CHAPTER VII
CONCLUSION

The committee feels that since the system in interlinked with manning aspects, piece rate and other labour practices at different ports, it would be better left to the choice of the individual Ports and Dock Labour Boards to decide whether to adopt tonnage levy system or percentage levy system as the would prefer due to the following:

➢ Cost of surplus labour varies from port to port. The percentage of idle labour is high in the case of old Ports like Mumbai and Kolkatta, which results in high cost of levies be it percentage or a per tonne levy.

➢ As wage structures vary for category – ‘A’ Ports like Mumbai, Kolkatta & Chennai when compared to category ‘B’ Ports like Vizag, Kandla, Cochin, New Mangalore, Goa & Tuticorin, uniformity in levy structure cannot be achieved.

➢ Ports like Mumbai and Goa have arrived at a per tonne levy & wage structure due to their compelling needs to reduce the cost of idle labour to the end user and also to remain competitive whereas; other Ports are comfortable in following either a percentage levy or a per tonne levy structure or a mix of both.

➢ Levies are directly dependent on manning pattern. Unless & until there is uniformity in manning scales/pattern at all Ports & Dock Labour Boards, uniformity in arriving at a per tonne levy system cannot be thought of.

➢ The introduction of a per tonne levy system at this stage may result in Ports & DLBs charging more in the event of implementation or change-over to a need based manning pattern which is to be finalised by the Adjudicator of the National Tribunal.
This working group strongly advocates that all major Ports & Dock Labour Boards should in the first phase re-classify/categorise cargoes as provided in this report similar to as classified by the IPA in their submission to the National Tribunal looking into the fixation of uniform manning scales for similar tasks at major Ports.

Ports & DLBs should be left to decide what best suits them as they have to analyse what the market/user could accept in order to retain their captive cargoes and also to adapt to the changing trends in mechanization, need based manning pattern.

In the event of Ports & DLBs following the recommendation of this working in arriving at a tonnage levy rate, the Working Group is of the opinion that there cannot be a return on capital employed for labour supplied as the cost including levy is collected by a pre-paid system and hence there is no capital employed. Rather it could be termed as an 'Administrative Charge' with the same formula as illustrated in Chapter VI,b(vi).

A uniform per tonne levy system could be implemented only in the event of fixation of a uniform manning pattern for similar tasks in all major Ports.

The need for a user friendly/transparent cost system for supply of labour and their levies would automatically be achieved on the implemental of a uniform need based manning pattern for similar tasks at all Port.
ANNEXURES

ANNEXURE-I

MINUTES OF THE MEETINGS OF THE SUB GROUP

1. Minutes of the first meeting of Working Group on Cargo Handling Workers Levy under Tariff Authority for Major Ports held on 5th July 02 at 11 a.m.

The first meeting of the Working Group was held at the National Institute of Port Management, Chennai, which was attended by the following members.

Shri S. Sathyam, Chairman, TAMP presided over the meeting. The other members present were S/Shri C.S. Venkataraman, Director, TAMP, R. Jayamohan Pillai, I.A.S., ex-Director, NIPM and Chairman of the Sub Group, P.K. Abraham, Traffic Manager, Chennai Port Trust and Member Secretary of the Group, C.S. Murthy, Traffic Manager, Mumbai Port Trust, S. Mehdi Jalali, President, Federation of Ship Agents’ Association of India, John Menezes, Hon’ Secretary, Kanara Chamber of Commerce and Industry, R.V. Umashankar, Secretary, Chennai Port Stevedores Association and K.V. Krishna Kumar, Secretary, F.A.S.

After thanking National Institute of Port Management for the facilities extended and expressing his regrets for the inconvenience caused to Shri Menezes who reached New Delhi because of the sudden change of venue, Shri Sathyam initiated the discussions by taking up the terms of reference of the working group. He stated that the terms of reference might not cover all aspects on the subject. The members should interact among themselves and analyse the terms of reference and suggest amendments, additions and alterations as needed. He then explained the backdrop of the events, which has necessitated the formation of the sub group. He mentioned that Dock Labour Boards, which were independent entities, are now being merged with the ports. Merger has been completed as far as Mumbai, Chennai, MORMUGAO, Cochin and Visakhapatnam Ports. It is expected that other ports will follow suit and hence, the working group has been constituted to specifically go into the levy structure and bring about a system, which is linked to the manpower engaged and the efficiency. He mentioned that he is aware of the proceedings before the Labour Appellate Tribunal. It may take a couple of years before the Manning issues are settled. The incentive payments and datum line are also hopelessly outdated and evaluation of the mechanization in the process of cargo handling has to be done to decide on appropriate datums. The Committee may have to hold sittings at different ports to understand the ground level practices and exceptions.

Shri Sathyam mentioned about the possibility of different types of systems for recovery of the levy.

