



SRJ *Ship Repair Journal*

The Official Journal of the International Association of Shiprepair Agents

*Malta Shipyards re-open
Conversion work in Chengxi
Netherlands restructuring for Wärtsilä*



Shipyards

Malta shipyards re-open

A new era for the Malta Shipyards has now begun, with the yard being renamed Palumbo Malta Shipyards. The shipyard has remained closed for a number of years while the Maltese Government sorted out new operators for the facility. Malta Shipyards was owned by the Government of Malta. The Malta Shipyards group comprises a modern steel fabrication production facility at Marsa, one of the largest drydocking, repair and conversion facilities in the Mediterranean at Cospicua, Manoel Island Yacht centre and the Malta Shipyards Tank Cleaning Station.

During the latter part of last year (2009) Italy's Palumbo SA was given the status of preferred bidder for the operation of the Cospicua facility. This has now led to, as from 3 June this year (2010), the yard being reopened as Palumbo Malta Shipyard.

According to Pablo de Celis, Commercial Manager for Palumbo Malta Shipyard, "We have taken over Malta Shipyard as from 3 June. The official hand-over ceremony was attended by Tonio Fenech, Minister of Finance, Economy and Investment, and Paolo Andrea Trabalza, Italian Ambassador to Malta. We have signed contracts with the Government of Malta for a total purchase price for the sale of shares worth €18m. We will also pay an additional annual payment of €1.66m over the coming 30 years. The transaction was conducted by our legal advisor Prof Giorgio Filippi."

The total area to be operated by Palumbo is some 221.257 m², which includes four drydocks – 360 m x 62 m, 262 m x 40 m, 216 m x 27 m and 98 m x 35 m and 2,000 m of quayside.

"After the Government of Malta issued a letter on 9 February, confirming that the privatisation negotiations had been successfully concluded with Italy's Palumbo SpA, in relation to the privatisation of the yard's ship repair facilities, the act of concession was made enforceable on 3 June." continued Pablo de Celis.

"The industrial strategy we chose was to start with a new staff selected on the basis of a careful assessment of competence and professionalism. Our primary interest is to fully meet the expectations of the Maltese economy. The acquisition of Malta Ship Repair, Cospicua, one of the largest repair yards in the Mediterranean, was part of the break-up of Malta Shipyards Group into four divisions. This allowed for the take-over of the repair division, moving this from public to private ownership. This also allows Palumbo to significantly increase its international profile.

"Palumbo will now become a major player in the centre of the Mediterranean, creating a real network and expanding business with four new dry docks. These four drydocks in Malta complement Palumbo's existing facilities in Naples (two floating docks) and Messina, Sicily (one graving dock – 80,000 dwt). Palumbo Malta Shipyards will be used for purposes of repair, conversion and maintenance of commercial

vessels and construction of mega yachts.

"Our restructuring plan will allow us to operate high standards in these market sectors, thus meeting the needs of our customers. The flexibility and optimisation of working time has been the basis of the success of Palumbo and we will try to replicate these principles in Malta."

The yard is already in operation, the first ship repaired being Winter Gerbruder's 30,241 dwt containership *Classica*. Since the opening, the yard has also repaired Fugro (Netherlands)'s research vessel *Nautical Tide*, which is undergoing a refit expected to last some six weeks, MT Management's 7,826 dwt containership *Evdoxia Carmela*, and Anamila's 9,282 dwt containership *Lim*, Swire Pacific Offshore (Singapore)'s OSV *Pacific Victory*, and Team Ship Management's 5,752 grt ro/ro vessel *OXL Lotus*.

Gibdock chief calls for safety first

The occupational health and safety management systems put in place by a ship repairer offer an insight into its entire business ethos, says Joe Corvelli, Gibdock chief executive.

A shipyard's safety culture is not defined by management talk, voluminous rules, shelves crammed with manuals or gimmicky slogans, according to Gibdock Chief Executive Joe Corvelli. Rather, it is a constantly evolving regime

Palumbo Malta Shipyards – re-opened



dedicated to best practice, permeating operations from shop floor level to senior management.

"It is easy for a company's mission statement, or for a managing director, to talk about a yard's commitment to health and safety," said Mr Corvelli, "but when a third party actually certifies that the commitment is being honoured, it means more than words."

