



COMMENTS ON LABOUR SHORTAGES IN CANADA'S MARINE TRANSPORTATION SECTOR

Submitted to Transport Canada April 28, 2023

We are writing on behalf of the Shipping Federation of Canada, which is the national association that represents the owners, operators and agents of ocean ships carrying Canada's world trade, to provide comments on Transport Canada's consultation on labour shortages in the marine transportation sector.

As reflected in the background document announcing this consultation, Transport Canada's focus as relates to this issue is primarily on seafarer shortages in the domestic sector and mitigating the resulting impacts not only on the operators of domestic flag ships, but also on key service providers such as tug operators and marine pilots. Although we fully support the department's efforts in this respect (and have more to say on the impact of domestic labour shortages on foreign flag ships later in this submission), we cannot lose sight of the fact that Transport Canada also has an important role to play in addressing seafarer shortages in the international shipping sector, which is facing a deficit of 96,000 trained officers by 2026, among a host of other pressures. Given that the vast majority of Canada's seaborne trade is carried on board ocean ships crewed by seafarers who are sourced internationally, it is in Canada's direct economic interests to consider actions it can take to address labour shortages in the international seafarer fleet at the same time as it examines this issue from a domestic shipping perspective.

Maritime Labour Convention Obligations and Opportunities

Canada's most concrete opportunity to address labour shortages in the international seafaring fleet lies in its role as a port state, particularly as relates to enforcement of the provisions of the *Maritime Labour Convention* (MLC). Although we are not suggesting that more stringent enforcement of MLC provisions is the magic solution to the labour shortage issue, we do believe it represents an important means of addressing some of the primary factors that impact both recruitment and retention rates for international seafarers, many of which are linked to seafarer working and living conditions – which is one of the convention's key areas of focus.

The importance of these factors is highlighted in a report published by the International Labour Organization (ILO) in 2019, which indicates that the most common elements that contribute to a seafarer's decision to pursue and remain in a career at sea all have a "seafarer welfare" dimension, and include a safe and secure working environment, decent working and living conditions, internet access, social protection, medical care, fair employment terms, family support, working on high-tech and usable ships and systems, and long-term career prospects. The welfare dimension is even more pronounced in the report's examination of the factors that contribute to a seafarer's decision to leave the sector, and include considerations such as unfair promotion and organizational culture, low salary, poor working conditions and poor human resource practices such as abandonment, late or unpaid wages, insufficient shore leave, and lack of shore-based support.

SHIPPING FEDERATION OF CANADA

625 René-Lévesque, Suite 800, Montreal, QC, H3B 1R2 (514-849-2325)
1055 West Hastings, Suite 300, Vancouver, BC, V6E 2E9 (778-373-1518)
www.shipfed.ca

Given the extent to which such factors act as impediments to both effective recruitment and retention within the international shipping sector, it is incumbent on all countries which rely on foreign-crewed ships to carry their trade to send a clear message that they view seafarer welfare as a fundamental, enforceable, and non-negotiable right, and that ships which flout MLC standards will not be welcome in their ports. Towards that end, Canada should increase and amplify its commitment to enforcing MLC requirements through its port state control inspection programs, including by sanctioning ships that are found to be in non-compliance to a greater extent than is currently the case. As part of the same process, Transport Canada should also provide better, more granular data on MLC deficiencies and detentions in Canadian waters, and share this information with industry stakeholders so they can more effectively identify developing trends and opportunities for improvement.

In addition to allocating more resources to MLC inspection and enforcement activity, there are additional actions that Canada could undertake to further strengthen its actions on the seafarer welfare front. This includes considering the government's potential role in contributing to a stable source of funding for seafarer welfare centers across the country, offering financial support for targeted initiatives such as the provision of internet connectivity for ships calling Canadian ports, and adopting a more proactive and public-facing approach to seafarer welfare overall, similar to the government's stance on the importance of regulatory compliance in the marine environmental protection space.