- Entire cost included within the wharfage;
- Payment per worker per shift;
- Per gang + piece rate + levy system and
• Per tonne levy which has now been introduced in Kolkata and Goa.

The group would come out with a totally different model.

It was felt that details of the systems evolved by Kolkata and Goa have to be collected and studied. If Goa model is to be adopted the efficiency, parameters will have to be decided based on either vessel output per shift or hook output per shift by providing suitable cut off point and an incremental sliding scales.

It was indicated that other aspects and conditionalities have to be identified and listed out.

Shri Sathyam mentioned about an order with respect to the arrangement at Mumbai Port Trust. The considerations, which went in to, those also have to be analysed.

The Committee could even deliberate on whether rates should be denominated in dollars or otherwise.

Shri R. Jayamohan Pillai indicated that NIPM had conducted a study on the utilization of the labour and levy at Goa. He agreed to distribute copies of the same.

Shri Sathyam emphasized that the Committee need not feel constrained by the present terms of reference and can look at the issues independently and bring about a totally different scheme. It is left to the Committee to go about the whole process and schedule its meetings and come to conclusion within about six months time.

Members from the Stevedoring side indicated that there should not be any plan to accumulate profit or surplus. Self sufficiency should be the only consideration and contingencies are to be met by the special levy or contributions based on tonnage handled. Concept on “return on investment” should not be brought in the levy structure. Shri Sathyam mentioned about the tariff guidelines brought out in 1998 and proposal to hold another workshop on the subject in a couple of months. He therefore requested the members to bring out the criteria as early as possible so that even those aspects could be considered in the forthcoming workshop.

Shri Jalali mentioned about the work to be carried out in anchorage or stream and on the loss of time and the difficulty in getting any reasonable output because of the time lost in ferrying the workers between the shore and the ship.

Shri John Menezes mentioned about the training and the skill needed by the workers to avoid loss and damage to the cargo. He said that at the same time it should not be forgotten that a ‘private gain’ is the main motivating factor for giving higher output.

Shri Murthy mentioned about wage cuts and penalties to be imposed in case workers do not achieve the datum.

The Members analysed each of the terms of reference and indicated that they were more or less in agreement with those and if necessary they would suggest further additions/deletions to the same. Shri Sathyam requested the Members to have an initial brainstorming session in the afternoon among themselves before they depart. With that the meeting concluded.
The Committee Members met in the afternoon under the Chairmanship of Shri R. Jayamohan Pillai. Shri Shanmuganathan who is associated with the subject at NIPM was also requested to participate in the discussions in view of the fact that he had drawn up the levy system, which has been implemented in Goa. The Committee Members felt that as far as bulk cargo is concerned it may be necessary to go into the charter party terms and see whether cargo is on “liner out terms” or on “free in and out terms”.

It was decided to hold the next meeting at Visakhapatnam Port at 3 p.m. on Monday the 5th August 02. The members felt that Visakhapatnam Port should be requested to provide accommodation to all in their guesthouse. The Member Secretary agreed to circulate the draft minutes and also to confirm the time and venue of the next meeting. The meeting was concluded with thanks to the Chair.

2. **Minutes of the meeting or Working Group on Cargo Handling Workers Levy under Tariff Authority for Major Ports held at Visakhapatnam Port Trust on 5.8.2003 at 3.00 P.M.**

Present:

1. Shri R. Jayamohan Pillai, I.A.S., Former Director, N.I.P.M. 
   Chairman
2. Shri P.K. Abraham, Traffic Manager, Chennai Port Trust
   Member Secy
3. Shri C.S. Murthy, Traffic Manager, Mumbai Port Trust
   Member
4. Shri S. Anantha Chandra Bose, Traffic Manager, Tuticorin Port Trust
   Member
5. Shri S. Mehdi Jalaji, President, Federation of Ship Agents’ Assn. of India
   Member
6. Capt S. Seth, Director, Shahi Shipping Ltd, Mumbai
   Member
7. Shri K.V. Krishna Kumar, Secretary, Federation of Assn. of Stevedores
   Member
8. Shri R.V. Umashankar, Secretary, Chennai Port Stevedores Association
   Member
9. Shri John Prasad Menezes, Hon. Secretary, K.C.C.I., New Mangalore
   Member
10. Shri O. Shanmuganathan, Former Dy. C.A.O., Chennai Port Trust
    Co-ordinator
11. Shri G.S.S. Kumar, C.A.O.D.L.B., V.P.T.
    Invitee
    Invitee
13. Shri D. Bharat Kumar, Sr. Labour Officer, D.L.B., V.P.T.
    Invitee
14. Shri G. Ramasekhur Yaji, Dy. Traffic Manager, V.P.T.
    Invitee
15. Shri. Gangi Reddy, President, Federation of Associations of Stevedores
    Invitee

