



Society of Master Mariners South Africa

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THE BRIDGE WATCH – November 2013

Our Vision: *“To be the authoritative voice of South Africa’s marine professionals”*

President’s Report: The Society held a very successful National AGM – our 69th - on the 16th August 2013.



The meeting took place onboard the Training Ship “S.A. Agulhas” and was attended by 22 members.

I must take this opportunity to thank Smit Amandla Marine for making us feel at home and for their superb catering. SAMSA and SAMTRA must also be congratulated for the training environment they have created onboard and the immaculate turnout of the cadets and officers.

During a break in the AGM proceedings we were given a presentation of the onboard cadet training regime. All members present were left convinced that this project is world class and that we are indeed fortunate to have such proactive and forward thinking management in place driving the training of our future mariners. SAMSA, Smit Amandla Marine and SAMTRA make a superb team and have our full support and confidence.

The minutes of the National AGM as well as all the various reports tabled are posted on our website (in the new password protected “Members Login” area). As such I don’t intend repeating everything again in this newsletter.

The AGM did elect the new Executive Committee and for the record these are:

- President: Rob Whitehead
- Vice President: Azwi Mulaudzi
- National Secretary: Keith Burchell
- National Treasurer: Neil Lawson
- Committee Members: Capt. Charles Kingon (seagoing) & Simon Pearson

It must be borne in mind that all Branch Masters and Port Representatives are also automatically on the Executive Committee. These are:

- Durban Branch Master: Colin Johnsen
- Cape Town Branch Master: Rob Whitehead
- Richards Bay Branch Master: Rob Farren-Handford
- Port Elizabeth Branch Master: Siegfried Duwe

- Mossel Bay Port Representative: Guy Barker
- Saldanha Port Representative: Lance Teidt

We all have very busy work and social lives and it is very difficult to find members willing to sacrifice their time for their fellow professionals. I am sure all members join me in thanking these members for offering their services to the Society.

In my President’s report to the AGM I made 2 points that I would like to touch on again.

The first is that we need to focus our efforts at carefully selected issues. There is so much happening in the South African maritime industry at present as SAMSA and Government initiatives kick-start the rebuilding of our industry. Given the number of active members willing to give up their time as well as the costs associated with participating in these initiatives there is only so much we can do.

The key issues I see as being the ones we must focus on are:

1. Maritime education & training. We have a representative (Simon Pearson) on the SAMSA “Panel of Experts” as well as a representative on CPUT Industry Advisory Committee (Lance Teidt). This, together with other members employed in various training institutions allows us to monitor developments extremely well.
2. Proper recognition of Certificates of Competency within the National Qualifications Framework (NQF). This will be done through the Quality Council for Trades and Occupations (QCTO) – something which will be covered in more detail further on in this newsletter.
3. Introduction of a Formal mentorship program. Our exposure to Student Members who have been joining the Society has shown us that these youngsters can benefit significantly from the support of a mentorship program. The ease of communication via email, cell phone and social networks makes it possible to maintain a mentorship relationship at a distance and even from onboard a ship.

There is always other business that will crop up from time to time and these will have to be dealt with as

they arrive. Issues such as commenting on draft legislation, monitoring the work of Parliamentary Committees, providing comment on and support of the Governments rebuilding of the RSA fleet

Maritime Industries 7-a-Side Soccer Tournament

On the 19th October, Smit Amandla Marine organized a fund-raising Maritime Industries 7-a-side soccer tournament at the Tableview Football Club in Cape Town in support of a marine engineering bursary.



SOMMSA's "Magnificent 7" with President Rob Whitehead and Team Manager Samkelo Ndongeni

The Society entered team made up of our Student Members (seen here with team management). Although highly motivated, our team battled with the smaller size of the 7-a-side fields and didn't do as well as planned winning 1 of their 3 games.

Over 20 teams from all sectors of the maritime industry took part and some 800 players, families and supporters joined in for a great day of fun and fellowship.

