port.

According to one welfare worker:

“Our aim at North Tees & Hartlepool Seafarers' Centre is to become financially self-sufficient. This will also offer longer-term security to providing effective service provision to seafarers visiting Teesport. The levy provides a tangible, substantial monthly income that allows us to work towards our goal of self-sufficiency, whilst at the same time offering free transportation to seafarers who wish to spend their time relaxing in a well maintained, warm and friendly environment, which we offer at our seafarers' centre. The port levy helps towards maintenance costs of communication systems used by seafarers to contact family and friends. It also means that other essential items such as clothes and toiletries are for sale at affordable prices. Overall, the port levy allows us to offer a substantially improved service to our seafarers and one which we can be proud to deliver.”



Photo: Ports of Tees and Hartlepool

The impact of levies

The cases of Constantza and Milford Haven are the exception rather than the rule: when ports with levies were asked about what percentage of their welfare organisation(s) running costs were covered by the levy, the following responses were gathered:

7%	Mission to Seafarers, Halifax, NS, Canada
10%	Association Loonoise des Amis des Marins, Dunkirk West, France
10%	Anchor House Mission, Manatee, FL, US
12%	Apostleship of the Sea, Barcelona, Spain
12%	German Seamen's Mission, Hamburg, Germany
15%	Seafarers' Center, Galveston, TX, US
18%	Stella Maris, Lake Charles, LA, US
20%	Seamen's Center, Wilmington, DE, US
30%	Seafarers' Centre, Abidjan, Ivory Coast
30%	Mission to Seafarers (two centres), Vancouver, BC, Canada
40%	Mission to Seafarers, Baltimore, MA, US
100%	Mission to Seafarers, Saldanha Bay, South Africa

Other than Constantza, Saldanha Bay was the only participating port in which all welfare costs were covered by its welfare levy – its sole source of income. These mostly modest percentages underline the importance of welfare organisations having multiple sources of income. Most, for example, cite donations, revenue from the sale of phone cards and, in some cases, capital grants from the ITF Seafarers' Trust as existing alongside welfare levy proceeds. Hong Kong was the only participating port to specify the potential gathering of welfare funds on the back of collective bargaining agreements, should the following draft proposal take effect. Stephen Miller of the Mission to Seafarers in Hong Kong explains:

“In draft form at the moment is an agreement to be included in the Hong Kong Collective Bargained Agreement (HKCBA) that commits the owners of Hong Kong flagged

vessels and other vessels that come under HKCBA to provide two funding elements that will assist the crews of Hong Kong flagged vessels and Hong Kong seafarers in the areas of further training and welfare. On average each vessel under the agreement will be levied around US\$50 per month to go into the training and scholarship fund and around US\$48 per month (depending on the number of officers and crew aboard the vessel) into an assistance fund. There are specific terms for which the fund cannot be used: for example, the welfare fund may not be used for repatriation or payment of wages, which are the responsibilities of the shipowner. In draft form as yet, the fund would allow up to 20% per year of the assistance fund to be granted to NGOs working for the welfare of seafarers in Hong Kong. With over 1,000 vessels under the Hong Kong flag these sums will not be insignificant, but I have to reiterate that this trust has yet to be put in place. Substantial discussions have still to be concluded before the trust comes into law and I would guess that these will take place in the first half of 2013.”

Numerous port welfare organisations are also known to receive support, whether financial or in kind, from port authorities. Within the UK, a spokesman from the Merchant Navy Welfare Board described how the Port of London provides an annual grant towards welfare work for seafarers on the Thames. In Belfast too, the port makes an annual contribution to the seafarers' centre. In Gibraltar the port is planning to support the welfare of seafarers in a number of ways, which are still to be made concrete, from 2015. In Felixstowe and Ipswich, the port provides practical support such as transport for seafarers.

