Maritime Safety Visioning for Operational Regulators

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1. Executive Summary

Government organisations generally don't suffer the adage 'failing to plan is planning to fail' – all government departments have a corporate strategy but it is usually gathering dust.

The role of organisational 'visionaries' is not merely to produce a corporate strategy, 5 year plan or poetic vision and missions statements - their role is to better align operational activity with organisational purpose and vision. Alignment of activity with the espoused vision should entail a proactive, coordinated and targeted approach.

The effectiveness of an organisation may be judged by the strength of the relationship between organisational vision and operational application.

The Corporate Strategy Team within Maritime Safety Queensland (MSQ) seeks to align operational activities with our corporate goals. We have adopted a risk management approach, as defined in our Strategic Plan 2004-08, as our vehicle for driving change and meeting our obligations as marine safety regulators.

The Plan states our intention that all MSQ staff will develop the necessary knowledge, skills and information to establish, operate and monitor a system of risk management. It is our aim that risk management will become embedded in the organisation enabling us to respond quickly to evolving risks and improve our decision making.

Our internal change process to align vision and operational activities involves establishing:
- a common understanding of organisational purpose;
- understanding our role as a safety regulator;
- internal commitment to planning and resource prioritisation; and
- 'buy in' by operational staff.

In order to facilitate change we have actively engaged stakeholders across various levels and functions within our organisation. 'Risk champions' are being supported and recognised for modelling our desired change principles. And support from our leadership team has been evident through the reallocation of resources and effort toward areas of greatest need and impact.

While we have a way to go our change management journey is founded on strong organisational development principles. To date we have established a shared understanding of organisational purpose. We are currently facilitating empowerment of staff to effect decisions and aligning systems and processes to support change elements. And our leadership team is engaging in a more strategic approach to managing our business. For the team in Corporate Strategy there is still plenty to do to facilitate the process but with emerging success indicators we are now enjoying the ride.

2   Common understanding of purpose

Organisations must plan their approach to facilitate shared organisational understanding and facilitate staff engagement to enact strategic visioning. Without internal ownership of the vision an organisation can suffer disconnect between corporate planners and operational staff.

Recent reviews into Queensland public sector administrations indicate the organisations may have suffered disconnect. As a result the organisations have been forced to implement wide ranging recommendations to facilitate improved service delivery. The reviews present an opportunity for internal reflection for all government departments.

2.1   Lessons learned – Queensland Health / Department of Family Services

Queensland Health, facing an increasing and aging population, was under pressure to maintain health services and respond to public pressures to reduce patient waiting times. In striving to increase efficiencies Queensland Health: rationalised and centralised health services – at a cost to rural areas; reduced lengths of stay in hospital for patient recuperation; and employed inadequate vetting processes in recruitment of staff.

The Queensland Health Systems Review Final Report (2005) identified that doctors and nurses believed that the balance of power within hospitals had moved from a service and care focus toward administration, "driven largely by financial imperatives around budgets, measurement of throughput and economising in the use of staff resources and materials". (p56)   While statistically Queensland Health may have been able to claim targeted efficiencies they appeared to have lost sight of their mission of 'promoting a healthier Queensland'.

The Department of Family Services in Queensland underwent extensive restructuring following investigation into the State's foster care services – specifically the recruitment, scrutiny and the level of support for carers of children at risk. The lack of available carers appears to have resulted in some 'at risk' children being placed with dubious carers with the department's processes lacking adequate monitoring and response to client complaints. It may be construed that in some instances the placement of children became more of an exercise in logistics than in care.

The Crime and Misconduct Commission's (CMC) Inquiry Report made 110 recommendations for implementation. An external consultant framed a 'Blueprint' (2004) for implementation of the CMC's recommendations within a newly formed Department of Child Safety. One critical consideration for implementation referred to field staffs' levels of focus and time apportioned to administrative duties at the expense of face-to-face contact with children, carers and parents - indicating the previous department had lost sight of their mission of safety and security for at risk children.

In both review cases administrative demands grew while the quality of care reduced – a clear disconnect between organisation vision and operational functions.