Thanks to Smit Amandla Marine for a great day!

Costa Concordia salvage



As most members know by now, Nick Sloane is the Salvage Master for the Costa Concordia.

Nick is a long-standing member of the Society and we are all very proud of the leading role he has played in this very difficult and complex operation of righting the vessel.

President Rob Whitehead conveyed the Society's congratulations to Nick immediately after the successful righting.

I am sure we all look forward to a more detailed presentation from Nick in due course and once the hype has all died down.



Society of Master
Mariners
South Africa

1940 – 2015

75
YEARS

The Society was formed in December 1940 which means our 75th anniversary is just around the corner in 2015.

Your Executive Committee is looking at various options to appropriately celebrate this milestone.

One proposal already accepted is for the production of a range of commemorative products bearing a 75th anniversary SOMMSA logo. Items such as mugs, caps, ties and crests will be produced for sale - the profits of which will go to our Benevolent and Bursary Funds.

Members are invited to make any other suggestions for ways of celebrating the occasion.

One idea is to produce a record of the Society's history in electronic format which anyone could print out if they wanted to.

Fortunately all of the Society's annual Log Books have survived from the very first one in 1940 until the last one in 1993. I have them safely stowed in my study and plan to use them as my source material. Any publications after 1993, which members may have stashed away somewhere would be useful for covering the later years of the Society. If you do have any please let me know.

Also, any anecdotes that you may have and which would add interest to the history will be welcomed.

R. Whitehead

In July this year, the National Treasury introduced a draft Taxation Laws Amendment Bill. The following extract from the Explanatory Memorandum published with the draft Bill highlights the successful efforts of the Society and many other maritime organizations in persuading Government to make the South African flag attractive to ship-owners. The relevant section is reproduced hereunder (I have highlighted in red the section of most interest to seafarers).



**EXPLANATORY MEMORANDUM
ON THE TAXATION LAWS
AMENDMENT BILL, 2013**

**EXEMPTION FOR INTERNATIONAL
SHIPPING TRANSPORT ENTITIES**

I. Background

A. Shipping transport owned by South African companies

As a general matter, international shipping transport conducted by South African companies is largely subject to a corporate income tax rate of 28 per cent. The only incentives for international shipping are some depreciation incentives for capital investment in shipping transport.

B. Shipping Transport owned by controlled foreign companies

Income from controlled foreign companies generates deemed income for certain South African shareholders unless the income falls within certain exemptions – the most notable of which is income attributable to a foreign business establishment. The most common form of foreign business establishment involves a foreign fixed place of business but other forms are possible. One of these other forms is international transport, including international shipping transport. More specifically, international shipping transport falls within the ambit of a foreign business establishment if the international shipping transport is conducted solely outside of South Africa.

II. Reasons for change

Government has long been aware that the international trend has been toward greatly reduced taxation of international shipping transport due to the highly mobile nature of this activity. Many leading shipping centres now impose a tonnage tax regime in

lieu of income tax. In the case of a tonnage tax, tax is calculated by measuring the tonnage of the ship rather than through reliance on profits with the tax essentially amounting to small license fee. Other countries exempt international transport shipping income altogether. In view of these trends, the 28 per cent South African rate is wholly uncompetitive and is cited as one of the reasons that South Africa can no longer attract ships to its flag despite South Africa's strategic naval location.

III. Proposal

A. Overview

In view of the above, it is proposed that a new tax regime providing tax relief for shipping companies be introduced. In order to qualify for this relief, the company at issue must be a resident and hold at least one or more vessels that: (i) are flagged in South Africa in terms of the Ship Registration Act, 1998 (Act No. 58 of 1998), and (ii) designed for international transportation of passengers or goods for reward.

B. Relief mechanisms for domestic shipping companies

The new shipping tax regime for qualifying domestic shipping companies includes exemptions from normal tax, the capital gains tax, the dividends tax as well as cross-border withholding tax on interest. These companies also have added flexibility in terms of functional currency.