While welcoming the members, the Chairman of the Working Group on Cargo Handling Workers Levy constituted by Tariff Authority for Major Ports mentioned that basically the working group is concentrating on term of reference and inviting suggestions from the members on the terms of reference. He thanked the V.P.T. officials for having provided to the Working Group the presence of Stevedores of the Port and officials of Visakhapatnam Dock Labour Board and Port Trust at the meeting, which will help in the exchange of views and information enabling the Working Group to have a greater understanding on the cargo handling, levying patterns existing at Visakhapatnam Port.
Shri. P.K. Abraham, T.M., Chennai Port Trust and Member Secretary of the Committee stated that the terms of reference were aimed at studying and analyzing the existing systems of cargo handling levies (a) for on board workers and other allied workers (b) to consider modifying the present system of percentage levy on the wages as levies based on the output tonnage and by linking it to efficiency parameters. Therefore one of the aspects that the Committee is required to identify productivity parameters for major commodities, though it may not be required to determine per tonne rates.

Shri. Krishna Kumar, while welcoming the members to Port city of Vishakapatnam, stated that the terms of reference as well as the focus of the Committee is on arriving at a uniform system for all Major Ports for cargo handling workers levy. He felt that at the same time the system should be flexible. He further stated that V.P.T. is predominantly a bulk cargo handling port where introduction of a per tonne levy as existing at Goa, may be not be feasible.

Shri. Uma Shankar stated, that the outset, the working group should look into the aspect of what factors should constitute a cargo handling workers levy. He also stated that any cargo-handling workers levy should predominantly take care of the workers social security benefits with a bit of welfare measure. He further stated that analysing the positive and negative aspects of the tonnage system of levy should be carried out only after ascertaining what a levy should constitute. Capt. Seth was also of the same opinion on the issue of social security benefits to be taken care in the cargo handling workers levy.

Shri. G.S.S. Kumar, C.A.O., D.L.B., stated that as far as the V.D.L.B. is concerned, the charges were being collected in the form levy fixed as percentage on wages of the workers. Apart from the levy, direct wages of the workers deployed are also collected. There are two types of levy viz., General levy and Welfare levy. The percentage of general levy varies from cargo to cargo whereas welfare levy is at a fixed percentage of 25% for Thermal Coal and 28% on Import Cargo.

Further, he added that there are two schemes existing at VDL.B., Unregistered and Registered schemes. Registered Scheme workers work on board the vessels and the latter on the shore with interchangeability amongst both the schemes. Both the categories get the same wages now. Private workers, who initially worked on shore, were absorbed by the Port as unregistered workers. However, the difference between registered and unregistered is only on paper.

Further, the members were informed that there are no cargo handling workers' levies for Containers, Stuffing, De-stuffing etc., at VPT, with a view to promote the trade as the total Container throughput handled by the Port is only 18,000 TEUs.

To a query on the meaning of “fall-back wages” officials of VDLB clarified that it is the difference between the earlier rate and the rate effective now. If the rate was Rs.150/- and the workers is getting only Rs.100/- for that particular job, the difference of Rs.50/- is to be paid to the worker.

On stages of operations in import, it was clarified that first operation is from ship to wharf, second, from wharf to delivery point and third, wharf to wagons in the Port area and as far as Export operation is concerned 1) Receiving the Cargo and 2) Shipment.
On fixation of manning scales it was informed that there was no systematic study by professionals and it was evolved stage by stage in discussions with all parties concerned, especially the unions.

It was informed that there is no unanimity among stevedores to eradicate the Ghost money.

To a query raised by the members on the status of the merger of VDLB with V.P.T., Shri. Krishna Kumar informed that this process of merger may take some more time.

The members made the following observations.

- Any reduction in levy shall be passed on the consignee.
- There should be transparency in the collection of charges.

Shri. Murthy suggested that since the Ports have to pay Income Tax as per the Govt., directive, this aspect should be taken into account while working out the rates.

Members were unanimous in their opinion that if the minimum productivity per hook for any cargo handling operation to be arrived by this working group, should be based on average hook output of the last three years of the respective Ports.

It was pointed out that in Kandla Port, private workers are deployed indirectly, which increases the productivity and therefore no sound parameters can be derived by analysing the outputs achieved at the port.

While concluding the meeting, the Chairman thanked all the members for their kind cooperation and for valuable interactions. The next meeting of the Sub Committee has been fixed at MORMUGAO Port at 4.00 P.M. on 13th September 2002. Since MORMUGAO Port Trust has implemented a levy system based on handling cost on per tonne basis linking productivity, the committee felt that it should get feed back on the implementation of the system of charging on a per tonne basis linking it to productivity which is presently followed there.