2.2   Maritime Safety Queensland - *Walking the Talk*

Having a vision is a start. MSQ's Strategic Plan 2004-08 identifies our vision of: *'Safer, cleaner seas – to lead the delivery of maritime safety, services, and the protection of the marine environment from ship sourced pollution.'* Our Plan has been endorsed by the Director General and our Minister – mission accomplished? Well not quite – in fact not even close.

The Corporate Strategy team within MSQ is currently leading significant organisational change so that our strategic direction and efforts meet the needs of, and deliver quality outcomes for, industry and the community. Our Plan defines *what* we are responsible for – three key outcome areas / six outcome areas; and *how* we intend to achieve them – through adoption of a risk management approach.

As the U.S. National Defence University (2006) concludes "…implementing the vision does not stop with the formulation of a strategic plan - the organisation that stops at this point is not much better off than one that stops when the vision is formulated. Real implementation of a vision is in the execution of the strategic plan throughout the organisation, in the continual monitoring of progress toward the vision, and in the continual revision of the strategic plan as changes in the organisation or its environment necessitate. The bottom line is that visioning is not a discrete event, but rather an ongoing process. " p14

The University's 'Strategic Leadership and Decision Making' paper cites the Nanus formula for successful visionary leadership in two parts. Firstly he believes that:

Strategic Vision x Communication = ***Shared Purpose***

Strategy statements – our vision, mission, values and outcome area descriptions - are being used within MSQ as a vector to break down silos between planners, policy developers, operational staff, auditors, human resource and other administrators to facilitate collaborative achievement of outcomes.

To establish shared understanding of our purpose we developed specific definitions for each outcome area. In the past we tended to identify areas of responsibility without specifying required outcomes – leading to inconsistent interpretation of our purpose. We failed to recognise that staff members are influenced by their backgrounds, that is staff from technical, marine and managerial backgrounds are likely to interpret and weight responsibilities differently.

Figure 1   Defining Organisational Outcomes to Establish Shared Purpose

The outcome definitions have been promoted to senior management and operational staff through a variety of forums. They are now more accepted, understood and used - as demonstrated by their inclusion in role and position descriptions.

The second part of the Nanus formula for successful visionary leadership is:

*Shared Purpose x Empowered People x Appropriate Organisational Changes x Strategic Thinking = **Successful Visionary Leadership***

In conjunction with raising awareness of our outcome areas we have moved to embed our regulatory and service responsibilities into planning, reporting and financial arrangements. The alignment of internal cost centres with outcome areas has identified our resource investment for regulatory functions and services, and provides a tool for internal re-prioritisation of investment.

We have also engaged key internal stakeholders in identifying, assessing and framing approaches to attending to strategic risks.   In short MSQ is working from the same song sheet (we have a shared purpose); internal responsibilities and accountabilities have been defined – managers are encouraged and empowered to make decisions; processes and systems have been aligned to support change; and managers and leaders have engaged in identifying and framing responses to organisational priorities.

3   Our role as a safety regulator

Our job is to ensure ship operators manage their risks, either by setting standards and insuring they are observed and to provide information and services to allow operators to better judge risk and act safely. Fortunately many of our staff are mariners who joined us motivated to improve the safety of seafarers and the marine environment.

Vollman (2000) describes the role of a regulator as responsible for interpreting and defining the public interest within the bounds of its mandates – with public interest embodying the concept of the greatest good for the greatest number.   Safety regulators aim to "improve the performance of individual and organisational behaviour in ways that reduce social harms, whether by improving industry's environmental performance, increasing the safety of transportation systems, or reducing workplace risk." (Coglianese, 2002 pvii)

3.1   Functions of effective regulators

Our key outcome areas define our regulatory mandate. However the setting of standards reflects only one element of the functions of an effective regulator. MSQ approaches the task of achieving safety outcomes by appropriately balancing regulation of the marine industry and users of the waterways with provision of information and services that enable industry and private operators to effectively manage risks themselves.

We have identified delivery areas critical to achieve improved safety outcomes and adopt these as the basis for detailed annual planning and review.   These delivery areas (deliverables) include our provision of information and services, and describe our function as a safety regulator. That is, as a regulator we:

- set standards – establish the level of safety that must be attained and administer the standards;
- detect non-compliance with standards - actively identifying organisations and operators who are not achieving the required standard; and
- facilitate compliance to standards – changing behaviour through education or enforcement.