Gibdock's health and safety management systems were recently recognised through OHSAS18001:2009 (Occupational Health and Safety Advisory Services) certification, after a two stage auditing procedure reporting to a Lloyd's Register Oversight Committee. Only through external auditing can customers be assured that any yard is doing its utmost to ensure safe practices are constantly observed, according to Mr Corvelli.

OHSAS 18001 is now referred to as a standard, not a specification, or document, as in its earlier edition. In demanding a specific and documented occupational health and safety management system, it provides a formal procedure to reduce the risks associated with health and safety in the working environment for employees, customers and the general public.

"As far as I am aware, very few shipyards in this region have secured this certification,"

said Mr Corvelli, "and I am not aware that any regional shiprepair and conversion yard has, other than Gibdock, This certification shows that we see health and safety as a fundamental building block in developing best practices across the business."

Mr Corvelli is also proud of the yard's commitment to the environment, denoted by the award of ISO14001:2004 accreditation for its Environmental Management System, and of its Quality Management System, accredited by Lloyd's Register to ISO9001:2008. However, he believes that it is the OHSAS18001 certification that truly sets the yard apart.

"In the case of Health and Safety, the key is to be forward thinking, and to improve processes and systems before accidents happen. Implementing this scheme has involved a real cultural change at the yard.

"Health and Safety legislation is specific and involves developing a complete regime to train employees, monitor statistics when accidents happen, analyse those statistics and ensure that the potential for similar accidents to happen in the future is minimised."

Chris Inwood, of occupational health and safety specialist Gibraltar-based Safety & Project Management, who was given responsibility to

develop the Gibdock's new safety management system, said that it had been critical that the safety plan fitted in with existing practices:

"A carefully planned strategy was developed and agreed with Gibdock management that clearly identified that OHSAS 18001 was compatible with the second accreditation we were attempting to gain (ISO 14001:2004) and Gibdock's existing ISO 9001:2008, which allowed us to explore the possibilities of designing a management system that could integrate quality, environmental practices and occupational health and safety.

"It was important for us to ensure that a methodical approach was taken in developing the various elements of a management system. We first started in developing the policy statements which demonstrate the commitment from top level management. Once these had been agreed, we started development of the Integrated Management System (IMS), which establishes the necessary operational mechanisms."

Mr Inwood said that the new safety practices had been felt across the yard. "Working practices in general have been improved in the dockyard through observing this accreditation, as all members of staff and sub-contractors now have a clear, concise and uniform approach

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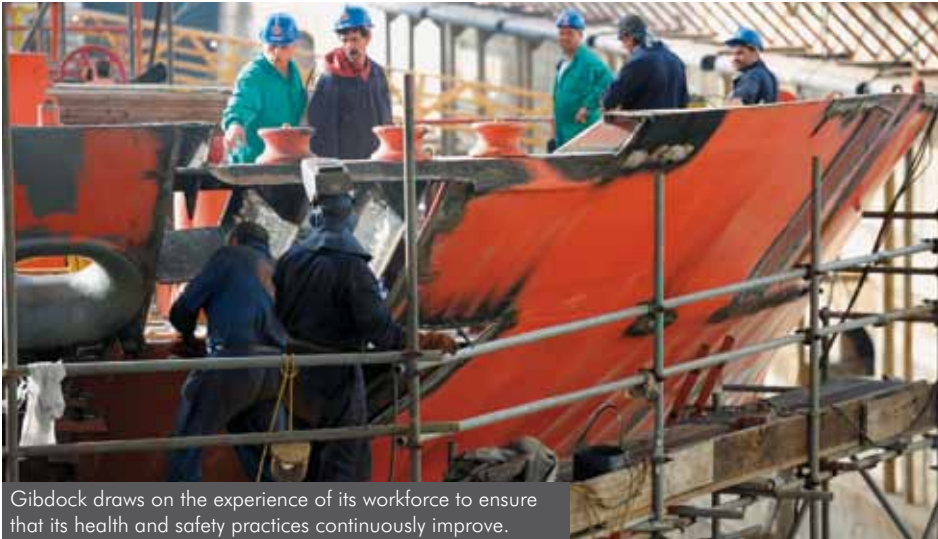
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Gibdock draws on the experience of its workforce to ensure that its health and safety practices continuously improve.

to health & safety. The accreditation shows a commitment from top level management which naturally filters down through the company. Working practices can always be improved, and the accreditation has helped the company to ensure that these are reviewed by all levels of staff and improved upon where possible.

