

Impacts from proposed changes to Marine Order 503 (Certificates of survey — national law) 2018
Estimated Annual Regulatory Costs & Savings

AMSA is required under the Australian Government Regulatory Burden Measurement framework to give consideration to the compliance costs imposed on businesses, community organisations and individuals as a result of proposed regulatory changes.

The Regulatory Burden Measurement framework considers the regulatory costs and savings resulting from regulations on businesses, community organisations and individuals. Costs are measured over a 10-year time frame against business as usual costs. Costs include administrative, operational, time and delay costs. Some costs are excluded, such as fees paid to government and the costs of international treaty obligations. Further details about the framework and costing methodology are provided at: <https://oia.pmc.gov.au/resources/guidance-assessing-impacts/regulatory-burden-measurement-framework>

This regulatory costing has been prepared consistent with the requirements of the framework. It shows each compliance cost covered by the framework and explains the cost calculations, including the assumptions and data sources used. Stakeholder comments are invited on the regulatory costing.

The regulatory costing includes the following information:

Table A - provides a summary table showing the outcomes of this regulatory costing for each stakeholder group.

Table B - details the estimated additional regulatory costs or savings incurred by businesses as a result of the proposed changes to regulations.

Table A: Summary of Estimated Total Annual Net Regulatory Costs from this proposal

Stakeholder Group	Total Annual Net Costs (\$000)
Businesses	-\$ 294.50
Community Organisations	\$ -
Individuals	\$ -
TOTAL	-\$ 294.50

Table B: Estimated Annual Regulatory Costs & Savings to Businesses

No.	Proposed new or changed requirement	Cost category	Number of affected businesses per year	Average annual cost or saving per business	Total annual net cost	Comments
1	<p>Vessel and equipment standards for new vessels</p> <p>It is proposed to allow new vessels <35m in length to only comply with updated standards for the specific vessel elements affected by a Schedule 1 change. Such a vessel will no longer need to comply with the full range of updated standards when a Schedule 1 change has occurred.</p>	Purchasing	6	-\$ 10,800.00	-\$ 60,000	<p>Net savings are based on an estimated 10 affected new vessels <35m in length that have a Schedule 1 change each year, with an estimated average of 1.8 vessels per business (based on AMSA data). The reduced compliance cost for affected vessels includes the avoided additional works that would otherwise be required to ensure the vessel complies with modern standards when a Schedule 1 change occurs. Compliance cost savings are based on an estimated average of \$12,000 in vessel works, including material, survey, time and travel costs, taking into account the average size and type of affected vessels (based on industry and AMSA data). It is assumed that 50% of these works would be required anyway where they relate directly to the Schedule 1 change that occurred, so that only other unrelated works are counted as a saving. An estimated \$91.86 per hour wage rate is used (based on publicly available national wage rates for masters of applicable vessels), including on-costs and overheads at standard Office of Impact Assessment (OIA) rates. Compliance cost savings are shown as an average annualised figure over 10-years and apply only once per business over the 10-year period.</p>

No.	Proposed new or changed requirement	Cost category	Number of affected businesses per year	Average annual cost or saving per business	Total annual net cost	Comments
2	<p>Schedule 1 vessel changes</p> <p>It is proposed to amend Schedule 1 to reduce the number of vessels captured, which would only apply when specified changes occur.</p>	Purchasing	14	-\$ 36,000.00	-\$ 500,000	<p>Net savings are based on an estimated 25 affected vessels per year, with an estimated average of 1.8 vessels per business (based on AMSA data). The reduced compliance cost for affected vessels includes the avoided additional works that would otherwise be required to ensure the vessel complies with modern standards when a Schedule 1 change occurs. Compliance cost savings are based on an estimated average of \$20,000 in vessel works, including material, survey, time and travel costs, taking into account the average size and type of affected vessels (based on industry and AMSA data). An estimated \$91.86 per hour wage rate is used (based on publicly available national wage rates for masters of applicable vessels), including on-costs and overheads at standard OIA rates. Compliance cost savings are shown as an average annualised figure over 10-years and apply only once per business over the 10-year period.</p>

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3	<p>Criteria for the variation of a certificate of survey</p> <p>It is proposed to allow the National Regulator to vary a certificate of survey on application for a reduction to the maximum number of people allowed on board a vessel. Currently an applicant must apply for a new certificate of survey to do this. This change will result in businesses paying a lower fee to AMSA.</p>	Permission	0	\$ -	\$ -	There are no net savings shown for this item because fees payable to government (AMSA) are excluded under the Australian Government Regulatory Burden Measurement framework costing methodology.