We have established clear links between our regulatory responsibilities and the outcomes they must achieve. Table 1 shows the links between our deliverable activities and the outcomes sought.

Product Group	Product	Deliverables	Product Group	Product	Deliverables
Safety of Vessels and their Operation	Standards	Vessel Operator Licencing	Pollution Prevention	Standards	Pollution Prevention Standards
		Marine Safety Accreditation Schemes Administration		Detection	Pollution Prevention Standards Detection
		Safety of Vessel Operation Standards		Compliance	Pollution Prevention Compliance
		Safety of Vessel Standards			
		Vessel Registration	Pollution and Emergency Response Preparedness	Pollution and Emergency Response Preparedness	Pollution and Emergency Response Equipment Preparedness
	Detection	Safety of Vessel Operation Detection			Pollution and Emergency Response Exercising
		Safety of Vessel Detection			Pollution and Emergency Response Plan Preparation
		Marine Safety Accreditation Schemes Audit			Pollution and Emergency Response
	Compliance	Safety of Vessel Compliance	Pollution and Emergency Response	Response Services	Pollution and Emergency Response
		Marine Safety Accreditation Schemes Compliance	Supporting Services	Delivery of Supporting Services	Operational Services - Hydrographic Services
		Safety of Vessel Operation Compliance			Delegated Services - Pilotage
Safety of Vessel Movements and Mooring	Standards	Safety of Vessel Movement Standards			Operational Services - Aids to Navigation Maintenance Services
	Detection	Safety of Vessel Movement Detection			Commercial Services - Vessel Design Approvals
	Compliance	Safety of Vessel Movement Compliance	Administration of Supporting Services (including those delivered by other Agencies)	Administration of Operational Services	
	Information	Safety through supply and use of information			

Table 1   Link between organisation outcomes and deliverable actions

Through a mapping process we have identified gaps in our regulatory responsibilities. For example, we identified a lack of standards set for managing the safety of vessel movements – a function clearly within our domain. Actions to improve standard setting for vessel movements have now been prioritised within our work programs for 2006/07 and beyond.

Figure 2 portrays our relationship between information and regulation, detection of non-compliance, and facilitation to compliance through education and enforcement for unsafe activities.
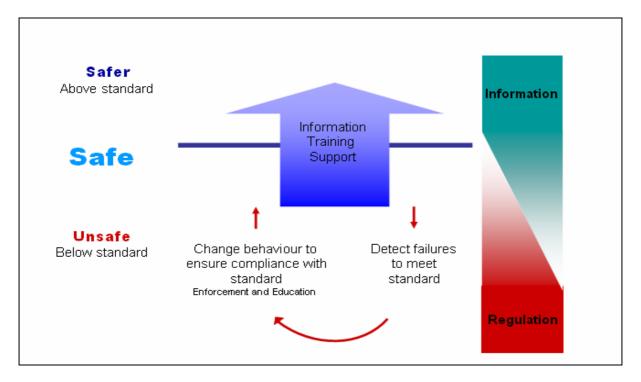

Figure 2   Representation of regulatory approach

3.2   Shared understanding of regulatory responsibilities

As Rothstein (2003) notes, staff in different parts of risk regulation regimes may have divergent perceptions of risks and/or divergent attitudes towards regulation. And that "such divergence may result in policy being implemented in unintended ways if officials monitoring and enforcing regulation perceive the magnitude and the need for control of certain risks differently to policy-makers." p85,86

He also suggests that problems with regulatory enforcement can be aggravated if central government delegates resolution of regulatory uncertainties to enforcement authorities. Such may have been the case for MSQ as we rely on support from the Queensland Boating and Fisheries Patrol and Queensland Water Police for compliance, particularly enforcement activities, and there has been some history of friction regarding service delivery.

The process of identifying the relative emphasis on each aspect of our regulatory roles has been a further medium to promote collaboration within our organisation – after all, if any element is not applied appropriately the integrity of the regulation is at risk. As an example, we may seek to address new risks by setting new regulatory standards. Policy developers know detection and compliance activities by service deliverers are critical to achieve the

policy's intent. Likewise detectors, auditors, educators and enforcers depend on quality and clarity of regulation.