(P.K.Abraham)

3. Minutes of the meeting of TAMP Working Group held on 13.09.2002 at 4.00 p.m in the Board Room of MORMUGAO Port Trust.

Present:
1. Shri R.Jaya Mohan Pillai - Chairman of the Group.
2. Shri P.K.Abraham - Secretary of the Group.
3. Shri A.C.Bose
4. Shri R.V.Uma Shankar
5. Shri S. Mehdi Jalali
6. Shri S. Seth
7. Capt John Prasad Menezes
8. Shri M. Francis
9. Shri L.O’Souza
10. Shri M.I. Murgudi
- Member
- Member
- Member
- Member
- Chairman (I/C), CHLD, MPT
- Traffic Manager, MPT.
Representing:

11. Shri T. Kesavan
12. Shri N.Y. Kumbhar
13. Shri Glen K.
14. Shri S.B. Marathe
15. Shri H.Y. Bhoi
16. Capt Brunc V. D’Souza
17. Shri D.H. Thakker
18. Shri Bharat Kavelkar
19. Shri A.P. Fernandes
20. Shri M.G. Amarnath

MORMUGAO Stevedores Association
- do-
Goa Minerals Ore Exporters Assn
- do-
- do-
Indian National Ship Owner’s Assn
SCI & Goa Chamber of Commerce & Industry
MORMUGAO Ship Agent’s Assn
- do-
- do-
Jindal Vijanagar Steel Ltd

At the outset Shri P.K. Abraham introduced himself and subsequently all the members present also introduced themselves.

He further explained that objective of the Committee was to study the Cargo Handling Workers’ Levy System for MGPT and to recommend a system for all Ports.

Shri Uma Shankar, Secretary of Chennai Port Stevedores Association appealed to those present to state that what is the best possible system to be used for cargo handling workers’ levy.

Shri P.K. Abraham read out the terms of reference given to them.

Shri J.L. Viegars of M/s. J.M Baxi, Stevedore and Ex-Chief Manager, CHLD/Traffic Manager stated that one of the conditions of the merger as requested by Stevedores Association was that the levy system prescribed as a percentage rate over Stevedores Association was that the levy system prescribed as a percentage rate over the wage should be abolished and per ton cargo handling rate should be implemented. This process was pending. There was a request of the association from time to time that the Port should implement per ton rate. Shri P. Viegas added that per ton rate is adopted at Calcutta Port. At Tuticorin Port they recover wages at actuals and levy on per ton basis with a slab system. There is productivity link system. Govt. of India has also appointed a study team of NIPM.

Shri Pillai, Chairman of the Committee stated that TAMP expected the Group to study the system which is linked with the productivity as it is unique. This system is working satisfactorily in Goa. They would recommend different modules to TAMP and it was for TAMP to accept suitable module.

Shri. P.K. Abraham stated that, most of the Port have a Wages + Percentage levy + Piece rate system. Adoption of a similar system as in a Goa should be looked at for all ports looking at the cargo mix and labour productivity. He wanted to know the views from Goa minerals Ores Exporters Association.

Shri. Glen K. of Goa Mineral Ores Exporters Association said regarding transhipper levy where no service are rendered and where they are not making use of workers. DLB levy should not be enforced. He continued that they have submitted our objection to TAMP as far as the levy is concerned.

Shri. P.K. Abraham replied that recommending discontinuation of existing levies was beyond the scope of the Committee. He reiterated that this subgroup is studying the levy system and will take
note that where no services are rendered, levy may not changed. Shri L. D’Souza Chief Manager (IC) stated, the matter is in the High Court hence it is sub judice.

Shri. T. Kesavan, president Stevedores Association stated that it is time for them to ask some concessions. He said that the concession may be in the form of some relief by way of decrease in levies. To cover the outstanding such as WRC arrears the CHILD had devised certain levy. The outstanding has been fully recovered and there is no justification in keeping the same rate of levy. To add to this he stated that the labour force has been decreased to considerable extent and certainly there is some scope of decrease in levy, specially Notional Levy for Grab operation. He further stated that there is vast difference in the pay scale of old workers and new workers and CHILD old workers are very few and newly recruited workers are in majority. This may also be taken in view for considering the decrease in levy. He strongly protested on further hike of 19% levy. It was decided that the present system of levy charges would be continued for a period odd 2 years and later on a review may be made. The said period of 2 years has not been completed and MPT is proposing a further enhancement of 19% levy. He alleged that, MPT is doing this to meet the other expenses of the Port.

Shri. P.K. Abraham urged all others present to express their opinion on the per ton rate systems and wanted them to elaborate on good and bad aspects of it.

Shri. N.Y. Kumbhar, Secretary, MORMUGAO Stevedores Association briefly explained the financial implication on stevedores on this issue. He expressed his fear that in near future the traffic will decrease steeply. To support to this statement he informed that there is State Port of Panjim, which is a few Kilometers away from MORMUGAO Port. The Panjim Port is handling the cargo at a considerably low rate, as a result most of the traffic may be attracted to Panjim Port.

Shri. T. Kesavan further mentioned that some of the new general cargo is now being handled by new devices where the use of labour force is almost nil. So there is no justification in increasing the proposed levy.