No.	Proposed new or changed requirement	Cost category	Number of affected businesses per year	Average annual cost or saving per business	Total annual net cost	Comments
4	Periodic survey for vessels	Purchasing	66	\$ 4,050.00	\$ 265,500	Additional costs are based on an estimated 118 affected existing vessels per year, with an estimated average of 1.8 vessels per business (based on AMSA data). It is estimated that affected vessels will require a weighted average of 1.8 additional surveys over 10 years, taking into account that an estimated 20% of affected vessels will be part way through the 5-year survey cycle at the time of the change (based on AMSA data). Compliance costs are based on an estimated average of \$1,250 in survey costs, including time and travel costs, taking into account the average size and type of affected vessels (based on industry and AMSA data). An estimated \$91.86 per hour wage rate is used for the time to complete surveys (based on publicly available national wage rates for masters of applicable vessels), including on-costs and overheads at standard OIA rates. Compliance costs are shown as an average annualised figure over 10-years and apply only once per business over the 10-year period.
	It is proposed to increase the survey frequency of vessels with a hull made from traditional timber from the next issue of its certificate of survey. It is further proposed to remove the consideration of the hull material when determining if a vessel over 15 years requires a higher survey frequency.					

No.	Proposed new or changed requirement	Cost category	Number of affected businesses per year	Average annual cost or saving per business	Total annual net cost	Comments
5	<p>Definitions and interpretation</p> <p>It is proposed to clarify that existing vessels that are issued a certificate of survey for the first time will become a transitional vessel and must meet the relevant transitional standards. This only applies to existing vessels that previously did not have a certificate of survey due to operating under an exemption.</p>	Procedural	0	\$ -	\$ -	There are no additional costs shown for this item because this is a minor administrative change to align existing requirements with current administrative practice. It is not expected to have any regulatory impacts or affect compliance costs for industry.
6	<p>Certificate of survey timeframes</p> <p>It is proposed to change the timeframe from 2 years to 5 years for the maximum length of time that: (1) a new vessel can re-enter survey while still using the standards that applied to the vessel when it was first issued a certificate of survey; (2) a vessel last held a certificate of survey when applying for a renewal; and (3) before a vessel with an expired certificate of survey is required to undergo an initial survey before a certificate of survey can be issued.</p>	Procedural	0	\$ -	\$ -	There are no additional costs shown for this item because this is a minor administrative change to align vessel surveys with the existing 5-year survey cycle and provide flexibility for vessels when renewing a certificate of survey. It is not expected to have any regulatory impacts or affect compliance costs for industry.

No.	Proposed new or changed requirement	Cost category	Number of affected businesses per year	Average annual cost or saving per business	Total annual net cost	Comments
7	Sister vessel arrangements It is proposed to clarify existing 'sister vessel' arrangements.	Procedural	0	\$ -	\$ -	There are no additional costs shown for this item because this is a minor administrative change to clarify existing sister vessel arrangements. It is expected to result in only very minor regulatory impacts and additional compliance costs for industry (if any) that cannot be reasonably measured or verified.

No.	Proposed new or changed requirement	Cost category	Number of affected businesses per year	Average annual cost or saving per business	Total annual net cost	Comments
8	<p>National Regulator determinations</p> <p>It is proposed to allow the National Regulator (AMSA) to make determinations under SAGM on its own initiative.</p>	Procedural	0	\$ -	\$ -	There are no additional costs shown for this item because this is a minor administrative change to provide the National Regulator with the ability to resolve an error or non-compliance to ensure the standards are applied appropriately. It is not expected to have any regulatory impacts or affect compliance costs for industry.

No.	Proposed new or changed requirement	Cost category	Number of affected businesses per year	Average annual cost or saving per business	Total annual net cost	Comments
9	National Regulator approvals It is proposed to allow the National Regulator to make approvals under SAGM on its own initiative.	Procedural	0	\$ -	\$ -	There are no additional costs shown for this item because this is a minor administrative change to provide the National Regulator with the ability to resolve an error or non-compliance to ensure the standards are applied appropriately. It is not expected to have any regulatory impacts or affect compliance costs for industry.