1. Exemption of shipping income and gains

Receipts and accruals in respect of income derived from South African flagged ships of a qualifying shipping company will be treated as exempt income if that ship is engaged in the international traffic of passengers or cargo for reward by sea. The disposal of the ship is also exempt regardless of whether the gain generates ordinary revenue or capital gains.

2. Exemption of company withdrawals

Dividends paid by a qualifying shipping company will not be subject to the dividend tax if the dividend is derived from South African flagged international transport ship. Interest paid by shipping companies to foreign lenders in respect of debt obtained to finance the acquisition, construction or improvement of a South African flagged international transport ship will be exempt from withholding tax on interest.

3. Permissible use of a non-South African functional currency

Many international transport companies use a currency more suitable to an international environment than the local currency of residence. Given the blanket income tax exemption of receipts and accruals of international shipping income, an international shipping company will not be subject to tax on currency gains and losses. As a collateral measure, a qualifying shipping company may use a currency other than the Rand as the company's functional currency. This new dispensation will apply to the determination of taxable income,

monetary items, capital gains items and other tax issues. A functional currency is defined as the currency of the primary economic environment in which business operations are conducted. This overall reliance on a non-Rand currency for tax purposes should eliminate inadvertent currency gains and losses

C. Collateral amendments (depreciation and officers/crew)

Given the proposed exemptions going forward, domestically flagged ships designed for international traffic for reward of passengers or goods will no longer be depreciable. Other ships will remain depreciable over a five-year period at a rate of 20 per cent per annum.

Under current law, the officers and crew of an international transport ship are exempt from tax on their salary (i.e. remuneration) if those persons are outside South Africa more than 183 days. In order to avoid potential issues of pay-as-you-earn withholding for employers of South African officers and crew, officers and crew of domestically flagged ships designed for international traffic will be wholly exempt without regard to the days abroad.

D. Revised foreign business establishment classification for international ships

The special rules for determining foreign business establishment relief for international shipping are too narrow, thereby giving rise to inadvertent controlled foreign company income. International transport ships should not lose the benefit of this relief merely because of occasional visits to South Africa. Therefore, any vessel used for transport that is engaged in international traffic will be treated as a foreign business establishment.

IV. Effective date

The proposed amendments will generally be effective for years of assessment beginning on or after 1 January 2014.

ANNUAL MERCHANT NAVY MEMORIAL SERVICE

11h00 WEDNESDAY 6th NOVEMBER 2013

Venue: Merchant Navy Memorial in Cape Town Harbour (next to Port Control)

In the event of inclement weather the service will be switched to the chapel at the Mission to Seafarers situated diagonally opposite Table Bay Harbour Police Station/"E" Berth. If in doubt as to the venue please contact Colin Flockhart on 083 2503380.

At the conclusion of the service you are cordially invited to join us for refreshments and snacks at the Mission to Seafarers.

Organised by the SOMMSA Cape Town Branch.

UPDATE ON THE RECOGNITION OF CERTIFICATES of COMPETENCE

Currently, Certificates of Competency (CoC's) are not formally recognised within the National Qualification Framework (the NQF).

Informal recognition takes place at universities, colleges, companies, government institutions etc. This recognition varies considerably and makes it difficult for CoC holders to clearly identify their qualifications status within an environment where they are being compared with other graduates to determine pay scales etc.

The main problem is that the limited formal academic time spent studying for a Master's CoC only places the qualification at Diploma level. No recognition is given to the experiential component of training – i.e. sea time – other than for a SAMSA CoC.

As reported in previous Bridge Watches, the Quality Council for Trades and Occupations (QCTO) has finally been launched and it is within this environment we believe CoC's will finally get formal and appropriate recognition within the NQF. The Quality Council for Trades and Occupations essentially replaces the old 'standards generating bodies'.