To query from Mr. Menezes as to whether with the per ton rate the labour are handing the stevedores to ransom, Mr. Kesavan replied that there were cordial relations between employers and workers in the port.

Capt. B.V. D’Souza then stated that with the per ton rate and transparency introduced, the principals do not allow much margin to the stevedores.

Shri. Uma Shankar required FA & CAO, MPT to indicate whether the proposed hike of 19% levy is as a result of lower realization on account of any deficiencies in the initial fixing of per ton rates and slabs.

The FA & CAO, MPT informed that due to introduction of voluntary retirement scheme and also due to superannuation of large number of C.H.L.D workers there was a huge outward flow of cash and MPT is experiencing difficulties to keep stable the Port’s financial position and there is no other alternative but to increase the rate by 19%. To a question from Mr. J.P. Menezes whether the port cannot reduce their expenditure, FA & CAO replied that the Port is well aware of that and efforts are being made in that direction.
To this the FA & CAO replied that the pension liability of 800 ex-workers of CHLD was high. They have proposed to transfer Rs.30 Crores per year to the Pension Fund.

Mr. Kumbhar however, stated that the benefit of the present system was that they get only one bill for a vessel as against many in the past.

The Secretary of the subgroup said that date and venue of the next meeting will be fixed and intimated later.

Shri. Lawrence D' Souza, Chief Manager (I/C), Cargo Handling Labour Dept, MORMUGAO Port Trust proposed a vote of thanks to the Chairman and Secretary of Study Group and all invitees present for the meeting.

(P.K.ABRAMAH)

4. **Minutes of the sub-group on Cargo Handling Workers levy held on 12/3/2003 at Mumbai Port.**

The following members of the Sub-Group met on 12/3/2003 at 3.00 PM in the office of the Traffic Manager, MbP T to consider final recommendations on the fixation of a uniform policy for Cargo Handling Worker's Levy.

Shri P.K. Abraham  
Traffic Manager,  
Chennai Port Trust

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Member Secretary

Shri C.S. Murthy  
Traffic Manager,  
Mumbai Port Trust

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Member

Shri K.V. Krishnakumar  
Secretary,  
Federation Of Association Of Stevedores, Visakhapatnam

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Member

Shri R.V. Uma Shankar  
Secretary,  
Chennai Port Stevedores Association, Chennai

---  
Member

Shri S.Mehdi Jalali,  
President,  
Federation Of Shipping Agents Association Mumbai

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Member

Capt. John Prasad Menezes  
Hony Secy. Keel, New Mangalore

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Member

Capt. W. Gonsalves  
Director,  
M/S. Shahi Shipping Ltd., Mumbai

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Invitee
Welcoming the members, Shri. P.K. Abraham, Member-Secretary mentioned that Shri Mohan Pillai, Chairman of the committee could not come for the meeting because of the sudden advancing the Bihar Assembly sessions. He then drew the members’ attention to Chapter VI, the copy of which was faxed to them, wherein the final recommendations on the fixation of a uniform policy for Cargo Handling Worker’s Levy have been given and invited their views on the same.

With regard to manning (point no.2) to be considered, it was decided that the same would be without prejudice to the findings of the National Adjudicator.

With regard to the average hook (point no.3) to be determined, it was decided that the output for the preceding 3 years may be taken as the basis. The same should be revised every year as on 1st April.

With regard to cost of surplus labour (point no.4), it was expressed that the surplus at various ports is need to be eliminated over a period of 3 years.

With regard to the ideal strength (point no.5), the members were of the view that 35% proposed is too high, considering that in most cases it is the private labour who actually does the work and hence recommended that it should not be more than 10%. However wherever private labour is fully eliminated 35% as proposed may be maintained.

With regard to the recommendation that all administrative and welfare expenditure should be considered while fixing the levy (point no.6), members were not agreeable on certain details. The rate of levy is dependant on the employment. With the present scenario of competition from private port, employment cannot be guaranteed even up to 20 days a month. They were of the view that there should be a cap on administrative and welfare expenditures. It was recommended that in respect of administrative expenditure, levy should not accommodate more than 20% of the total wages and welfare expenditure shall not be more than 40%.

Shri. Abraham expressed that he would have to think over the percentages recommended for administrative and welfare expenses.

With regard to point no.7, it was expressed level of productivity depends upon the supervision on the output as also the level of mechanization. With regard to piece-rate, it was felt that the cost of piece-rate should be controlled to ensure that the same does not result in increase in cost of handling.

With regard to the condition at point no.9, members were of the view that the same should be deleted.

With regard to datum lines (point no.10), members expressed that there is no need to classify the datum’s and the same to be deleted. It should be left to the individual ports and recommended that Ports shall fix cargo datum lines as 80% of the average hooks output achieved of the preceding 3 years. In respect of new cargo, it is to be left to the discretion of the respective port. It will be preferable if the port follows the manning as decided by the National Adjudicator.
Members were of the view that all ports should have a uniform policy of charging levy, whether percentage of the total wages or on the basis of cost per tonne. The formula should be flexible but the method of calculation should be defined in the report.