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10	<p>Suspension of certificate of survey</p> <p>It is proposed to increase the maximum period allowed for a suspension of a certificate of survey under subsection 41(2) and (2A) of the National Law from 6 to 24 months. This aligns with other certificate suspension periods allowed under the National Law.</p>	Procedural	0	\$ -	\$ -	<p>There are no additional costs shown for this item because this is a minor administrative change to align non-compliance provisions for certificates of survey with other existing non-compliance provisions. It only applies to non-compliant businesses and is expected to result in only very minor regulatory impacts and additional compliance costs for industry (if any) that cannot be reasonably measured or verified.</p>

No.	Proposed new or changed requirement	Cost category	Number of affected businesses per year	Average annual cost or saving per business	Total annual net cost	Comments
11	Criteria for revocation of certificate of survey It is proposed to amend the criteria for when the National Regulator may revoke a certificate of survey to include when: (1) the vessel has been in a marine incident; and (2) the vessel has ceased to be a domestic commercial vessel.	Procedural	0	\$ -	\$ -	There are no additional costs shown for this item because this is a minor administrative change to clarify existing revocation powers. It is expected to result in only minor regulatory impacts and additional compliance costs for industry (if any) that cannot be reasonably measured or verified.

No.	Proposed new or changed requirement	Cost category	Number of affected businesses per year	Average annual cost or saving per business	Total annual net cost	Comments
12	<p>Periodic survey flexibility</p> <p>It is proposed to allow a periodic survey in Year 3 to be completed within the 15 months before, or 3 months after, the date that corresponds to the expiry date of the certificate of survey.</p>	Procedural	0	\$ -	\$ -	There are no additional costs shown for this item because this is a minor administrative change to provide greater flexibility in complying with survey requirements. It is not expected to have any regulatory impacts or affect compliance costs for industry.
13	<p>Persons conducting surveys for novel vessels</p> <p>It is proposed to specify that novel vessels are to be surveyed by a recognised organisation. This would move existing requirements currently within the National Standard for Commercial Vessels (NSCV) to MO503.</p>	Procedural	0	\$ -	\$ -	There are no additional costs shown for this item because this is a minor administrative change to move existing requirements from other instruments. It is not expected to have any regulatory impacts or affect compliance costs for industry.

No.	Proposed new or changed requirement	Cost category	Number of affected businesses per year	Average annual cost or saving per business	Total annual net cost	Comments
14	Technical specifications for novel vessels It is proposed to outline the technical specifications that would apply to novel vessels and require a novel vessel to meet the technical specifications that apply to the vessel. The design and survey requirements for novel vessels align with current processes applied by Recognised Organisations to address the additional safety risks arising from novel vessel technologies.	Procedural	0	\$ -	\$ -	There are no additional costs shown for this item because this is a minor administrative change to clarify and formalise existing arrangements for novel vessels. It is not expected to have any regulatory impacts or affect compliance costs for industry.

No.	Proposed new or changed requirement	Cost category	Number of affected businesses per year	Average annual cost or saving per business	Total annual net cost	Comments
15	<p>Reporting requirements</p> <p>It is proposed to change reporting requirements to: (1) clarify that if an electrical survey is done by a licenced electrician or a person qualified for extra-low voltage survey, a copy of the report must be provided to the person conducting the commissioning survey for the vessel; and (2) require the National Regulator be notified: (a) by the transferee, when there is a vessel transfer of ownership, as opposed to the transferor; and (b) by the owner of the vessel, within 14 days, if the vessel has been damaged and an insurance claim has been made for that damage.</p>	Procedural	0	\$ -	\$ -	There are no additional costs shown for this item because this is a minor administrative change to existing reporting requirements. It is expected to result in only very minor regulatory impacts and additional compliance costs for industry (if any) that cannot be reasonably measured or verified.

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16	NSCV Part C2 (Design and Construction) It is proposed to specify that new vessels must meet the standards for watertight and weathertight integrity in the NSCV Part C2. This will align MO503 with recent changes to the NSCV.	Procedural	0	\$ -	\$ -	There are no additional costs shown for this item because this is a minor editorial change to align MO503 with recent changes to the NSCV Part C2. It is not expected to have any regulatory impacts or affect compliance costs for industry.
17	Engine International Air Pollution Certificate (EIAPP) It is proposed to remove the requirement to carry an EIAPP certificate for the issue of a certificate of survey. This will align with existing requirements in Marine Order 97.	Procedural	0	\$ -	\$ -	There are no additional costs shown for this item because this is a minor editorial change to remove duplication and align with existing requirements in Marine Order 97. It is not expected to have any regulatory impacts or affect compliance costs for industry.
18	Editorial changes It is proposed to make editorial changes to MO503, such as to present information in a clearer manner, through tables or descriptions; clarify existing standards that apply, or can apply; remove unnecessary provisions; remove unnecessary powers that exist elsewhere in legislation; and include notes to provide the reader with additional relevant information.	Other	0	\$ -	\$ -	There are no additional costs shown for this item because this is a minor editorial change to clarify existing requirements. It does not change existing requirements and is not expected to have any regulatory impacts or affect compliance costs for industry.

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			Total Annual Net Cost			-\$ 294,500	