Beyond the UK, the port of Antwerp won the ICSW Port of the Year Award in 2011 in recognition of its provision for the welfare of visiting seafarers. It has, for example, installed a port-wide Wi-Fi system among whose beneficiaries are seafarers now able to access the internet without having to go ashore. The port and private associations (Antwerp Shipping Federation and the Royal Belgian Shipowners' Association) also fund the port's transportation system, enabling seafarers to reach the seafarers' centre and International Seamen's House. In the French port of La Pallice, the port funds one of the seafarers'



centre's three welfare workers.¹¹ In Johor and Pasir Gudang, Malaysia, the port provides a well-equipped centre for port users as well as seafarers. The port authority of Tema, Ghana, provided computers for the seafarers' centre, as well as an annual grant of US\$5,000. In Yokohama, Japan, the port subsidises the seafarers' centre, and in Busan, Korea, as in many ports, the port leases out the land on which the centre stands at no or minimal cost. In Ukraine, the ports pay the salaries of seafarers' centre staff in Mariupol and Belgorod Nestrovsk. In Singapore, the Maritime Port Authority is engaged in multiple aspects of seafarers' welfare. These include funding the establishment and running of seafarers' centres, giving SG\$100,000 (US\$80,000) per annum to missions to conduct ship visitations, sponsoring sports weeks and distributing parcels to seafarers at Christmas. Before the fall of the USSR, Russian seafarers' centres were supported by state, union and port funds, and since 1989 have struggled to find sufficient funding, as a representative from the port of Yalta described within this research. In the port of Yalta, this situation has been

compounded by the fact that its seafarers' centre is a historic building situated in the central square and hence "attractive to Russian and Ukrainian businessmen [looking to make] their own money of the building and our unprofitable charity organisation is of no commercial interest to them".

State support for seafarers' welfare work in ports is also found in Scandinavia, where funds are provided for the welfare of Danish seafarers abroad, as well as foreign seafarers calling in Denmark. In Mombasa, Kenya, ship agents themselves contribute to the large seafarers' centre by paying to become members, which enables them to dine and entertain guests at the building. A further example of funding for port welfare is that which comes direct from shipowners. Maersk, for example, has provided the capital expenditure for seafarers' centres and in some ports offers annual payments towards the cost of welfare provision. While it is recognised that a number of companies provide welfare services on board (see page 22 for examples), the MLC also promotes the development of accessible shore-based facilities.

11. The details comprising the remainder of this and the following paragraph, with the exception of information about the USSR, are provided by the ITF Seafarers' Trust.

Shipping companies and seafarers' welfare



GasLog LNG Services Ltd provides free broadband internet on all vessels, and some ships have free Wi-Fi for crews to use their personal laptops. There are fully equipped gyms and swimming pools on board, in addition to available literature and a TV room with DVDs, games consoles and board games. According to GasLog, it makes every effort to facilitate shore leave and offers free excursions when possible.¹²

BERNHARD SCHULTE SHIPMANAGEMENT



Bernhard Schulte Shipmanagement (BSM) provides reduced-rate calling cards on all vessels, and GSM signal repeaters are installed on board some ships so crew can use their mobiles to call home. Free email is also provided on many ships. Many vessels offer a range of recreational facilities including games, books, films, karaoke, as well as a gym and swimming pool. BSM has its own catering company that trains cooks to ensure nutritious food is served on all its vessels.¹³



Shell shipping won the ICSW Shipping Company of the Year Award in 2012. Shell employs agents to educate seafarers about the welfare facilities available in each port and provides transportation. Where practical, Shell ships have a recreational room with gaming and entertainment facilities, as well as internet access and telephones. Some ships have table tennis, table football, karaoke and musical instruments.¹⁴



Teekay Shipping provides broadband internet access on a large number of its ships, and free email is provided to all seafarers. Vessels have recreational facilities and a gym on board. The company regularly sponsors family sports days and social events.¹⁵