The Society is working with the QCTO to ensure our members interests are protected in this grading process. A basic requirement for the process is for the creation of a "Professional Body" representing seafarers.

SAMSA has made application to the South African Qualifications Authority (SAQA) to be recognised as a Professional Body and following many meetings has now reached the stage where SAMSA has complied with all the requirements with the final one being the coming into force of the revised Regulations which give effect to the establishment of a Professional Body.

Codes of Ethics, Disciplinary Code, Rules and now the Regulations, have been submitted to SAQA for final approval. When this is forthcoming, SAMSA will submit a formal application to the SAQA Board for their official approval. It is not possible to even estimate the time line – the Board's final meeting this year is in October.

We have been advised that the pilot qualification for "Able Seaman" developed for the QCTO has been published in the Gazette and is pegged at NQF 3. This is a good start as the steps up to Master via Deck Officer and Mate would probably place a master qualification at about NQF Level 8 – i.e. Masters, Post graduate diploma and Professional Qualifications level.

Meet your Exco

The Executive Committee of the Society is its “engine room” directing strategy and running our day-to-day affairs. Here are some of the individuals who represent you:

Vice President: Azwimbavhi Mulaudzi

Azwi hails from the village of Lwamondo, Tshivhale in Limpopo Province where he attended primary and secondary education. He studied for his tertiary qualifications at the then Cape Technikon before joining Maersk Offshore in 2001 as a Deck Cadet. After 9 years at sea came ashore as a certificated Master Mariner. He joined SAMSA as a Ship Surveyor and Deck Examiner and was promoted to Deputy Principal Officer in the Cape Town office in 2010.



Sea-going Member: Captain Charles Kingon

Charles has been serving as Master since 2001 and is currently sailing on the so-called WAFMAX ships between China and West Africa. He was born in 1960 and after matriculating joined Safmarine as Deck Cadet. Two years after obtaining his Master's CoC in 1989 he came ashore to Safmarine as travelling Supercargo and Central Container Planner and eventually as Cargo Planning Manager. After 8 years ashore he returned to sea in 1999. He is married to Jenny and they have 3 children. His other interests are travel, history and Formula 1 racing.



Saldanha Port Representative: Lance Teidt

Lance was born in 1967 in Umtata, Transkei. He matriculated from Kimberly Boys High in 1985 and went to sea with Safmarine as a Portnet Cadet. Obtained his Masters CoC in 1996. In 2000 took up the opportunity of a life time to move to Hong Kong and sail as Chief Officer of the Brigantine Ji Fung which was operated by Outward Bound. From there he returned to commercial shipping in the Offshore industry for 7 years, where he sailed as Master. In 2007 came ashore as a Marine Advisor for SMIT Amandla Marine doing Discharge Advisory Service in Saldanha Bay of VLCC's discharging Crude oil, also acting as Mooring Master on



the PetroSA tanker loading at the SBM offshore at the ORCA (Oribi Oil Field). Lance is married with 2 children and his other interests are Square Rig Sailing - recently sailed on the Lord Nelson (Jubilee Sailing Trust) from Cape Town to Durban.

Exco Member: Simon Pearson

Simon is a well-known member of the Society who lectured many members while Senior Lecturer at the SAMNA General Botha/ Cape Technikon/Cape Peninsula University of Technology. He was born in 1947 in Port Elizabeth but educated at St Georges Grammar School and the General Botha in Cape Town. He also completed a Post Graduate Diploma in Maritime Law at UCT. After leaving education he set up and is the owner/CEO of Seatrain Consulting. Simon is married to Anne (an ex Pursurette from Union Castle) and they have 2 daughters and 3 grandchildren. His other interests are golf, walking and various committees.