Rothstein suggests that factors such as the economics and ease of enforcement, scope for legal discretion, political context, character and seriousness of the offence, and the relationships between regulators and the regulated can influence regulatory discretion. Awareness of these influences has enhanced the monitoring and management of our regulatory development and implementation.

3.3 Regulatory responsibilities and performance-based regulation

The interrelationship between policy developers, detectors and compliance facilitators is even more critical due to the nature of MSQ's regulatory approach. Since 1996, our regulatory focus has become largely performance-based rather than prescriptive, that is we set performance goals and allow clients to choose how to meet them. Coglianese, Nash and Olmstead (2002) note that implementing performance-based regulation poses particular challenges when a government agency makes a transition from a regime based heavily on design – or technology – based standards. They suggest staff find it especially difficult to adapt from hardware-oriented checklist inspections to inspections that call for them to judge the quality and effectiveness of performance.

Many of MSQ and enforcement agency detectors and compliance facilitators have been recruited for their technical backgrounds or enforcement expertise. Technical staff are generally comfortable with applying prescriptive standards, while enforcement officers tend to be inclined to treat every problem as a nail with strict enforcement as the hammer.

Previous approaches to detection and compliance that served a prescriptive regulatory approach do not fit the performance-based model that has been in place for the past decade. If we are to truly 'lead delivery of safer cleaner seas' our staff and enforcement partners need to embrace their role to facilitate behavioural change. As Vollman (2000) advises, "There are times when the regulator must push industry in the direction of a solution, other times when it must coax, others when it need only suggest, times when it is appropriate to let the industry lead, and, finally times when it should fall back on the formal quasi-judicial hearing process." p7. We now recognise staff development is needed to aid staff to apply appropriate interventions to attain and maintain behaviour change.

4   Adoption of a risk management

"At any instant, an organisation is dependent on the path it travelled: looking backwards, it is defined by the knowledge it has amassed; looking forwards, the value any organisation can capture is a measure of the risks it faces." (Coleman and Casselman 2004 p2)

Our Strategic Plan 2004-08 commits us to adoption of a risk management approach to identify, prioritise and attend to the greatest threats to achievement of our key outcomes. The Plan describes a Risk Management Cycle, developed internally from the generic Australian and New Zealand Risk Management Standard 4360:2004.

Adoption of this approach leads us to take a proactive focus to manage achievement of our key outcomes. Through identification of risk drivers we are more effectively utilising internal data sets and accessing industry information to better understand and monitor changes to activities within our regulatory mandate. The Cycle has led us to prioritise the greatest risks to be addressed, and identification of, and commitment to, the most appropriate interventions to reduce levels of risk.

We recognise that the impact of this approach may not be seen in current organisation performance indicators in the short term. As some indicators are measured by cost of incidents over the cost of regulating we may find that the increased focus in the short term may indicate reduced performance. We are confident however that systemic improvements will be made in the medium long term.
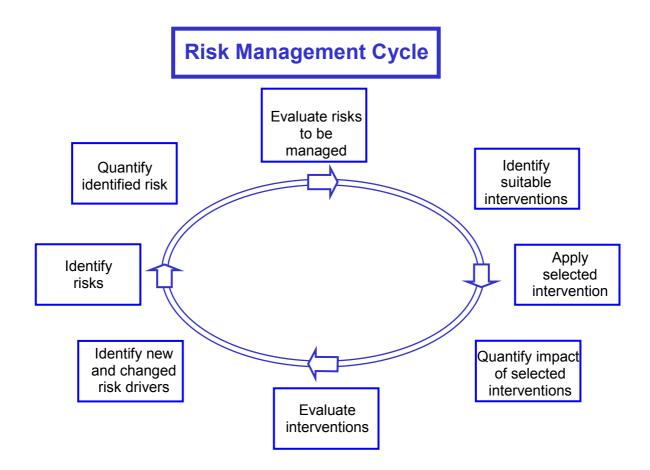
Risk Management Cycle