Wilhelmsen Ship Management (WSM) won the ICSW Shipping Company of the Year Award in 2011. The company provides facilities such as table tennis, board games and a gym, and crews are encouraged to play basketball, badminton and cricket. Free email is provided to all seafarers, and many vessels have VSAT, enabling seafarers to stay in contact with their family via internet and phone. When in port, WSM provides transportation through port agents to welfare facilities, sightseeing and shops. If time in port is limited, the company arranges for welfare personnel to attend on board.¹⁶

12. ICSW International Seafarers' Welfare Awards 2012 brochure, p. 10-11.

13. ICSW International Seafarers' Welfare Awards 2012 brochure, p. 10.

14. ICSW International Seafarers' Welfare Awards 2011 brochure, p. 11.

15. ICSW International Seafarers' Welfare Awards 2011 brochure, p. 11.

16. Ibid.

Conclusions & recommendations

The ratification of the MLC marks unprecedented recognition of the importance of seafarers to global shipping. It also signals the industry's shared responsibility for the welfare of seafarers facing the unique challenges of living and working at sea, including the threat of piracy, stress, fatigue and isolation. Improving welfare helps ensure decent living and working conditions for seafarers, which assists efforts to improve the retention and recruitment of seafarers across the industry.

The greater context of research into welfare levies is the question of who should pay for welfare services and facilities for seafarers in ports. This question has been central to tripartite negotiations of the welfare-facilities section of the now ratified MLC, 2006. The nature of these negotiations involves compromise and, because of this, the section of the MLC detailing the funding of port welfare is, unsurprisingly, flexible. This fact is one of the main reasons why discussion of welfare levies, as part of the solution to

“The greater context of research into welfare levies is the question of who should pay for welfare services and facilities for seafarers in ports.”

securing the future of welfare facilities ashore, is so timely and important. The shrinking of state welfare among advanced industrialised countries has led policymakers to look to ground-up, partnership solutions over primarily public-funded welfare. In shipping too, the cost of port welfare is increasingly expected to be shared, including a more consistent contribution from employers across the board. Some employers already contribute to welfare services and facilities for seafarers in a number of ways (see page 22 for examples). Port welfare levies are one way in which examples of good practice can become institutionalised. Levies make the contribution of welfare organisations visible as a professional service; they are as much about making connections between these NGOs and employers as they are about the flow of money between them.

This research has provided a strong sense of the need to support welfare organisations in their work benefiting seafarers and the wider industry, particularly since many organisations struggle to stay afloat. To quote a welfare worker from the port of Manatee in Florida:

“We invoice US\$75.00 to the ship – this is a good value for the owner, it seems to be such a small amount for what we offer. Our total budget is about US\$13,5000 and the income from the ship invoice is US\$4,725: 10% of our budget... If every ship paid even a smaller amount it would help.”

At the same time, the research has shown how welfare levies cover a mostly modest percentage of welfare organisations' running costs and are accompanied by several challenges. These include the sustained effort required of welfare workers to encourage the payment of voluntary levies, the payment of which is patchy. A welfare worker in Vancouver, Canada, reflected how, “A few companies pay for each and every ship visit while other regulars never pay. That maybe because of culture, religion or company policy of which neither the mission nor port have any sway over.” Levies may foster fears about ports' competitiveness, albeit unsubstantiated by any known research. They also risk breeding cynicism among ship agents and owners, when they lack transparency. Instigating levies, particularly legally binding levies, can be an onerous, bureaucratic process. For welfare organisations that are often already under-resourced, these challenges can make it seem questionable as to whether levies are worthwhile or even a viable option to consider.

The message from participants of this research has been that while levies are rarely a quick-and-easy fix to their funding needs, they are still worth the effort they involve. While it is likely that employers support the idea of welfare levies to varying degrees, there is no denying the challenges they face in the current economic climate. If port welfare levies

“The message from participants of this research has been that while levies are rarely a quick-and-easy fix to their funding needs, they are still worth the effort they involve.”

are to succeed on a larger scale than they do at present, it is important that they involve real value for both those that pay them and those in receipt of the revenue they generate.