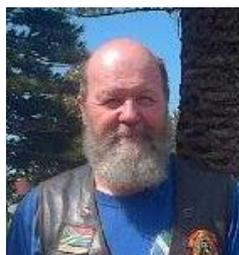
Richards Bay Branch Master: Rob Farren-Handford

Rob was born in Johannesburg in 1950 and was educated at King Edward VII High School. In 1968 he commenced his training at the SAMNA General Botha and obtained his Masters CoC in 1976. His working career started at sea with Safmarine and he came ashore in 1979 where he worked in Durban variously as a Marine Surveyor, Stevedore Superintendent and Operations Manager. From 1985 to 1991 he had his own construction firm before returning to surveying where, in 1994, he set up and runs Acme Marine CC in Richards Bay. His other interests are golf, watching sport and brewing beer.



Port Elizabeth Branch Master: Siegfried Duwe

Siegfried was born in 1958 in Vereening, South Africa. He joined Safmarine as a cadet in 1975. Obtaining his Class I CoC in 1987. In 1988 he came ashore to join The Salvation Army in full time ministry where he spend the next 17 years. He left to grow the Bikers Church in Port Elizabeth while at the same time opening a survey office with Independent Surveyors and did

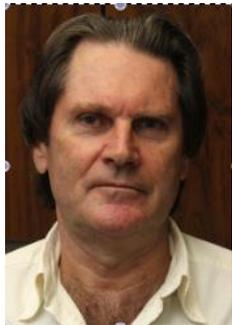


Siegfried Duwe (continued)

.....Marine surveying for two and half years. After completing the Transnet training program in 2008 he obtained his Open Pilot License for Port Elizabeth and Ngqura in 2010. Currently he is a full time pilot in Ngqura. From time to time doing marine surveys as needs arise. In addition he is still the pastor of Bikers Church. He is married to Jenny with two daughters aged 21 and 17. He has completed 14 Argus cycle tours and enjoys doing woodwork and sailing his Hobie 16.

Durban Branch Master: Colin Johnsen

Colin was born in Pietermaritzburg in 1952. He was educated at Northlands High School in Durban North and Ixopo High School in the Natal Midlands. After matriculating he Attended GBOBA in 1971, as well as the Natal Technikon at various times to study for his CoC's. He progressed from Cadet to Master with Unicorn Lines between 1970 and 1984 before moving to Portnet as Mate and Tug Master until 1990. In 1986



he completed a Post Graduate Diploma in Maritime Law at UKZN. After a brief spell as a Marine Surveyor, he entered academia and since 2004 has been a lecturer and Head of Department , Maritime Studies, Durban University of Technology. He is Married to Karin and they have two grown up sons. They enjoy travel, camping and spending time with their dogs.

REMINDER!!!!

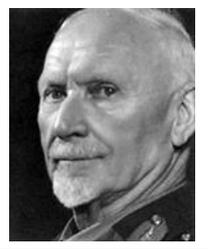
The Society website now has a portal to a Members Page exclusively for viewing by members.

This page contains details of our members (i.e. names and email addresses) as well as minutes of meetings, financial reports and any other information we would prefer to share exclusively with members.

To enter the Member's Page you will need your personal password, which will be sent to you on request. Simply email mastermariners@icon.co.za requesting your password.

The Society 72 years ago

Extracts from the Society's 1941 Log Book



Our Patron's Message To "The Log Book"

Gentlemen of the Sea,

On the occasion of the first issue of this Marine Journal, "The Log Book", which I think will meet a real need in our country; I wish to extend to the President and all Members of the Society my best wishes for the future.

I hope in these pages much of interest and perhaps enlightenment will be found, to the mutual enjoyment of all South Africans who may rightly claim the "Heritage of the Sea".

The inauguration of this Society reflects on the membership a spirit which will carry us through these bad times to victory.

Good luck!

(Signed) J.C. Smuts

Examinations of Masters and Mates in South Africa

Facilities for the examination of Masters and Mates of the Mercantile Marine were inaugurated in the year 1928. Comdr. F.M. Sergeant, late Senior Examiner at Liverpool, was appointed by the British Board of Trade to come to South Africa to do the spade work and lay the foundation stone. Records show that the first Certificate was issued on July 27th, 1928, in Durban, to Mr. Bernard Joseph Doherty. Records do not show if there were previous examinations held or any failures recorded.