Evaluate risks to be managed

Quantify identified risk

Identify suitable interventions

Identify risks

Apply selected intervention

Identify new and changed risk drivers

Quantify impact of selected interventions

Evaluate interventions

Figure 3   MSQ Risk Management Cycle

Our commitment to a risk management approach complements international calls for adoption. As Diop (2002) identifies, "The shipping industry has shown that free market forces can provide cheap transport. However, as ships increase in size, cargoes become more complex, ferries run even faster and the management of shipping companies become erratic and less concerned with safety precautions, the risk of an accident becomes correspondingly greater." p82 He suggests that as the maritime industry becomes more risky administrations should become more pro-active in assessing and mitigating risk. This call has been supported by the International Maritime Organisation who developed guidelines for Formal Safety Assessments to be conducted on trade ships.

4.1   Implementing MSQ's Risk Management Cycle

Australia's export boom of minerals and growth in consumer imports is a major reason for pro-active management. While Queensland has historically maintained a good record we need to be vigilant to events with potential catastrophic safety, environmental and

commercial impacts. These impact areas, along with our reputation, form the suite of consequences for our risk assessments.

Using analysis of history, trends and intelligence key stakeholders (primarily internal) have prepared assessments of **consequence** and **likelihood** to rate and prioritise external strategic risks for management in 2006/07. Risk events have been defined by hazard, location and generally vessel type. MSQ's eleven current priority risks for attention are the risks of a:

- trade vessel grounding in an environmentally sensitive area (Torres Strait)
- trade vessel grounding in channel (Brisbane, Gladstone and Townsville)
- fire onboard a commercial passenger vessel (Whitsunday, Cairns)
- commercial fishing vessel capsize (Cairns, Brisbane)
- non-persistent oil spills (Cairns, Gold Coast)
- seafarers lost (Torres Strait)

Internal stakeholders, with limited representation from external clients, participated in regional risk workshops to share learning of risk events – including identification of factors that were most likely to cause a risk event to occur or would escalate the consequence of an event. Stakeholders identified what they considered to be the most effective interventions to reduce risks.

In total, 172 new or changed interventions will be delivered to effect risk reduction across the eleven priority risks. As stated in our Strategic Plan, the goal of our risk management approach is to "match our interventions to the nature and extent of risk faced and the impact of the risk not being addressed." p6

In future we will engage a wider range of external stakeholders in elements of our risk cycle. As Gouldson, Lidskog and Wester-Herber (2004) identify: "Opening up the decision-making processes to external scrutiny or wider public involvement is a recurrent theme within broader debates on issues such as modernising government, rethinking regulation and changing the context for corporate governance." p1

5   Senior management commitment

MSQ establishes marine safety and marine pollution prevention strategies in line with the legislative requirements of the *Transport Operations (Marine Safety) Act* 1994 and *Transport Operations (Marine Pollution) Act 1995*. The Acts requires us to establish criteria for deciding priorities and performance indicators to demonstrate achievement of strategy objectives.

The strategies, as identified in our Strategic Plan, were developed through adoption and application of our risk management approach. They are consistent with the strategic direction of Queensland Transport and the Queensland Government's priorities and also take into account our international obligations and agreements or arrangements between Queensland and other states and territories and the Commonwealth.

For 2006/07 and years beyond a Maritime Safety Implementation Program and Marine Pollution Prevention and Response Program have been developed to attend to our organisational priorities. Internal stakeholders have developed and committed to delivery of 172 new or changed initiatives to attend to our priority risks. These initiatives will be delivered through a reallocation of available resources – made feasible through organisational commitment by our leadership team.

Our leadership team is represented by the General Manager, Regional Harbour Masters and Branch Directors. While members have either location management or policy responsibilities, as a committee they have carriage for organisational decision-making and performance. It is in this light they have become a significant medium in supporting internal change processes through applying decisions for organisational benefit rather than merely lobbying for individual branch or regional interest.

This group is engaging in an 'end to end' planning and review processes to monitor organisational change and rectify lapses. Indicators of their commitment to this process include:

- each risk treatment action has an agreed milestone for completion with larger treatment actions being broken down into tasks with sub-milestones assigned to each task;
- action and task progress is monitored at each leadership team meeting (6 weekly);
- actions or tasks behind schedule require exception reports and proposed approaches for rectification.