"The most significant area of improvement has come through, and will continue to come through the workforce's direct involvement in health and safety – rather than this just being considered a management issue. Worker involvement ensures that risk assessments for all activities not only address the key hazards and risks but also enable assessments to be produced which are practical."

Gibdock Health and Safety Manager Andrew Eastwood said that, since implementing the new system, gains in safety had been tangible. "Since gaining the accreditation, the Accident Frequency Rate (AFR), the Recorded Injury Rate (RIR) and the Riddor Frequency Rate (RFA) have all reduced. This is evidence of the fact that all staff are being more proactive in the reduction of accidents in the workplace by identifying hazards and risks at an early stage, so that they can be effectively eliminated, reduced or controlled."

Mr Inwood said that one of the challenges faced had been integrating a new regime, but at the same time limiting the number of 'files on shelves'. "We wanted a system that was user friendly and also appealing to use for all members of staff, which could also be securely accessed. After some trial and error, a suitable design was established which enabled us to start building the management system. We then had to mandate the reviews, to ensure conformance with the requirements of the IMS system, and then looked towards the continual improvement of the IMS.

"Throughout the entire process we were aware that it was important to ensure that all levels of staff were informed, so that constructive

feedback could be generated and the system was specific to Gibdock. This had major benefits in making sure that all staff was part of the process in the development (an important aspect for the future continual development of Gibdock's IMS)."

Setting up the systems for effective health and safety management is only a first step. Monitoring, measuring and maintaining best practice also require formalised procedures. Again, only through the logging and full investigation of incidents can an organisation improve its health and safety standards through what OSHAS terms 'non conformity management procedures'.

Mr Inwood said that the implementation of the IMS offered a clear indication that Gibdock "recognises that the returns on ISO certification in practice include cutting costs, improved production efficiency, decreased liability and a competitive advantage, as well as improved regulatory compliance, risk management against enforcement penalties, pollution prevention, waste reduction, improved employee health and safety and an enhanced image in the community of Gibraltar and ship repairing."

Mr Eastwood said that within OSHAS 18001, the shipyard had also made a commitment to communicating the yard's safety ethos to the wider community and market place, as well as establishing procedures to control communication about occupational health and safety with those visiting the yard.

Gibdock was striving to extend the safety culture observed in the yard to the ships in dock and alongside, he said. "The processes in the yard have been set up for the acceptance of ships, with health and safety the priority," he said. "As well as ensuring safe systems at work in the yard, we try to instill safe systems of work on board ships. Therefore, we are offering pre-project risk assessment and planning, and keeping full safety records, and we also send our staff on board ships to deliver health and

safety induction presentations to masters and crew alike covering their time in the yard. Of course we respect the ownership of the ship, but our aim is to ensure good health and safety and environmental practice throughout a given project."

Because of the diversity of customers at Gibdock, Mr Eastwood said the level of pre-checking before ships were allowed to dock or come alongside at the yard was high, as witnessed in the case of gas carriers. "Before the ships arrive, we dispatch staff to ships approaching in the bay to check that the ship is safe to come into port, for example, in order to isolate or clear the tanks."

Indeed, Mr Corvelli said that no function, no matter how seemingly insignificant or routine, should be beyond the reach of the health and safety agenda. "At Gibdock, we have regular 'toolbox talks', where a foreman talks to co-workers about any blip there may have been on safety – whether that be on harnessing, compressed gasses, or working in confined spaces. We see this as a crucial change in the culture of the yard, and something that is evident to customers visiting the yard. We want initiative to be taken on safety throughout the organisation, and these routine talks are delivered in a way that encourages contributions from all parties.

"The entire staff is showing an increasing awareness of, acceptance of and enlightenment about the new regime. What is in place is not perfect, but the present position is not the most important thing. What is most important is the direction we are heading and the rate of change. We are on the steep part of the learning curve, where change is aggressive and the 'light bulbs' are turning on regularly." **SRJ**

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