Capt. C.S. Hewlett was elected by Comdr. Sergeant to proceed overseas to qualify as examiner. Returning to the Union on November 9th, 1929, he took up the duties of Assistant Port Captain and Examiner of Masters and Mates at Cape Town. The Examination Rooms were situated in the "Old College of Music", Plein Street.

It is interesting to note that since then the grand total of candidates examined total 308 (i.e. between 1929 and 1941 – Ed).

The SOMMSA Bursary Fund

The Governing Board of the SOMMSA Bursary Fund continues to grow the Fund into its third year of operations.

Our first bursary recipient of the new Fund, Nelson Beja, will be completing his Maritime Studies S2 extended program during November after 2 years of study at CPUT where he has done extremely well and has been a credit to the Society and our Bursary Fund.

The Governing Board asked Branches to submit applications for 2014 bursaries during August this year. Cape Town Branch submitted 9 applications (all Lawhill Maritime Centre Grade 12 learners) and Durban Branch submitted 1 application for a student currently studying at DUT.

All applicants submitted written motivations and CV's for consideration by the selection committee.

During September the Governing Board made up of Rob Whitehead, Keith Burchell, Neil Lawson, Colin Flockhart and Charles Kingon held interviews with a shortlist of the 7 Cape Town applicants at the Lawhill Maritime Centre.

At the same time a sub-committee of Durban members made up of Howard Jackson-Moss, Peter Stacey and Roy Scallan interviewed the Durban candidate.

Although all the youngsters appearing before the Board were excellent, available funds are such that a maximum of 3 bursaries in total could be awarded.

During each interview the applicants were required to respond to a series of standard questions. Additionally, their academic performance as well as their financial situation was assessed. After extensive discussion among the Fund's Governing Board 3 candidates were awarded bursaries. They are:

- Njabulo Mkhize (DUT)
- Zusiphe Mzotho (CPUT)
- Tsoso Hanong (CPUT)

Each bursary is for University fees and Learner Support Material for the Maritime Studies Semester 1 and Semester 2. Typically this costs around R26,000 per bursary.

Our main fund raising event is the annual Marine Bursary Golf Day which will be run again on the 21st of November at the Rondebosch Golf Club in Cape Town.

The Fund is registered with SARS as a Public Benefit Organisation (PBO) which offers significant tax benefits to donors. Donations tax of 20% of the value of the donation is normally required to be paid by the donor. However, because the Fund is a registered PBO donations are exempt from tax as follows:-

- Individuals – limited to a donation benefit of 10% of taxable income before the deduction of donations and medical expenses.
- Companies – limited to a donation benefit of 10% of taxable income before becoming liable to taxation on donations.

Members are encouraged to consider making tax exempt donations to the Bursary Fund either:

- In their personal capacity,
- via their companies,
- As a codicil in their will,
- By supporting our fundraising events (e.g. the annual Golf day).

The Fund's bank details are:

Standard Bank
Branch: Thibault Square (020909)
Current a/c No. 070545995

International Federation of Shipmasters' Associations



During the 30th Annual General Assembly in Buenos Aires there was concern that some

members were not fully aware of the work that was carried out by the Secretariat in London. To try to put this right and to add some immediacy to conveying the information between the quarterly newsletters, IFSMA publishes a monthly log to highlight the key activities that have kept the secretariat occupied.

These logs give details of IFSMA's interactions with IMO as well as the general activities of the IFSMA organization itself.

These interesting and informative logs can be accessed via the IFSMA website www.ifsma.org and then by clicking on the link at the top of the page called "Monthly Logs".

It's well worth a visit.

**IFSMA 40th Annual General Assembly
Will be held in Sandefjord, Norway
June 5 & 6, 2014**