Regional Harbour Masters are also profiling risk reduction progress at each committee meeting. With the leadership team demonstrating commitment and accountability at the helm, successful change management is now more likely at the operational level.

6   Staff 'Buy in'

Staff within a safety organisation want to make a difference. Unfortunately over time some staff may become disillusioned with organisational bureaucracy, regulatory ambiguity, poor client relationships or professional isolation. They may lose their passion for achievement of safety outcomes and settle for more bureaucratic functions. Risk management may be a vehicle for reigniting that passion. We have found that through actively seeking staff input into risk identification, risk assessment and intervention identification staff have engaged – with us, the planners and each other.

Engagement processes to effect organisational change have targeted different levels, locations and functions within MSQ – the leadership team, managers and operational staff; policy makers, detectors and compliance facilitators; and head office and regional staff.

In early stages of implementation we established an internal reference group to initiate organisational 'buy in'. Members of the Risk Management Reference Group were nominated on the premise of having:

- a level of decision making responsibility for activities that contribute to achievement of MSQ's key outcomes;
- interest or expertise in risk management;
- passion for organisational improvement; and
- commitment to contribute positively as a member of the reference group.

The Group is representative of the organisation, acts as an advisory body to the leadership team and is a sounding board for the Corporate Strategy team.

The Risk Management Reference Group has developed a working charter which defines their primary roles as to:

- develop a framework for a staged implementation of risk management throughout MSQ to achieve our aim of embedding risk management within the organisation;
- develop and recommend processes to frame implementation of MSQ's risk management strategy; and
- monitor risk management processes and provide feedback on processes and effectiveness to the leadership team.

Members have also become advocates for risk management and its embedment within the organisation. Not surprisingly, the acceptance of risk assessment and management has reinvigorated interest in Workplace Health and Safety with Workplace Committees now having strong attendance by staff.

Our regional risk workshops (to identify interventions for reduction of prioritised risks) have engaged a broader range of internal stakeholders – recognising their experience and expertise. Participants who actively engaged in discussions and demonstrated innovation and commitment to reducing the risks have been nurtured to become risk champions within their areas of operation. They have been actively encouraged, supported and recognised for their efforts.

An example to be highlighted is our Manager Marine Safety in Townsville who has developed and implemented a risk approach to inspecting vessels and their operation in the Townsville Region. His process is at a stage now where he is able to quantify the level of risk reduction of the fleet. In recognition of his achievement the Manager was invited to present an overview of his approach and its impact to the leadership team. His processes were lauded by the team and are now being considered for statewide application.

As risk treatment interventions are applied, other staff will be given the opportunity to showcase their efforts, learnings and successes – valuable for potential duplication or modification in other locations and contexts. The number of risk management champions is growing – they will be our advocates to promote further staff 'buy-in' and foster organisational change.

7.   Conclusion

MSQ has embarked on a significant, some would say ambitious, change management process in order to align strategic goals and operational activity and to maximise achievement of our key outcomes.

Our change process brings together a suite of concepts including:

- performance-based regulation
- a framework that describes our functions as a safety regulator; and
- risk management.

In order to facilitate change we have actively engaged stakeholders across various levels and roles within our organisation. Support from our leadership team is evident in the reallocation of resources and effort toward areas of greatest need and impact. And internal 'champions' are being supported and recognised for modelling change principles.

We have established a shared purpose; are empowering staff to effect decisions; have aligned systems and processes to support change elements; and our leadership team have embraced a more strategic approach to our business.

While we have a way to go, our journey is founded on strong organisational development principles. We recognise that the fruit of our transition may not be fully realised in the short term and we need to stay committed to the path we have mapped.

For the team in Corporate Strategy there is still plenty to do to facilitate the process but with emerging success indicators we are now enjoying the ride.

8.   Acknowledgements

This paper reflects the efforts of the Corporate Strategy Team in planning and affecting our change management process. Special mention must go to Brendan Hickey, Branch Director and the Team's chief 'visionary'.

As Joseph Joubert reflects, "Genius begins great work, labour alone finishes them". My fellow labourers in the Team include:

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- Deanna Grant-Smith, Principle Project Officer
- Yuen Wah Tit, Maritime Systems Advisor.

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