The following recommendations are geared towards supporting sustainable welfare services while adding value to business, and are aimed, primarily, at shipping companies, welfare organisations and port authorities. These recommendations are intended to help increase the incidence of levies, as well as the efficiency and payment rate of those already established:

- Port authorities, welfare organisations and their representative bodies, and other parties should consider raising the issue of compulsory levies at a national level as part of discussions regarding MLC compliance.
- It is recommended that the ISWAN seminar on best practice surrounding port welfare levies should draw on the experiences of the ports participating in this research who have achieved markedly high rates of levy payment.
- All members of the shipping industry should take steps to familiarise themselves, and their organisations, with the right to welfare, as set out within the MLC, and develop their understanding of how port levies can contribute to fulfilling this right.
- Where not already occurring, welfare organisations should implement a quality standards system, which should include recording the number of ships their staff visit, the number of seafarers using their facilities and services, as well as regularly gathering and acting on feedback from seafarers. This helps ensure that welfare organisations meet the current and future needs of seafarers through facilities and services that are accessible, high quality and value-for-money, in a way that is transparent.
- As far as possible, port authorities and welfare organisations should consult employers, unions and other bodies involved in seafarers' welfare, to ensure the services

they provide, part-supported by levies, best meet the needs of seafarers and those being levied.

- The way in which welfare levies, whether voluntary or compulsory, are invoiced should be transparent. As well as encouraging goodwill, this measure provides an opportunity for welfare organisations to promote the services and facilities they offer.
- Similarly, the basis on which levies are charged should be fair to both parties. Charging per docking can mean a welfare organisation charging the same for a single ship visitation as for multiple visits over a longer period of time. At the same time, levies based on tonnage, for example, have the potential to raise more revenue than those based on docking, but increases in tonnage may not be matched by an equivalent increase in crew size (and hence the number of seafarers using port facilities), or by the number of visits a ship receives from a welfare worker during its time in port.
- Depending on circumstances that differ between ports, capping levies should be considered where it prevents a disproportionate burden being placed on regular port users.
- Levy rates should be regularly reviewed to ensure they reflect need.
- Any limitations on levy expenditure should be reviewed periodically, especially in the rare cases in which levy revenue exceeds demand.
- Welfare organisations should factor the labour required to sustain levies in their planning, in particular the task of maintaining relationships with representatives of the organisations being levied.
- In lieu of a PWC, the use of an organisation such as the Institute of Chartered Shipbrokers (in the case of Tees & Hartlepool in the UK) might be considered as a receiving house for funds where more than one welfare organisation in a port is in



receipt of levy funds, to ease the levy's administrative burden.

- Stakeholders in ports within the same region are urged to adopt a consistent approach towards levies in order to minimise competition between ports. Forums for discussing this (such as a regional welfare board) and related issues might be convened to facilitate such cooperation.
- Expanding employers' support of port welfare via collective bargaining agreements, such as that described for Hong Kong on page 20, could be explored alongside port welfare levies, so long as the overall burden on employers does not become disproportionate.
- While many port authorities already support the welfare of visiting seafarers, there is scope for port authorities to contribute more across the board, whether financially or in other ways (such as ship visitations).

“If port welfare levies are to succeed on a larger scale than they do at present, it is important that they involve real value for both those that pay them and those in receipt of the revenue they generate.”

References

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Glossary

Key acronyms used within this report

- ICSW** – International Committee on Seafarers' Welfare
- ISAN** – International Seafarers' Assistance Network
- ISWAN** – International Seafarers' Welfare and Assistance Network
- ITF** – International Transport Workers' Federation
- MLC** – Maritime Labour Convention (2006)
- NWB** – National Welfare Board
- PWC** – Port Welfare Committee

Appendices

Appendix 1: Extract from the Maritime Labour Convention (2006)

Guideline B4.4.4 – Financing of welfare facilities

1. In accordance with national conditions and practice, financial support for port welfare facilities should be made available through one or more of the following:

- a) grants from public funds;
- b) levies or other special dues from shipping sources;
- c) voluntary contributions from shipowners, seafarers, or their organisations; and
- d) voluntary contributions from other sources.