Members felt that in the absence of the Chairman of the Committee, the report cannot be finalized. They also indicated a need to visit Kandla Port and ascertain how the DLI there is able to manage with a very low levy around 50% of the wages.

The meeting concluded with thanks to the Member Secretary and also to Traffic Manager, MnPT for the excellent arrangements made.

Members agreed to meet Chairman, TAMP at 2PM on the 13th instant to apprise him of the status of the reference and seek extension of time for 3 months to finalise the report.

-Sc-

(P.K.ABRAHAM)
Member Secretary
ANNEXURE-II

SUBMISSION MADE BY SRI. R.V. UMASAHLANKAR TO THE WORKING GROUP
CONSTITUTED BY TAMP LOOKING INTO CARGO HANDLING WORKERS'S LEVY

BRIEF HISTORY OF LEVY

Under the Dock Workers’ (Regulation of Employment) Act IX of 1948, Schemes for Regulation of Employment were formulated for the three Major Ports of Bombay (Mumbai), Calcutta (Kolkata) and Madras (Chennai) in the year 1950, 51 & 52 and were made operational from 1952, 53 & 54 in these Ports respectively, with a view to provide equitable opportunity of work to the workers and also have an optimum labour force for the efficient performance of dock work.

Under these schemes, the casual workers, after assessing the strength required, were brought under a register called the ‘Reserve Pool’ register. They were offered rotational booking and were paid wages for days they were booked for work, attendance money for days they were present but no work could be found / assigned and guaranteed minimum wages for 12 days in a month. In other words, if a worker reported for work on all days, as directed and if he was provided employment for below 12 days a month. If the worker does not report for work and absence excused he will be proportionately paid.

With the schemes in operation there were complaints from the Port Users, Port Trusts that the workers are not putting their best effort and were an undisciplined lot. The Unions also had complained that there were no improvements in standards of life for the workers and hence been put to hardship. The then Government in 1956 set up an enquiry committee called the ‘Dock Workers Enquiry Committee’ headed by Shri. Vashisht to go into the working of the schemes and also to suggest schemes to cover any other group of workers or operations. The Committee after a detailed study gave modified version of the schemes for the three Ports and also recommended extension of similar schemes to other Major Ports of Cochin, Kandla and Goa (New Mangalore & Tuticorin were not under Major Port Trust Act during that period).

A Few of the Key Recommendations were:

1. Attendance money to be provided to the workers up to 50% of their daily wage.
2. Minimum guarantee wages to be increased proportionately from 12 days to 21 days and an annual review of the employment opportunity of the lower category of workers is to be carried out.
3. Appointment of a ‘Labour Officer’ under the Administrative Body to look into the disciplinary aspect of the workers.
4. Introduction of Provident Fund to the workers.
5. Setting up welfare schemes with a separate levy for this, to provide welfare activities like medical, housing, school, canteen, sports, etc.
6. Board given powers to fix General Levy up to 100% and beyond this to obtain a Govt. sanction.
To introduce a piece-rate system, linking earnings on time rate wages to productivity with norms called ‘Datum’ fixed for different cargoes.

Levy was collected on percentage of time rate wages to defray the expenditure towards the following:

**General Levy:** Off wages, Leave wages, Holiday wages, Minimum Guaranteed payment, Provident Fund / Pension, Gratuity, Bonus and Administrative expenditure.

**Welfare Levy:** Medical, Housing, Canteen, LTC and Educational scholarships.

The idea of fixing a minimum guarantee wage and payment of attendance money was to show that these de-casualized workers were daily rated, paid monthly and not permanent workers. The minimum guarantee of 12 days was fixed on the concept of lay off – 7 days a week – one day off, balance of 6 days – 50% guaranteed employment 3 days x 4 weeks a month = 12 days.

The minimum guarantee wages was increased to 21 days only to show that these workers are daily rated and not monthly workers eligible for all 30 days wages. The concept was 7 days a week less 1 day off = 6 days less 1 day no pay = 5 days x 4 weeks a month = 20 days + 1 day to cover the average of 30 day & 31 day months.

Also in view of the fact that the nature of dock work had varying factors, as far as workers charges are concerned a percentage levy as against a tonnage levy was found to be advantageous, since the levy was collected against supply of labour, which will also be an incentive for efficient utilization of the work force by the Employers / Stevedores.