Seafarer Mobility Issues

Another issue we wish to raise from an international shipping perspective relates to Canada's role in facilitating the ability of seafarers to enter Canada as part of a crew change process, which is an essential means of ensuring the continuity of shipping operations in a context of constrained seafarer availability. One constraint we are currently facing (and one which highlights the extent to which labour availability is often subject to external forces and geopolitical events beyond the industry's control) is the impact that the ongoing war between Russia and Ukraine (which together supply 15 percent of the global seafarer workforce) is having on the ability of Ukrainian seafarers to travel to Canada in order to join a ship. The normal visa application process for this group of individuals has been totally upended due to the war, as Ukrainian seafarers are now scattered at various locations across Europe and face significant challenges in terms of finding visa offices that remain open, and then having to travel to those offices multiple times in order to provide biometrics, surrender their original passport, and pick up their visa when ready. They must also arrange for safe accommodation as they await visa issuance (which can take up to six weeks) and final deployment to their vessel in Canada.

Given the above-noted challenges, we urge the government to simplify and streamline the current visa application process for this group of seafarers, with a view to ensuring their ongoing ability to participate in the global seafaring workforce. The Canadian government has had a proactive approach to facilitating travel and employment for Ukrainians impacted by the war through a variety of programs, including through the recognition of foreign credentials for Ukrainian seafarers wishing to work on board Canadian-flagged ships. We see no reason why a similarly proactive mindset should not be applied to meeting the needs of Ukrainian seafarers who must travel to Canada in order to join foreign flag ships as part of a crew change process.

As a final note on this topic, we would also strongly suggest that consideration of travel and entry requirements for foreign seafarers, particularly in contexts of constrained supply (whether due to geopolitical or other factors) be viewed as an integral part of Canada's overall strategy for addressing labour shortages in the marine transportation sector.

Domestic and International Considerations

As noted at the beginning of our submission, we are by no means unaffected by seafarer shortages in the domestic shipping sector and therefore strongly support Canada's efforts to address this critical issue.

International vessels calling Canadian ports rely on domestic harbour towage and ship escort service providers. Without sufficient quantity and quality of Canadian seafarers for these docking and escort tugs, ship arrivals and departures can be affected, resulting in delays and reduced efficiency, which result in a domino effect on the overall supply chain. The same situation applies to marine terminals and other key elements of the shipping industry. International vessels also rely on the services of Canadian marine pilots for entering and departing Canadian ports. This is a highly regulated regime, with a large percentage of Canadian marine pilots coming from the domestic shipping industry, including from tug and barge operations. Given the above, maintaining a substantial pool of highly qualified and trained Canadian seafarers is critical to sustaining pilotage services in our ports.

Although there are some significant differences in the factors that contribute to labour shortages in the domestic and international marine sectors, there are also a number of commonalities, including those related to diversity, technology, skills development and career progression. Another issue that will have a major impact on both sectors is the industry's effort to reduce greenhouse gas emissions to as close to net zero as possible. If this effort is to be successful, a significant portion of the world's two million seafarers will require a new set of skills and training in order to safely use alternate fuels such as ammonia and hydrogen, and operate the new technology systems that will have to be installed onboard. Although this is a substantial challenge that will add another layer of complexity to the recruitment and retention calculus across the globe, it also represents a tremendous opportunity to put seafarers at the heart of the new green economy, and to be part of the "Maritime Just Transition" envisioned by the United National Global Compact and the world's major shipping and maritime labour organizations. We trust that Canada will recognize the importance of this transition in its deliberations on the labour shortage issue and work to leverage the resulting opportunities to the greatest extent possible.

We trust that Transport Canada will find these comments useful in its efforts to address labour challenges in Canada's marine sector, and look forward to future engagement opportunities on this critical issue.

Yours truly,



Chris Hall
President and CEO
Shipping Federation of Canada