2. Where welfare taxes, levies and special dues are imposed, they should be used only for the purposes for which they are raised.

Appendix 2: Research questionnaire

1) Name of port:

2) Your name:

3) Your job title:

4) Does your port have a port welfare committee (for seafarers)?

5) Is there a national welfare board (for seafarers) in the country?

6) Does your port have a seafarer welfare levy (ie are visiting ships asked to pay a small fee that goes towards supporting the welfare of seafarers)?

- Yes – go to question 8
- No – go to question 19
- No, but has done in the past – go to question 7
- No, but plans to in the future – go to question 14

7) Why was the levy discontinued? Tick all that apply:

- Resistance from the port/owners/government/others
- Unable to spend the amount of money the levy generated
- Problems administering the levy
- Other (please specify)

Then go to question 19

8) Is the levy voluntary or compulsory?

9) Approximately what percentage of ships pay it?

10) How much is the levy per ship in US dollars? Is the levy based on tonnage?

11) Is the levy capped? On what basis (eg tonnage, visits to the port per year)?

12) How is the levy collected?

13) Are there limitations on how the levy can be used? For example, can it be used to pay salaries of welfare workers? Is it limited to capital projects such as buildings and vehicles?

- Yes – go to question 19
- No

14) Will the levy be voluntary or compulsory?

15) How much will the levy be per ship in US dollars? Will it be based on tonnage?

16) Will the levy be capped? On what basis (eg tonnage, visits to the port per year)?

17) How will the levy be collected?

18) Will there be limitations on how the levy can be used? For example, will it be able to use it to pay salaries of welfare workers? Will it be limited to capital projects such as buildings and vehicles?

19) Do you know of other ports that operate welfare levies, have done so in the past or plan to in the future? If yes, please give details:

20) May a researcher from ICSW contact you to ask further questions about port levies? If yes, please provide an email address:

Appendix 3: Participating ports

The table below details the ports that participated in this research. The first part lists those that operate welfare levies and the second, those that do not. Both sections also specify whether a national welfare board (NWB) and port welfare committee (PWC), as described by the Maritime Labour Convention, 2006, Guideline B4.4.3, operate in each port.