**Calculation for Arriving at a Charge of a General Levy**

<table>
<thead>
<tr>
<th>Description</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Off wages</td>
<td>52 days (52 weeks a year x 1 day off a week)</td>
</tr>
<tr>
<td>Leave wages</td>
<td>30 days</td>
</tr>
<tr>
<td>Half pay leave wages</td>
<td>10 days</td>
</tr>
<tr>
<td>Casual leave wages</td>
<td>15 days</td>
</tr>
<tr>
<td>Holiday wages</td>
<td>15 days</td>
</tr>
<tr>
<td>Pension / Prov. Fund</td>
<td>45 days (Pension / PF based on gross salary including piece-rate wages if worked to 50% of the monthly wages)</td>
</tr>
<tr>
<td>Gratuity</td>
<td>45 days (Similar to the above &amp; based on the last paid drawn)</td>
</tr>
<tr>
<td>Bonus @ 20%</td>
<td>72 days</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>284 days</strong></td>
</tr>
</tbody>
</table>

The above working is devoid of costs of minimum guarantee wage amount or the difference in average employment if a worker is monthly paid as in the case of DLBs merged with Port Trust.
ANALYSIS:

For example, if a worker gets employment for all the 26 days in a month and his daily wage is Rs. 10/- per day and the levy collected by a Board is 100% on time rate wages.

- Earning for Board on the worker: $26 \times 12 \text{ months} \times \text{Rs.} 10 = \text{Rs.} 3120\text{-}\
- Cost of labour on the administration: $284 \text{ days} \times \text{Rs.} 10 = \text{Rs.} 2840\text{-}\

$2840 / 3120 \times 100 = 91\%$ is cost of labour & the balance 9% would be towards administrative costs.

ACTUAL ANALYSIS:

Chennai Port – Time rate wage for an On-Board supervisor for the quarter 01-07-2002 to 30-09-2002 is Rs. 616.43/-. Presently a General levy of 190% is collected on this time rate wages. Average employment opportunity based on April & May 2002 figures provided to the Working Group, is 19 days.

Time Rate wage collected by the Board: $\text{Rs.} 616.43 \times 19 \text{ days} \times 12 \text{ months} = \text{Rs.} 140546.04$

Costs of labour for the Board: $\text{Rs.} 616.43 \times 284 \text{ days} = \text{Rs.} 175066.12$

The General levy to be collected towards cost of an On-Board Supervisor works out to 125%. The balance of 65% is currently being appointed towards administrative costs, which also covers the variation due to wage revisions, etc.

CONCLUSION:

From the above an inference can be drawn that a levy is charged only on supply labour to defray the costs such as off wages, attendance money, bonus, pension, etc. and is directly dependent on the utilization of labour. Higher the utilization of labour, the cost of levies will be lower and vice versa. Therefore, primarily the Port / Dock administration should have an optimum work force depending on their traffic profile.

The per tonne levy system followed by MORMUGAO Port Trust would not be feasible for other Ports, mainly due to the following:

- Traffic profile / cargo mix at Goa, is much different from other Ports.
- The total strength of workers at Goa as of 01-06-2002 only 324 as against 4804 in Mumbai, 1251 in Vizag, 1110 in Chennai, 863 in Kandla.
- Average employment per worker (both categories) at Goa as of May 2002 not more than 13 days a month. Infact, an average employment of less that 10 days per worker had resulted in high levies in the past being imposed like Grab Crane levy of 465 %.
- Per tonne system at Goa has been buffered by 30 % to cover for increase in VDA & Wages and still they have sought an increase of 19 % from the present costs to TAMP.
- Variance in hook output very minimal at Goa predominantly due to Mechanical handling.
Award of the adjudicator on need based manning is yet to be finalized. The concept of deploying cargo-handling workers will be on need and not a fixed number of workers in gangs as prevailing now in all the Ports. The variance in demand and supply of labour after the introduction of this need based manning will be dependant on type of cargo, type of equipments, stowage, type of vessel, etc. Therefore it would be practically impossible to assess the requirement to an employer / stevedore's need of labour, which will vary from stevedore to stevedore even for a similar cargo and also shift-to-shift.

Lack of flexibility in per tonne levy to adapt to a need based manning pattern in the future. The present per tonne levy is based on fixed number of men in a gang, which will certainly not be the scenario in a need based manning in future. Therefore a fixed per tonne levy will be higher when compared to a percentage levy based on a flexible need based manning.

A per tonne levy based on productivity as adopted at Goa may lead to higher payment towards speed money to workers and the element of worker extortion will definitely increase beyond redemption.
COMMENTS OF CAPT. JOHN P. MENEZES

To: Chennai Port Trust, Chennai
Cc: P.K. Abraham &/#8211; Traffic Manager - CIHPT
     Member Secretary Working Group (TAMP)
Dt.: 7th Jan. 2003
Sub.: To arrive at a uniform policy for Cargo Handling workers Levy on per tonne basis.