Port	Country	PWC	NWB	Port	Country	PWC	NWB
i) Ports with levies							
Halifax, NS	Canada	X	X	Hamilton, ON	Canada	X	X
Vancouver, BC	Canada	X	X	Samia, ON	Canada	X	X
HaminaKotka	Finland	X	X	Hong Kong	(China)	✓	X
Dunkirk West	France	✓	X	Aalborg	Denmark	✓	X
La Pallice, La Rochelle	France	✓	X	Ebsjerg	Denmark	X	X
Marseille	France	✓	X	Muuga	Estonia	X	X
Nantes	France	✓	X	Helsinki	Finland	✓	X
Reunion Island	France	✓	X	Pori	Finland	X	X
Bremerhaven	Germany	X	X	Brest	France	✓	✓
Buetzfleth	Germany	X	X	Le Havre	France	✓	✓
Hamburg	Germany	✓	X	Marseille-Fos	France	✓	✓
Kiel	Germany	✓	X	Sete	France	X	✓
Luebeck	Germany	X	X	Brunsbüttel	Germany	X	X
Kandla	India	✓	✓	Piraeus	Greece	X	X
Ravenna	Italy	✓	✓	Cais Port Bissau*	Guinea Bissau	✓	X
Abidjan	Ivory Coast	✓	✓	Gangavaram	India	✓	✓
Mombasa	Kenya	✓	X	Tanjung Proik	Indonesia	X	?
Amsterdam	Netherlands	✓	X	Dublin	Ireland	X	X
Marsden Point	New Zealand	X	✓	Ashdod	Israel	X	X
Gydnia	Poland	✓	X	Haifa	(all one entry on the survey)		
Constantza	Romania	✓	✓	Eilat			
Constantza South	(all one entry on the survey)			Civitavecchia	Italy	✓	✓
Mangalia				Genoa	Italy	✓	✓
Midia				Gioia Tauro	Italy	X	✓
Eysk	Russia	✓	X	Livorno	Italy	✓	✓
Cape Town	South Africa	X	X	Palermo	Italy	✓	✓
Durban	South Africa	X	X	Salerno	Italy	✓	✓
Port Elizabeth	South Africa	X	X	Venice	Italy	✓	✓
Richards Bay	South Africa	X	X	Kobe	Japan	X	X
Saldanha Bay	South Africa	X	X	Tokyo	Japan	✓	X
Barcelona	Spain	✓	X	Tanjung Pelepas	Malaysia	X	X
Keelung	Taiwan	✓	✓	Rotterdam	Netherlands	X	X
Belfast	UK	✓	✓	Auckland	New Zealand	✓	✓
Cardiff	UK	✓	✓	Port Nelson	New Zealand	X	✓
Humber ports	UK	✓	✓	Wellington	New Zealand		
Immingham	UK	✓	✓	Apapa	Nigeria	✓	✓
Port Talbot	UK	✓	✓	Cagayan de Oro	Philippines	X	X
Tees & Hartlepool	UK	✓	✓	Tuapse	Russia	X	X
Baltimore, MA	USA	X	X	Yalta	Russia	X	X
Corpus Christi, TX	USA	X	X	QEII Quay*	Sierra Leone	✓	✓
Galveston, TX	USA	X	X	Singapore	Singapore	✓	✓
Houston, TX	USA	X	X	(PWC = NWB in Singapore)			
Lake Charles, LA	USA	X	X	Port Alfred	South Africa	X	X
Miami, FL	USA	X	X	Malaga	Spain	X	X
New Haven, CT	USA	X	X	Helsingborg	Sweden	X	X
New Orleans, LA	USA	✓	X	Stockholm	Sweden	✓	X
Philadelphia, PA	USA	X	X	Kaoshiung	Taiwan	X	✓
Port Arthur, TX	USA	✓	X	Bangkok	Thailand	X	?
Port Manatee, FL	USA	✓	X	Laemchabang*	Thailand	X	?
Wilmington, DE	USA	X	X	Port Autonome de Lomé	Togo	✓	X
ii) Ports without levies							
Albany	Australia	X	X	Izmail Sea	Ukraine	X	X
Bell Bay	Australia	X	X	-Commercial Port			
Brisbane	Australia	X	X	Aberdeen*	UK	✓	✓
Dampier	Australia	X	X	Dundee	UK	✓	✓
Geelong	Australia	✓	X	Montrose			
Hobart	Australia	X	X	Goole	UK	✓	✓
Melbourne	Australia	✓	X	Leith	UK	✓	✓
Port Giles	Australia	X	X	Liverpool Manchester	UK	✓	✓
Port Headland	Australia	✓	X	- Ship Canal *			
Port Pirie	Australia	X	X	Lowestoft	UK	✓	✓
Sydney / Port Botany*	Australia	✓	X	South Shields	UK	✓	✓
Sydney	Australia	✓	X	Boston, MA	USA	X	X
Wallaroo	Australia	X	X	Greater Baton Rouge, LA	USA	X	X
Antwerp	Belgium	✓	X	Port Canaveral, FL	USA	X	X
Zeebrugge*	Belgium	X	X	Port Everglades, FL	USA	X	X
Rio Grande	Brazil	X	X	Portland, MN	USA	X	X
Santos*	Brazil	✓	X	Savannah, GA	USA	X	X
Vitoria	Brazil	X	X	Seattle, WA	USA	X	X
Diego Garcia	British Indian -Ocean Territory	X	X	Tampa, FL	USA	X	X
Sihanoukville	Cambodia	✓	X	Vancouver, WA	USA	X	X

* Ports with a future levy





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