This has reference to the E-mail dated 3rd Jan. 2003. After studying the matter presented the suggestions/comments are as follows:

To arrive at a uniform policy for Cargo Handling Workers Levy on a per tonne basis

1. Present Levy worked out at NMPT cannot be translated into per tonne rate as

   a) The datum of cargo handled per hook, per shift is ridiculously low. The last three years average rate of cargo handled is nearly ten times the datum.

   b) The gang strength for different commodities is far in excess of the requirement e.g. for discharge of bulker cargo by grab discharge is 22 persons.

   c) We agree that surplus labour has to be accounted and allowed for a further period of 3 years, but a start can be made to retire medically unfit labour and also those with record of indiscipline. Without attending to the above three main ingredients no realistic levy can be worked out.

2. There has to be a capping limit on the administrative expenditure (12% - 15% of basic wages) and welfare expenditure (15%-18% of basic wages).

3. The levy should not be merged with the vessel related charges as 88% of the total cargo handled in NMPT do not require the services of cargo handling workers and merging levy with Vessel related charges would tantamount to unfair cross subsidization on a national basis too.

4. With the modernization of ships and cargo handling equipment it is recommended that any recruitment of Cargo Handling workers should have a minimum qualification of X standard. They should be imparted scheduled training on Safety, Discipline and Correct healthy practices.

5. The Tariff Authority should not get into the aspects of Charter Party agreements, liability, claims etc. as there are changing trends with the emergence of multimodal operators. The Port should concentrate on its role as a facilitator and an interphase of the transport industry.

6. To strengthen the hands of the Port administration and effective implementation of the policy, clear cut instructions should be issued to the ports on fixing of datum, manning strength, average hook (gang) shift output. There has to be a time bound policy for implementation of datum and manning strength.

Note: Would very much appreciate to an early intimation for the TAMP Working Group concluding meeting date. Looking forward for the same to be around the 20th of this month in Mumbai. FYI the undersigned will be proceeding to U.S. and will be out of this country from the 5th to the 25th of February 2003.

Best Regards,

CAPT. J.P. MENEZES
HON.SECRETARY-KCCI
To: Chennai Port Trust, Chennai
KA: P.K. Abraham & # 8211; Traffic Manager - CHPT
Member Secretary Working Group (TAMP)
Date: 10th Jun. 2003

Sub: CARGO HANDLING WORKERS LEVY.

Further to our fax of 7th January 2003 the Stevedores at Mangalore have brought up the following to the notice of the Chamber of Commerce. Kindly refer to your message dated 2.01.2003 against the comments made.

1) 9.1 & # 8220;Ports may prescribe special datum line for a particular type of cargo if its through put exceeds 5% the total cargo handled excluding liquid bulk & # 8221; Comments: This should be made more positive to strengthen the hands of the Port Administration and the word & # 8220;may & # 8221; should be substituted by & # 8220;are instructed to& # 8221; It will now read as Quote: Ports are instructed to prescribe datum line & # 8230; & # 8230; & # 8230;& # 8230; liquid bulk.
Unquote.

2) 9.2.1. Granite Blocks being loaded at NMPT vary from 6 MT to 40 MT. These are much easier to handle than other heavy lifts like machinery in Crates/cases which are more bulky. Hence Granite Blocks and unrelated heavy machinery, construction blocks or any other cargo of more density than 3 MT / Cu.m should come under a separate category for working out datum.

3) In Para 3 of our fax we have indicated that we are not in favour of merging cargo handling levy into the Vessel related charges. We would appreciate advising us of the reasons the Cochin Port Trust has adopted a measure of apportioning equally and adding the erstwhile Dock Labour Board cost into Cargo related and Vessel related charges.

4) Your penultimate para reads quote: therefore it would be better have the element of labour cost or in other words, cargo handling workers levy prescribed independently as long as stevedores licensed by the ports carry out the operations. unquote. Our Comments: Who else do you have in mind to carry out the operations? It would be discriminatory to have two different yardsticks for different parties.

5) Finally there have to be prescribed disciplinary measures on any party not carrying out the cargo operations within the framework of the rules.
NOTE: Once again please note will be in Mumbai between the 22nd to the 26th of January 2003. Will be proceeding to U.S. for a month in February. Looking forward to hearing from your good selves.
Best Regards,

Capt. John P. Menezes
Hon. Secretary-KCCI
D.D.No.__122./GS. 

Patna, the 23rd October, 2003.

Dear Shri Abraham,

I have gone through the report of the Working Group and I am in agreement with the conclusion. Given the manning pattern in different ports, it may not be possible to have a per tonne levy as implemented in Goa port. I am unable to attend this meeting and you may kindly convey the same to Chairman, TAMP.

Shri P.K. Abraham,  
Member Secretary, 
Traffic Manager, 
Camp - Mumbai.

Yours sincerely, 

(R.J. M. Pillai)
REPORT PREPARED BY

SHRI R.JAYAMOHAN PILLAI, I.A.S.,
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CHAIRMAN OF THE WORKING GROUP

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Traffic Manager,
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